

This meeting has been noticed according to the Brown Act rules. The Board of Directors meets regularly on the third Monday of each month, except in January and February. The meetings begin at 6:00 PM.



**AGENDA**  
**Special and Regular Meeting**  
**Board of Directors**  
**Monterey Peninsula Water Management District**  
\*\*\*\*\*

**Monday, August 16, 2021 at 5:00 PM, Virtual Meeting**

Pursuant to Governor Newsom's Executive Orders N-29-20 and N-33-20, and to do all we can to help slow the spread of COVID-19 (coronavirus), meetings of the Monterey Peninsula Water Management District Board of Directors and committees will be conducted with virtual (electronic) participation only using Zoom.

Join the meeting at this link:

<https://zoom.us/j/95808323912?pwd=Y3IBTDluU2xqcDdsWUpNRHZON0NrUT09>

Or join at: <https://zoom.us/>

Webinar ID: 958 0832 3912

Passcode: 08162021

Participate by phone: (669) 900-9128

**For detailed instructions on how to connect to the meeting, please see page 4 of this agenda.**

You may also view the live webcast on AMP <https://accessmediaproductions.org/>  
scroll down to the bottom of the page and select the Peninsula Channel

Staff notes will be available on the District web site at  
<http://www.mpwmd.net/who-we-are/board-of-directors/bod-meeting-agendas-calendar/>  
by 5:00 PM on Friday, August 13, 2021

**Board of Directors**

Alvin Edwards, Chair – Division 1  
Karen Paull, Vice Chair – Division 4  
George Riley – Division 2  
Safwat Malek – Division 3  
Amy Anderson – Division 5  
Mary L. Adams, Monterey County  
Board of Supervisors Representative  
Clyde Roberson – Mayoral Representative

**General Manager**

David J. Stoldt

This agenda was posted at the District office at 5 Harris Court, Bldg. G Monterey, California on Thursday, August 12, 2021. After staff reports have been posted and distributed, if additional documents are produced by the District and provided to a majority of the Board regarding any item on the agenda, they will be posted on the District website. Documents distributed on the afternoon of the meeting will be available upon request, and posted to the web within five days of adjournment of the meeting. The next regularly scheduled meeting of the MPWMD Board of Directors will be on Monday, September 20, 2021 at 6:00 PM.

**CLOSED SESSION, 5:00 PM**

**CALL TO ORDER / ROLL CALL**

**ADDITIONS AND CORRECTIONS FOR CLOSED SESSION BY DISTRICT COUNSEL-** *District Counsel will announce agenda corrections and proposed additions, which may be acted on by the Directors as provided in Sections 54954.2 of the California Government Code*

**PUBLIC COMMENT** -- *Members of the public may address the Board on the item or items listed on the Closed Session agenda.*

**CLOSED SESSION** -- *As permitted by Government Code Section 54956.9 et seq., the Board may recess to closed session to consider specific matters dealing with pending or threatened litigation, certain personnel matters, or certain property acquisition matters.*

CS 1. Conference with Legal Counsel – the board will confer with district counsel to review pending litigation pursuant to Government Code §54956.9.:

a. MPWMD v. California-American; CPUC Case No. C. 21-05-005

**RECESS THE BOARD TO MATTERS ON THE CLOSED SESSION AGENDA**

**REGULAR SESSION (Reconvene from Closed Session), 6:00 PM**

**CALL TO ORDER / ROLL CALL**

**PLEDGE OF ALLEGIANCE**

**ADDITIONS AND CORRECTIONS TO AGENDA** - The General Manager will announce agenda corrections and proposed additions, which may be acted on by the Board as provided in Sections 54954.2 of the California Government Code.

**ORAL COMMUNICATIONS-** *Anyone wishing to address the Board on Consent Calendar, Information Items, Closed Session items, or matters not listed on the agenda may do so only during Oral Communications. Please limit your comment to three (3) minutes. The public may comment on all other items at the time they are presented to the Board.*

**CONSENT CALENDAR** - The Consent Calendar consists of routine items for which staff has prepared a recommendation. Approval of the Consent Calendar ratifies the staff recommendation. Consent Calendar items may be pulled for separate consideration at the request of a member of the public, or a member of the Board. Following adoption of the remaining Consent Calendar items, staff will give a brief presentation on the pulled item. Members of the public are requested to limit individual comment on pulled Consent Items to three (3) minutes. Unless noted with double asterisks “\*\*”, Consent Calendar items do not constitute a project as defined by CEQA Guidelines section 15378.

1. Consider Adoption of Minutes from the July 16, 2021 Special Board Meeting, July 19, 2021 Regular Board Meeting and July 21, 2021 Special Board Meeting
2. Consider Expenditure of Funds for Consultant Services for Upgrades at the Sleepy Hollow Steelhead Rearing Facility
3. Consider Adoption of Resolution No. 2021-11 – Amending Fees and Charges Table- Rule 60
4. Consider Purchase of Spare Replacement Parts for Sleepy Hollow Steelhead Rearing Facility UV Unit
5. Consider Approval of the Watermaster Master Service Agreement

**GENERAL MANAGER’S REPORT**

6. Status Report on California American Water Compliance with State Water Resources Control Board Order 2016-0016 and Seaside Groundwater Basin Adjudication Decision

**REPORT FROM DISTRICT COUNSEL**

**DIRECTORS’ REPORTS (INCLUDING AB 1234 REPORTS ON TRIPS, CONFERENCE ATTENDANCE AND MEETINGS)**

- 7. Oral Reports on Activities of County, Cities, Other Agencies/Committees/Associations

**ACTION ITEMS** – *Public Comment will be received. Please limit your comments to three (3) minutes per item.*

- 8. Consider Approving and Authorizing the District to Enter into an Amended and Restated Water Purchasing Agreement for the Pure Water Monterey Project Expansion.

*Recommended Action: The Board should consider approval of the attached draft Amended and Restated Water Purchase Agreement and authorize the General Manager to sign it once CPUC approval is obtained.*

- 9. Consider Expenditure of Funds for Consultant Services Related to Annual Performance Evaluation of General Manager.

*Recommended Action: The Board authorize, and enter into, a contract with RJA Management Services to facilitate the annual performance appraisal of the General Manager at cost not to exceed \$18,000 to include contingency.*

- 10. Consider Expenditure of Funds for Prepayment of a Portion of Mechanics Bank Loan.

*Recommended Action: The Board should consider authorizing its Administrative Services Manager/Chief Financial Officer to prepay the Mechanics Bank loan in the amount of \$500,000.*

**INFORMATIONAL ITEMS/STAFF REPORTS** - The public may address the Board on Information Items and Staff Reports during the Oral Communications portion of the meeting. Please limit your comments to three minutes.

- 11. Letters Received Supplemental Letter Packet
- 12. Committee Reports
- 13. Monthly Allocation Report
- 14. Water Conservation Program Report
- 15. Carmel River Fishery Report for July, 2021
- 16. Monthly Water Supply and California American Water Production Report

**ADJOURNMENT**

Board Meeting Schedule			
Monday, September 20, 2021	Regular Meeting	6:00 pm	Virtual - Zoom
Monday, October 18, 2021	Regular Meeting	6:00 pm	Virtual – Zoom
Thursday, October 28, 2021	Special Meeting	6:00 pm	Virtual -- Zoom

Board Meeting Television and On-Line Broadcast Schedule View Live Webcast at <a href="https://accessmediaproductions.org/">https://accessmediaproductions.org/</a> scroll to the bottom of the page and select the Peninsula Channel	
Television Broadcast	Viewing Area
Comcast Ch. 25 (Monterey Channel), Mondays view live broadcast on meeting dates, and replays on Mondays, 7 pm through midnight	City of Monterey
Comcast Ch. 28, Mondays, replays only 7 pm	Throughout the Monterey County Government Television viewing area.

For Xfinity subscribers, go to <a href="https://www.xfinity.com/support/local-channel-lineup/">https://www.xfinity.com/support/local-channel-lineup/</a> or <a href="https://www.xfinity.com/stream/listings">https://www.xfinity.com/stream/listings</a> - enter your address for the listings and channels specific to your city.	Pacific Grove, Pebble Beach, Sand City, Seaside, Monterey
<b>Internet Broadcast</b>	
Replays – Mondays, 4 pm to midnight at <a href="https://accessmediaproductions.org/">https://accessmediaproductions.org/</a> scroll to Peninsula Channel	
Replays – Mondays, 7 pm and Saturdays, 9 am <a href="http://www.mgtvonline.com">www.mgtvonline.com</a>	
YouTube – available five days following meeting date - <a href="https://www.youtube.com/channel/UCg-2VgzLBmgV8AaSK67BBRg">https://www.youtube.com/channel/UCg-2VgzLBmgV8AaSK67BBRg</a>	

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 noon on Friday, August 13, 2021 to [joel@mpwmd.net](mailto:joel@mpwmd.net), or at (831) 658-5652. Alternatively, you may reach Sara Reyes, Admin Services Division 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: <https://zoom.us/j/95808323912?pwd=Y3lBTdlU2xqcDdsWUpNRHZ0N0NrUT09> 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: <https://www.zoom.us>
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.Select a phone number based on your current location for better overall call quality.

+1 669-900-9128 (San Jose, CA)	+1 253-215-8782 (Houston, TX)
+1 346-248-7799 (Chicago, IL)	+1 301-715-8592 (New York, NY)
+1 312-626-6799 (Seattle, WA)	+1 646-558-8656 (Maryland)
- 3.Once connected, it will ask you to enter the Webinar ID No. and press the pound key
- 4.It will then ask you to enter your participant ID number and press the pound key.
- 5.You are now connected to the meeting.

### **USING AN APPLE/ANDROID MOBILE DEVICE OR SMART PHONE**

- 1.Download the Zoom application through the Apple Store or Google Play Store (the application is free).
- 2.Once download is complete, open the Zoom app.
- 3.Tap “Join a Meeting”
- 4.Enter the Meeting ID number
- 5.Enter 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.
- 6.Tap “Join Meeting”
- 7.Tap “Join Audio” on the bottom left hand corner of your device
- 8.You may select either ONE of two options: “Call via Device Audio” or “Dial in”

### **DIAL IN**

- 1.If you select “Dial in”, you will be prompted to select a toll-free number to call into.
2. Select a phone number based on your current location for better overall call quality.

+1 669-900-9128 (San Jose, CA)	+1 253-215-8782 (Houston, TX)
+1 346-248-7799 (Chicago, IL)	+1 301-715-8592 (New York, NY)
+1 312-626-6799 (Seattle, WA)	+1 646-558-8656 (Maryland)
- 3.The phone will automatically dial the number, and input the Webinar Meeting ID No. and your Password.
- 4.Do not hang up the call, and return to the Zoom app
- 5.You are now connected to the meeting.

## **Presenting Public Comment**

Receipt of Public Comment – the Chair will ask for comments from the public on all items. Limit your comment to 3 minutes but the Chair could decide to set the time for 2 minutes.

- (a) Computer Audio Connection: Select the “raised hand” icon. When you are called on to speak, please identify yourself.
- (b) Phone audio connection **with** computer to view meeting: Select the “raised hand” icon. When you are called on to speak, dial \*6 to unmute and please identify yourself.
- (c) Phone audio connection only: Press \*9. Wait for the clerk to unmute your phone and then identify yourself and provide your comment. Press \*9 to end the call.

### Submit Written Comments

If you are unable to participate via telephone or computer to present oral comments, you may also submit your comments by e-mailing them to [comments@mpwmd.net](mailto:comments@mpwmd.net) with one of the following subject lines "PUBLIC COMMENT ITEM #" (insert the item number relevant to your comment) or "PUBLIC COMMENT – ORAL COMMUNICATIONS". Comments must be received by 12:00 p.m. on August 16, 2021. Comments submitted by noon will be provided to the Board of Directors and compiled as part of the record of the meeting.

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**ITEM: CONSENT CALENDAR****1. CONSIDER ADOPTION OF MINUTES FROM THE JULY 16, 2021 SPECIAL BOARD MEETING, JULY 19, 2021 REGULAR BOARD MEETING AND JULY 21, 2021 SPECIAL BOARD MEETING****Meeting Date:** August 16, 2021 **Budgeted:** N/A**From:** David J. Stoldt,  
General Manager **Program/  
Line Item No.:** N/A**Prepared By:** Joel G. Pablo **Cost Estimate:** N/A**General Counsel Review:** N/A**Committee Recommendation:** N/A**CEQA Compliance:** This action does not constitute a project as defined by the California Environmental Quality Act Guidelines Section 15378.**SUMMARY:** Attached as **Exhibits 1-A** through **1-C** are draft minutes of the MPWMD Board of Director's for its Special Meeting on July 16, 2021, Regular Meeting on July 19, 2021 and Special Meeting on July 21, 2021.**RECOMMENDATION:** The board will consider adopting the draft meeting minutes of the MPWMD Board of Director's for its Special Meeting on July 16, 2021, Regular Meeting on July 19, 2021 and Special Meeting on July 21, 2021.**EXHIBITS****1-A** Draft Minutes of the July 16, 2021 Special Meeting of the Board of Directors**1-B** Draft Minutes of the July 19, 2021 Regular Meeting of the Board of Directors**1-C** Draft Minutes of the July 21, 2021 Special Meeting of the Board of Directors







**EXHIBIT 1-A**

**DRAFT MINUTES  
Special Meeting  
Board of Directors**

**Monterey Peninsula Water Management District**

***Friday, July 16, 2021***

*Pursuant to Governor Newsom's Executive Orders N-29-20 and N-33-20,  
the meeting was conducted with virtual participation via Zoom.*

The meeting was called to order at 9:01 am by Chair Edwards.

**CALL TO ORDER**

*Directors Present via Zoom:*

Alvin Edwards, - Chair, Division 1  
Karen Paull, - Vice-Chair, Division 4  
George Riley, Division 2  
Safwat Malek, Division 3  
Amy Anderson, Division 5  
Mary Adams – Monterey County Board of Supervisors Rep.  
Clyde Roberson – Mayoral Representative

**ROLL CALL**

*Directors Absent:* None

*General Manager present:* David J. Stoldt

*District Counsel present:* David Laredo, Esq. with De Lay and Laredo

The Assembly recited the Pledge of Allegiance.

**PLEDGE OF ALLEGIANCE**

No Changes

**ADDITIONS AND CORRECTIONS TO  
AGENDA FOR CLOSED SESSION BY  
DISTRICT COUNSEL**

None

**PUBLIC COMMENT**

*District Counsel Laredo read into the record matters to be discussed during closed session and as listed on the agenda.*

**CLOSED SESSION**

1. Conference with Legal Counsel - the board will confer with district counsel to review two matters of potential/anticipated litigation. Government Code §54956.9(c).
2. Conference with Legal Counsel – the board will confer with district counsel to review pending litigation pursuant to Government Code §54956.9.:
  - a. MPWMD v. California-American; CPUC Case No. C. 21-05-005

- b. California American Water Co. v. MPWMD; Monterey County Superior Court Case No. 20CV003201
- c. Jenco, Inc. (JM Electric) v. Mercer - Fraser Co. & MPWMD, et al.; Monterey County Superior Court Case No. 21CV002034

The Board Recessed into Closed Session at 9:04 AM

**RECESS THE BOARD TO CLOSED SESSION**

Chair Alvin Edwards adjourned the MPWMD Board of Director's Special Meeting at 11:19 AM.

**ADJOURNMENT**

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Joel G. Pablo, Deputy District Secretary

Approved by the MPWMD Board of Director's on Monday, August XX, 2021.

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## **EXHIBIT 1-B**

DRAFT MEETING MINUTES  
**Regular Meeting**  
**Board of Directors**  
**Monterey Peninsula Water Management District**  
*Monday, July 19, 2021*

The meeting was called to order at 6:01 pm. Pursuant to Governor Newsom's Executive Orders N-29-20 and N-33-20, the meeting was conducted with virtual participation via Zoom.

### **CALL TO ORDER/ROLL CALL**

*Directors Present via Zoom:*

Alvin Edwards, Chair – Division 1  
 Karen Paull, Vice Chair – Division 4  
 George Riley – Division 2  
 Safwat Malek – Division 3  
 Amy Anderson – Division 5  
 Mary L. Adams – Monterey County Supervisorial Representative

*Directors Absent:* Clyde Roberson – Mayoral Representative.

*General Manager present:* David J. Stoldt

*District Counsel present:* David Laredo, Esq. with De Lay and Laredo

The assembly recited the Pledge of Allegiance.

### **PLEDGE OF ALLEGIANCE**

General Manager Stoldt noted the following additions and corrections to the Board Agenda:

### **ADDITIONS AND CORRECTIONS TO AGENDA**

Directed attention to and corrected the spelling of Announcements.

Under the Consent Calendar, Item No. 1 – Revised Title inserting “Regular Board Meeting” and was into the record as:

Consider Adoption of Minutes from the Monday, June 21, 2021 Regular Board Meeting

Under Action Items, Item No. 11 – Revised Recommended Action inserting “Assistant” and was read into the record as:

The Board will consider authorizing the General Manager to convert the Hydrology Technician Position to an Assistant Hydrologist Position at Range 30 on the MPWMD Salary Schedule.

A motion was made by Director Riley and second by Director Adams to approve the additions and corrections. The motion passed on a roll-call vote of 6-Ayes (Edwards, Paull, Riley, Malek, Anderson, Adams), 0-Noes and 1-Absent (Roberson).

General Manager Stoldt recognized Heidi Quinn’s 15 years of contributions to the district serving as legal counsel.

Chair Edwards thanked Heidi for her services with the district.

***Director Roberson joined the meeting at approximately 6:15 PM. All Directors present.***

The following comments were directed to the board during Oral Communications:

- (a) Anna Thompson: Expressed disappointment in the LAFCO of Monterey County’s decision to not grant conditional approval of the district’s latent powers.
- (b) Michael Baer: Asked the board to clarify and confirm that there will be another opportunity to make public comment on the LAFCO Item.

Chair Edwards responded and confirmed that the Board will consider additional public comment on the LAFCO matter.

No further comments were received during oral communication.

Chair Edwards acknowledged Vice-Chair Paull’s request to pull Item No. 1 from the Consent Calendar. No further requests were received by Chair Edwards to pull matters off the Consent Calendar from board members and members of the public.

A motion was made by Director Malek and second by Director Anderson to approve the Consent Calendar Items No. 2 through 6. The motion passed unanimously on a roll-call vote of 6-Ayes (Edwards, Paull, Malek, Anderson, Adams and Roberson), 0-Noes and 1-Absent (Riley).

Director Paull proposed corrections to Item No. 1, Exhibit 1-A include:

On Page 5 of 8, Item No. 27: Striking out the word “July” and inserting June.

On Page 7 of 8, Item No. 32: Striking out the word “Lair” and inserting Laird.

The Board, via Consensus approved Item No. 1 with suggested corrections to Item No. 1, Exhibit 1-A on a roll-call vote of 7-Ayes (Edwards, Paull, Malek, Anderson, Adams, Riley and Roberson), 0-Noes and 0-Absent.

**ANNOUNCEMENTS-** Recognition of Heidi Quinn’s contributions to the District.

## **ORAL COMMUNICATIONS**

## **CONSENT CALENDAR**

Approved.

Authorized the General Manager to enter into an agreement with Telemetrix, Inc. for consultant services in an amount not-to-exceed \$17,940.

Adopted the May 2021 Treasurer’s Report and financial statements, and ratification of the disbursements made during the month.

Authorized the General Manager to enter into a contract with Ecological Concerns Incorporated in the amount of \$19,120 with a 15% contingency for a total not-to-exceed amount of \$21,988.

Approved the expenditure of budgeted funds to renew supplies of conservation items for outreach events in amount not exceed \$7,005.66

Approved and direct the General Manager to sign the 2021 Annual Memorandum of Agreement with California American Water and the California Department of Fish and Wildlife.

David J. Stoldt, General Manager (GM) presented via MS PowerPoint entitled Status Report on Cal-Am Compliance with SWRCB Orders and Seaside Decision as of July 1, 2021. *A copy of the presentation is on file at the District office and can be viewed on the district website.*

GM Stoldt provided an overview of the slide-deck, and the following points were made: (1) The Monterey Peninsula Water Resources System (Carmel River & Seaside Groundwater Basin) still remains below target and Pure Water Monterey has continued to produce; (2) The total year to date for Monthly Deliveries/Production for Customer Service is ahead by 21 Acre Feet (AF) from the prior year. (3) Reported that the San Clemente Rain Gage did not have precipitation during the past 2 and a half months; (5) Displayed a historical graph on the San Clemente Dam noting that it is in the statistically critically dry group for WY2021 and the Streamflow at Sleepy Hollow WEIR noting that it is in the dry category.

GM Stoldt stated that the District is negotiations with California American Water on the Pure Water Monterey Expansion – Water Purchasing Agreement. He noted on the base project, Deep Injection Well (DIW) 3 is slated to come

1. **Consider Adoption of Minutes from the Monday, June 21, 2021 Regular Board Meeting**
2. **Consider Expenditure of Funds for Consultant Services for Sleepy Hollow Steelhead Rearing Facility Monitoring and Control Systems**
3. **Consider Adoption of Treasurer's Report for May 2021**
4. **Consider Authorizing a Contract for Landscape Design Services at the Santa Margarita Facility**
5. **Consider Expenditure of Budgeted Funds for Water Conservation Outreach Supplies**
6. **Consider Approval of 2021 Annual Memorandum of Agreement for Releases from Los Padres Reservoir Among California American Water, California Department of Fish and Wildlife, and Monterey Peninsula Water Management District**

#### **GENERAL MANAGER’S REPORT**

7. **Status Report on California-American Water Compliance with State Water Resources Control Board Order 2016-0016 and Seaside Groundwater Basin Adjudication Decision**

8. **Update on Development of Water Supply Projects**

online in mid-December, 2021 and DIW4 towards the end of December, 2021. Stoldt informed the board that Cal-Am's Desalinization application is still on file with the CA Coastal Commission and has not yet been put on Calendar to be considered by the commission. Stoldt responded to Director Riley's question, noting that a further update on Fort Ord Well No. 09S will be provided to the Water Supply Planning Committee at its August, 2021 meeting. Stoldt responded to Chair Edwards and explained further information on the Rationing Plan will be brought before the Water Demand Committee with a further update to the full board at a later date.

Stoldt covered the Summary of Status of 2021 District Strategic Goals report noting that most of the goals are underway except for the Sustainability Plan. He noted that Dr. Richard Garcia with RJS Management Services will be tapped to perform a performance evaluation on the General Manager.

District Counsel Laredo responded to Vice-Chair Paull on Goal No. 2(b). He advised the board that a hearing of public necessity can occur prior to a decision made by the LAFCo of Monterey County on the district's application. He further noted, due to the uncertainty of the decision coming from the commission it may be necessary to hold two public hearings of necessity.

District Counsel Laredo reported out from the Closed Session meeting on Friday, July 16, 2021. A status report on each of the matters was provided to the board, the board provided general direction and no reportable action was taken during closed session.

Director Anderson reported out on an ACWA Zoom Webinar entitled, "How Well Managed Water Supplies Went Dry" she had attended.

Director Riley informed the board that the Seaside Groundwater Basin Watermaster continues to cancel their meetings.

Director Edwards thanked the Monterey One Water Board of Directors for approving the Pure Water Monterey Expansion Projects.

Jonathan Lear, Water Resources Manager and Suresh Prasad, Administrative Services Manager/CFO provided background information and summarized the staff report.

No public comment was received for Item No. 11.

## **9. Report on Progress on Strategic Goals Adopted April 19, 2021**

### **REPORT FROM DISTRICT COUNSEL**

### **DIRECTORS REPORTS (INCLUDING AB 1234 REPORTS ON TRIPS, CONFERENCE ATTENDANCE AND MEETINGS)**

#### **10. Oral Reports on Activities of County, Cities, Other Agencies/Committees/Associations**

### **ACTION ITEMS**

#### **11. Consider Converting the Hydrology Technician to an Assistant Hydrologist Position at Step 30**

A motion was made by Director Roberson and second by Director Adams authorizing the General Manager to convert the Hydrology Technician Position to a Assistant Hydrologist Position at Range 30 on the MPWMD Salary Schedule. The motion passes unanimously on a roll-call vote of 7-Ayes (Edwards, Paull, Riley, Malek, Anderson, Adams and Roberson), 0-Noes and 0-Absent.

GM Stoldt provided background information and summarized the staff report on protective water levels in the Seaside Basin.

The following comments were directed to the Board:

- (a) Michael Baer: Inquired if the draft letter to the CA Coastal Commission addressed a vernal ponds, a threatened habitat for birds.
- (b) Susan Schiavone: Thanked the district for updating the draft letter to the CA Coastal Commission and echoed Director Riley’s sentiments on the Watermaster cancelling its meetings.
- (c) Eric Tynan, General Manager with the Castroville Community Services District: Noted that the valley does not seem to get much benefit from the PWM Expansion and wished the district considered desal.
- (d) John Tilley: Stated the board should look at the facts and numbers on Aquifer Storage and Recovery Unit and is glad to hear discussions on alternative water sources for long range planning.
- (e) Melodie Chrislock: Responded to Mr. Tynan’s comments. She noted that 40% of the water came from the Monterey Peninsula and a lot of which has gone to the Castroville area.

A motion was made by Director Riley and second by Director Malek to consider approving the draft letter to the California Coastal Commission with modifications to the third paragraph to clarify the Cal-Am numbers and the CC list shall include the same parties found in the CC list in the Seaside Groundwater Basin Watermaster’s letter dated on or around May 2021 to the CA Coastal Commission. The motion passed unanimously on a roll-call vote of 7-Ayes (Edwards, Paull, Riley, Malek, Anderson, Adams and Roberson), 0-Noes and 0-Absent.

GM Stoldt summarized his staff note, answered questions from the board and presented via slide-deck entitled Consider Approval of Additional Measure J Cost. *A copy of the presentation is on file at the district office and can be found on the district website.*

The following comments were directed to the Board:

- (a) Tom Rowley, Vice President of the Monterey Peninsula Taxpayers Association: Mentioned that an independent analysis could be of benefit to the district.

## 12. Consider Approval of a Draft Letter to the California Coastal Commission Regarding Protective Water Levels in the Seaside Basin.

### 12.1 Consider Approval of Additional Measure J Cost

- (b) Michael Baer: Stated that the board should not approved additional revenues for a third-party independent analysis.
- (c) Melodie Chrislock: Stated that the board should approve staff recommendation for a third-party independent analysis and expressed concern over LAFCO commissioners' connection with Cal-Am.
- (d) Susan Schiavone: Stated that the board should approve staff's recommendation. She expressed disappointment in the LAFCo Commissioner's in going against their own staffs expertise on the matter and their inability to analyze the material presented before them.
- (e) Anna Thompson: Recommends the board to approve staff's recommendation.
- (f) Margaret Ann Coppernoll: Concurred with the previous speakers on approving staff recommendation and is concerned about potential conflict of interests some of the LAFCo commissioners have with Cal-Am.
- (g) Eric Tynan, General Manager to the Castroville Community Services District: Supports a second evaluation and an independent analysis to be conducted.
- (h) Marli Melton: Recommends approval of staff's recommendation and would like the district to convey to the commissioners the excellent work the district has submitted on the matter.

A motion was made by Director Riley and second by Director Paull to authorize staff to spend \$70,000 (\$50,000 plus \$20,000 in contingencies) in support of LAFCO's third-party review. The motion passed unanimously on a roll-call vote of 4-Ayes (Riley, Adams, Anderson and Paull), 3-Noes (Malek, Roberson and Edwards) and 0-Absent.

GM Stoldt summarized his staff note, answered questions from the board and presented via slide-deck entitled Redistricting for Census 2020. *A copy of the presentation is on file at the district office and can be found on the district website.*

The following comments were directed to the Board on Item No. 13:

- (a) Tom Rowley: Informed the board that he served on an advisory committee as it relates to the District's redistricting process in 1990 and 2000 and mentioned that it helps to have an individual serving on an advisory committee that has no ties to the water management district.

GM Stoldt provided an update to the board on reopening on the District Meeting Format and Work Environment and responded to board member questions/comments. He mentioned that the customer service desk has been open since July 6, 2021, a self-certification on vaccination status is underway and noted that Board/Committee meetings will

## DISCUSSION ITEMS

13. **Receive a Report on the Redistricting Process; Contract with Lapkoff and Gobalet Demographic Research (Verbal Report)**
  
14. **Provide an Update and Discuss Effect of Post-COVID-19 Reopening on District Meeting Format and Work Environment (Verbal Report)**



continue to be held virtually.

Item Removed.

There was no discussion of the Informational Items/Staff Reports.

The meeting was adjourned at 8:43 pm.

15. Item Removed.

**INFORMATIONAL ITEMS/STAFF REPORTS**

16. Status Report on Measure J / Rule 19.8 Phase II Spending
17. Report on Activity / Progress on Contracts Over \$25,000
18. Letters Received
19. Committee Reports
20. Monthly Allocation Report
21. Water Conservation Program Report
22. Carmel River Fishery Report for June, 2021
23. Monthly Water Supply and California American Water Production Report
24. Legislation Advocacy Committee's State and Federal Bill Tracking
25. Quarterly Water Use Credit Transfer Status Report
26. Quarterly Carmel River Riparian Corridor Management Program Report
27. Semi-Annual Financial Report on the CAWD/PBCSD Wastewater Reclamation Project
28. Draft Water Year 2020 Aquifer Storage and Recovery Project Summary of Operations Report

**ADJOURNMENT**

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Joel G. Pablo, Deputy District Secretary

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**EXHIBIT 1-C**

**DRAFT MINUTES  
Special Meeting  
Board of Directors**

**Monterey Peninsula Water Management District**

*Wednesday, July 21, 2021*

*Pursuant to Governor Newsom's Executive Orders N-29-20 and N-33-20,  
the meeting was conducted with virtual participation via Zoom.*

The meeting was called to order at 1:00 PM by Chair Edwards.

**CALL TO ORDER**

*Directors Present via Zoom:*

Alvin Edwards, - Chair, Division 1  
Karen Paull, - Vice-Chair, Division 4  
George Riley, Division 2  
Safwat Malek, Division 3  
Amy Anderson, Division 5  
Mary Adams – Monterey County Board of Supervisors Rep.  
Clyde Roberson – Mayoral Representative

**ROLL CALL**

*Directors Absent:* None

*General Manager present:* David J. Stoldt

*District Counsel present:* David Laredo, Esq. with De Lay and Laredo

The Assembly recited the Pledge of Allegiance.

**PLEDGE OF ALLEGIANCE**

No Changes

**ADDITIONS AND CORRECTIONS TO  
AGENDA FOR CLOSED SESSION BY  
DISTRICT COUNSEL**

None

**PUBLIC COMMENT**

*District Counsel Laredo read into the record matters to be discussed during closed session and as listed on the agenda.*

1. Conference with Legal Counsel - the board will confer with district counsel to review two matters of potential/anticipated litigation. Government Code §54956.9.

a. MPWMD v. California-American; CPUC Case No. C. 21-05-005

The Board Recessed into Closed Session at 1:03 PM

**RECESS THE BOARD TO CLOSED  
SESSION**

Chair Alvin Edwards adjourned the MPWMD Board of Director’s Special Meeting at 2:12 PM.

**ADJOURNMENT**

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Joel G. Pablo, Deputy District Secretary

Approved by the MPWMD Board of Director’s on Monday, August XX, 2021.

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**ITEM: CONSENT CALENDAR****2. CONSIDER EXPENDITURE OF FUNDS FOR CONSULTANT SERVICES FOR UPGRADES AT THE SLEEPY HOLLOW STEELHEAD REARING FACILITY**

<b>Meeting Date:</b>	<b>August 16, 2021</b>	<b>Budgeted:</b>	<b>Yes</b>
<b>From:</b>	<b>David J. Stoldt, General Manager</b>	<b>Program/ Line Item No.:</b>	<b>Protect Environmental Quality 2-3-1-O</b>
<b>Prepared By:</b>	<b>Thomas Christensen and Larry Hampson</b>	<b>Cost Estimate:</b>	<b>\$ 67,500</b>

**General Counsel Review: N/A****Committee Recommendation: The Administrative Committee reviewed this item on August 9, 2021 and recommended approval.****CEQA Compliance: Exempt under §15262.**

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**SUMMARY:** Staff proposes to retain Tetra Tech to assist with preparation of plans, specifications, and a cost estimate for completing maintenance work to the Sleepy Hollow Steelhead Rearing Facility (SHSRF or Facility). Although recent upgrades were completed to improve the reliability and quality of the water supply for the facility, other portions of the facility including the rearing channel liner, quarantine tanks, and refrigeration systems have reached their end-of-life cycles and need maintenance and upgrades.

Staff requested proposals from four consulting firms. Two (Tetra Tech and Harris and Associates) responded with proposals (**Exhibits 2-A and 2-B**). Both consulting firms have the needed expertise and understanding of services required and provided similar scopes of work. Tetra Tech has considerable experience with design and construction at the Facility and their proposal was about \$34,000 less than the Harris and Associates proposal.

Tetra Tech proposal is a lump sum, percentage of effort (i.e., each task would be billed on a percentage completed up to 100% for each item).

**RECOMMENDATION:** The Administrative Committee recommends that the Board authorize the General Manager to enter into an agreement with Tetra Tech for consultant services in an amount not-to-exceed \$61,338 and approve a 10% contingency (approximately \$6,100) for additional consultant work.

**DISCUSSION:** The Sleepy Hollow Steelhead Rearing Facility was constructed in 1996 and was intended at the time to be a short-term mitigation activity for impacts to Carmel River steelhead from diverting Carmel River flows until a new water supply was built. Recent upgrades to the facility were designed to improve the reliability and quality of the water supply after the removal of San Clemente Dam led to an increase in fine sediment in the Facility's water supply. However, the upgrades did not address other components at the facility that have reached or exceeded their

life expectancy.

Staff proposes to carry out replacement of portions of the Hypalon liner used to prevent water from leaking out of the rearing channel. The liner, which has a life expectancy of less than 20 years, has deteriorated, leaks in several areas, and needs replacement.<sup>1</sup>

While the entire liner should eventually be replaced, staff is proposing to replace only the liner in 16 of the 17 pools in the rearing channel (one pool liner was recently replaced). Cobbles originally installed in the pools in 1996 to mimic natural habitat have been removed, which simplifies the removal of the existing liner and reinstallation of a new liner. Work to replace this portion of the liner would be carried out in the winter of 2021-22. Staff may replace the liner in the remainder of the channel as a separate project in the future.

In addition to the channel work proposed for the upcoming winter, five fiberglass tanks used for quarantine purposes are cracked and/or the bases supporting the tanks are deteriorating. These would be replaced and refrigeration units for the tanks would be removed and replaced. The existing chillers are more than 20 years old and chiller technology has advanced significantly since the original installation. New chiller technology includes the use of variable-speed drives, an evolution in control hardware, software, and sensors that have led to improvements in industrial chiller reliability, accuracy, and energy efficiency. Staff is also considering centralization of refrigeration into one unit that can quickly cool individual tanks or be used to cool specific portions of the rearing channel when water temperatures are too high.

Project construction work, which will be subject to future bid processes, consists of:

Rearing channel pool maintenance (16 total):

- Remove existing Hypalon liner in each pool
- Excavate and dispose on site of approximately 6 inches of native material under the pools
- Shape pool to drain
- Pour steel reinforced waterproof concrete slab (e.g., add Xypex to the concrete mix); integrate into existing rearing channel concrete walls; work would require inspection for rebar and concrete testing (minimum 4,000 psi concrete)
- Install new liner and integrate existing liner with new pool configuration at upstream and downstream edges of the pool
- Repair top boards on rearing channel walls (if required)
- Fill rearing channel and inspect for water leakage

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<sup>1</sup> Hypalon is a chlorosulfonated polyethylene (CSPE or CSE) synthetic rubber (CSM) noted for its resistance to chemicals, temperature extremes, and ultraviolet light. It was a product of DuPont Performance Elastomers containing trace amounts of carbon tetrachloride (< 0.2%), chloroform (< 0.02%), and talc (< 2%). It was popular as a material for rubber boats and was used by the US Navy. Production was discontinued in 2009. Internet citations show that burning Hypalon can release highly toxic fumes that are considered environmental pollutants. Additionally, some forms of Hypalon contain additives made from lead or lead compounds known for their danger. However, the 2007 DuPont company Material Safety Data Sheet (MSDS) recommends landfill or incineration for waste disposal (the material is insoluble in water). A contractor for the District (Scardina Builders) recently removed a portion of the rearing channel liner and disposed of it at the Marina landfill.

The plan set would include a site plan, typical sections, and details of the rearing channel pool and rebar configuration. Specifications would include concrete strength, rebar size, concrete additives, and liner specifications. There may be a need for a shoring design for the existing walls during excavation and concrete pouring. Approximately 6 inches of material will be removed from under the existing pool walls, which are 18 inches thick at the base and 10 inches thick at the top. Symmetrical pools may not require shoring; however, non-symmetrical pools may need temporary supports across the tops of the pool.

#### Quarantine Tanks (5 total)

- Remove and salvage decking
- Cut plumbing (air, water, drain); disconnect electrical service and monitoring cables
- Remove and dispose existing quarantine tanks
- Remove existing chillers and replace with individual chillers or a centralized unit capable of lowering water temperature up to approximately 10 degrees (TBD through calculation)
- Excavate and dispose native material under the existing tanks (depth TBD)
- Determine adequacy of native fill and import, compact, and test new base material as required
- Pour steel reinforced, waterproof concrete slab
- Build new steel or aluminum support frames and reset tanks; connect plumbing, air, electrical, drains, and monitoring cables above the decking or in an easily accessible “critter-proof” box
- Reinstall decking
- Test all components

Consultant services would include remote site inspection conducted with help from staff (e.g., pictures and video), a new set of plans and specifications, and preparation of a class 2 Opinion of Probable Construction Cost. An issue at the facility to be addressed is how to reduce daytime temperatures in the quarantine tanks, which can rise into a range that is stressful or lethal to young steelhead. To determine appropriate equipment for an upgrade of refrigeration facilities, an analysis of the existing power supply and loads at the facility would be performed.

Staff requested proposals from three local firms – Whitson Engineering, the Wallace Group, and Harris and Associates – and from Tetra Tech, the firm that provided design and construction expertise for the recently completed upgrade to the water supply. Whitson Engineering declined to propose citing a lack of expertise for the requested services. The Wallace Group declined to propose and stated that they would not be able to meet the schedule for the work. Tetra Tech and Harris and Associates both provided proposals (see **Exhibits 2-A** and **2-B**). Both firms provided a comprehensive understanding of the services required; however, the Tetra Tech proposal was about \$34,000 less than the Harris & Associates proposal for approximately the same scope of service (when excluding biddability review, bid phase support, and optional items from Harris & Associates proposal).

Much of the facility infrastructure is underground, is somewhat complex, and the proposed upgrades do not have comprehensive as-built information. Staff recommends a 10% contingency be approved for this work to cover unexpected conditions at the site and to allow additional

engineering services during the bidding phase for construction.

Because of a potentially long lead time to procure replacement tanks, MPWMD staff intend to prepare plans and specifications as a separate project and invitation for bids. Approval for purchase of the tanks would come before the Board of Directors for consideration at a future meeting, possibly early in the fall of 2021. Similarly, should it be warranted due to a long lead time, staff may seek approval for purchase of new refrigeration unit(s) under a separate bid in advance of construction and will seek approval for construction of the project. These items would also come before the Board of Directors for consideration at future meetings.

**IMPACTS ON STAFF AND RESOURCES:** Funds for this work are budgeted under Sleepy Hollow Operations Budget Program line item 2-3-1-O Design/Construct Rearing Channel and Quarantine Tank Improvements. The work would be performed under the direction of the District Engineer.

#### **EXHIBITS**

- 2-A** Tetra Tech proposal dated July 12, 2021 “Rearing Channel and Quarantine Tank Maintenance Upgrades”
  
- 2-B** Harris & Associates proposal dated July 30, 2021 “PROPOSAL TO PROVIDE ENGINEERING SERVICES TO SUPPORT THE MAINTENANCE OF EXISTING FACILITY INFRASTRUCTURE AT THE SLEEPY HOLLOW STEELHEAD REARING FACILITY”



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**Monterey Peninsula Water Management District****Sleepy Hollow Steelhead Rearing Facility****Rearing Channel and Quarantine Tank Maintenance Upgrades****July 12, 2021**

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This document outlines Tetra Tech's proposed scope of work for the Monterey Peninsula Water Management District (MPWMD) Sleepy Hollow Steelhead Rearing Facility (SHSRF) Rearing Channel and Quarantine Tank Maintenance Upgrade project. This scope of work is to design and prepare construction documents for the upgrades.

The anticipated schedule shown in Table 1 is intended to complete design and bid the project this fall. An engineering budget estimate for Tetra Tech's scope of work is included in Table 2. For additional information about this scope of work or the price proposal, please contact Darrel Nice at (509) 944-1681.

**PROJECT UNDERSTANDING**

MPWMD staff designed the SHSRF in the early 1990s to hold juvenile steelhead rescued from the lower Carmel River during the low flow periods. Construction began in 1995 and was completed in 1996. The first fish were received in late 1996. Improvements to the screened intake and addition of water recirculation was designed in 2018 and built in 2020. These improvements supply up to 1,350 gpm of either river water, treated water, or recirculated water to the rearing channel. This proposed project will make upgrades to the rearing channel and quarantine tanks, which are described below.

The primary fish-rearing capacity of the facility is in the natural rearing channel. The 800-foot long channel has 17 pairings of 6-foot-wide riffle and 9-foot-diameter pool sections. The approximate gross volume of the channel is 14,900 cubic feet; however, the channel is filled with cobble in almost all riffle sections, reducing the fish rearing volume significantly. It is estimated that the fish rearing volume is only 4,000 cubic feet (30,000 gallons). The facility also includes two large holding tanks (22- and 30-foot diameter), eight insulated fiberglass rearing troughs, and six 8-foot-diameter quarantine/holding tanks. These tanks are used for initial quarantine and subsequent rearing of steelhead to increase the size of fish before they are stocked into the mixed-size population in the natural rearing channel. Quarantine tanks are used at any time during the operating season.

Generally, the facility operates from early summer to late fall/early winter, depending on river flow and weather conditions. Once flow returns to the lower river, MPWMD staff recapture, count and release the fish back to the river.

Improvements to the facility as part of this project will address the areas described below.

- Rearing Channel upgrades to the pool and riffle sections will:

- Remove Hypalon liner
  - Excavate native material bottom
  - Pour concrete bottom slab
  - Install new liner
  - Replace top boards
  - Leakage test
- Quarantine Tank upgrades will
    - Remove and salvage wood decking
    - Demolish air, water, and drain plumbing; disconnect electrical service
    - Remove quarantine tanks; MPWMD staff will provide repaired or replaced tanks
    - Inspect electrical installation for chillers and bring up to current code (if not in compliance)
    - Remove existing chillers and replace with a single chiller capable of lowering water temperature up to approximately 10 degrees (TBD through calculations)
    - Excavate and dispose native material under the existing tanks
    - Import, compact, and test new gravel base material
    - Pour reinforced concrete base slab for each tank
    - MPWMD staff will provide tanks with a new steel, aluminum or FRP support frames for contractor to reinstall tanks
    - Layout and connect new air, water, and drain plumbing and electrical. Connections above the decking or in an easily accessible enclosure box
    - Reinstall decking
    - Test all components

Construction of these improvements is estimated by MPWMD to cost between \$250,000 to \$500,000.

## SCOPE OF WORK

Tetra Tech proposes to execute the scope of work with the following tasks:

- Task 1—Project Management
- Task 2—Basis of Design
- Task 3—Drawings (30% through 100%)
- Task 4—Specifications and Bid Document Assistance
- Task 5—Optional Tasks

### Task 1—Project Management and QA/QC

Darrel Nice will be Tetra Tech's project manager for the duration of the project providing management and oversight of the consultant project team. Darrel will monitor budgets, schedule, invoicing, and personnel assignments, and ensure that work performed is within the contract scope, schedule, and budget.

Tetra Tech's key engineers will be Erik Nordholm for site infrastructure and Ryan Maas for structures. Tetra Tech will establish weekly internal project meetings to ensure that the project is on task and on schedule. Before any other work is done, Tetra Tech will formalize this SOW into a work plan for internal use that includes the following:

- **Introduction**—Project purpose, background, and work plan organization
- **Project Team**—Team contact information, organization

- **Project Communication**—Network file information, external communication, written correspondence, email correspondence, telephone communications, meetings, confidentiality, file structures, project tracking forms (action item list, etc.)
- **Scope of Work**—Description of work to be conducted for the project
- **Schedule**—Project schedule requirements and tasks
- **Budgets and Cost Codes**—Internal financial tracking information and estimated monthly billing cash flow
- **Quality Control Plan**—Quality assurance/quality control team members and schedule
- **Health and Safety**—Safety information while on site or at MPWMD facilities
- **Project Deliverable Standards**—CAD Standards, template standards for technical memorandums and reports, specification standards, and cost estimating

Tetra Tech proposes to hold one-hour project coordination meetings every two weeks with MPWMD identified key personnel. These meetings will discuss project tasks completed to date, current project tasks, and two-week work projections. The meetings will review action items and identify outstanding items as well as new items required for future work tasks. Tetra Tech will email a summary of any key topics discussed during the meeting.

Tasks identified in this SOW will be subdivided to provide sufficient detail to determine workload completed to date, interim project tasks, and future tasks to be completed. In conjunction with the project update meeting, Tetra Tech will prepare monthly progress letters for submittal to MPWMD's project manager. The letter will include a summary of work for the preceding month and related costs shown in an attached invoice.

This task is based on the following assumptions:

- Project management for design phase will be for a period of 4 months.
- Tetra Tech will participate in a one-hour progress meeting by telephone twice per month during design.
- Tetra Tech has not included face-to-face meetings.
- Quality Assurance and Quality Control review by a senior fishery and a structural engineer is included in this project management task.

## Task 2—Basis of Design

A review meeting will be held with MPWMD and Tetra Tech staff to develop project objectives. Based on information gathered in the meeting Tetra Tech will prepare a design criteria for each component to be upgraded. Tetra Tech will prepare a memorandum that includes the design criteria and written description of the upgrades that will be designed and included in the drawings and specifications. The memorandum will be reviewed by MPWMD prior to proceeding with drawing and specification tasks.

This task is based on the following assumptions:

- Existing drawings of the facility were previously provided to Tetra Tech.
- A sketch and photos of the prototype rearing pool improvement previously built will be provided by MPWMD.
- Where not available on record drawings, MPWMD will provide photos of existing pipes, chillers, electrical outlets, panels, wiring, conduits, and any other items to be included in the upgrades.
- MPWMD will conduct a virtual site tour to review and answer any questions for Tetra Tech's civil, structural, and electrical designers.
- Deliverables will be in electronic format.

Deliverables associated with this task are:

- Project Description and Design Criteria Memorandum

### Task 3—Drawings

Tetra Tech will prepare drawings for review by MPWMD. Drawings will be submitted at 30%, 60%, and 100% completion levels. After review of the 100% drawings and all comments have been received, Tetra Tech will make final edits and seal the drawings. The following drawings are anticipated for the final bid set:

- Cover Sheet
- General Notes, Symbols, and Legends
- Standard Details
- Site Plan
- Tank Area Enlarged Plan
- Tank Area Piping Plan
- Tank Area Sections and Details
- Structural Notes
- Rearing Pool Enlarged Plan
- Rearing Pool Section and Details
- Rearing Pool Section and Details
- Electrical Symbols and Abbreviations
- Electrical Details and Schedules
- Electrical One-Line Diagram
- Electrical Site Plan
- Electrical Enlarged Plan

Tetra Tech will provide equipment cut sheets for fish process systems including channel liner, pipes, valves, enclosures, electrical outlets, and chiller.

This task is based on the following assumptions:

- A central chiller will replace the 5 - 1.1 HP chillers and power supplied from the main switchboard.
- Quarantine tank piping will be schematic and allow field fit with a typical detail provided for connections.
- Pool and riffle drawings will use typical details for excavation, shoring, drain, anchoring liner, and new concrete.
- Drawings will be prepared in AutoCAD using Tetra Tech drafting standards.
- Drawings will be sealed by a California licensed professional engineer.
- Deliverables will be in electronic PDF format.

Deliverables associated with this task are:

- 30% Drawings – A reduced set of 4 drawings showing plan view of upgrades.
- 60% Drawings – A nearly complete set of 16 drawings showing plan view, sections, and details for civil, structural, and electrical disciplines.
- 100% Drawings – A complete set of 16 drawings showing plan view, sections, and details for civil, structural, and electrical disciplines.
- Stamped drawing package for bidding purposes.

### Task 4—Specifications and Bid Document Assistance

Tetra Tech will prepare design documents including calculations, specifications, and cost estimates for submittal and review by MPWMD. Design documents will be developed and submitted at 30%, 60%, and final design level.

include drawings, specifications, and cost estimates developed to a final design level. Calculations and specifications will be sealed by a California licensed professional engineer for MPWMD use in permit applications and bidding. Comments from design reviews will be incorporated.

Specifications will be prepared by Tetra Tech for earthwork, grading, liner, concrete, metal fabrications, wood materials, pipes, valves, chiller, and electrical.

This task is based on the following assumptions:

- Specifications Division 1 through Division 17 will be prepared based on Tetra Tech's previous design work at Sleepy Hollow.
- Tetra Tech's in-house standards specifications will be used where different than previous Sleepy Hollow design work.
- General Provisions will be provided by MPWMD for Tetra Tech review.
- Final cost estimates will be an onion of probably construction cost to a Class 2 level.

Deliverables associated with this task are:

- 30% Documents – Technical specification table of contents and cost estimate outline.
- 60% Documents – Standard technical specifications, calculations, and construction cost estimate.
- 100% Drawings – Edited technical specifications and updated construction cost estimate.
- Specification signed and sealed in PDF format for bidding purposes.

## **Task 5—Optional Tasks**

### **Task 5.1 Biological Review**

Water temperature and flow volume in the rearing channel are critical aspects of operations. Air temperature fluctuates diurnally and the effectiveness of the cooling tower also fluctuates and can warm incoming flows when temperature and humidity are too high. Tetra Tech would assist with analysis and optimization of the existing cooling operation in the rearing channel. This would involve analyzing the rate and temperature of incoming flows, cooling tower effectiveness, and various percentages of recirculated flow to determine the optimum rates and timing for use of the cooling tower along with amount of river flow and amount of recirculation flow. A wet bulb temperature sensor has been added since construction to the cooling tower and sensors for temperature of inflow and outflow water are installed. These sensors provide temperature data on a nearly continuous basis via the Programmable Logic Controller (PLC) that transmits data remotely to MPWMD. The intent of this task is to develop an operational plan to automate use of the cooling tower through the PLC. The desired flow rate to the rearing channel is user selected and can be changed remotely. On the other hand, the percent of recirculated flow is set manually.

A Tetra Tech fisheries biologist would work with MPWMD staff and the control integrator consultant (Telemetry) to determine how to achieve optimum habitat conditions for steelhead. In addition to the air/water temperature and mixed flow aspects of operations, a new UV unit has been installed to control disease outbreaks. Water temperature and disinfection need to be analyzed together as methods to control disease and possibly allow the steelhead to survive in higher temperature water.

### **Task 5.2 Permitting Support**

The Sleepy Hollow facility has recently gone through two CEQA actions and the proposed work is maintenance of an existing facility, the construction work would be CEQA exempt. A Monterey County permit may be required for new electrical work. Tetra Tech would support MPWMD preparation of permit applications with descriptions of the work and drawings already prepared in Task 3.

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### **Task 5.3 Bidding Support**

Tetra Tech will provide bidding phase support. Budget for bidding phase is an estimated budget allowance and may be adjusted depending on amount and level of bidder questions.

Tetra Tech will participate in an MPWMD advertised and facilitated meeting, comprising one Pre-Bid meeting, where Tetra Tech will be available to answer questions from plan holders and interpret design intent. Tetra Tech will assist MPWMD in responding to written questions from bidders for clarification and interpretation of the bidding documents. All written and verbal communications will be documented by MPWMD and sent to a single point of contact for coordinating information and expediting responses from the Tetra Tech engineering disciplines. The pre-bid conference will be attended by the project manager.

This task is based on the following assumptions:

- Assistance is limited to budget established for pre-bid conference and bidding.
- Answers to bidder questions is limited to written clarifications. No revised drawings are required.
- Preparation of conformed documents is not required or included in the budget.

### **Task 5.4 Construction Phase Support**

Tetra Tech will provide construction phase support that include construction phase, project startup, and project closeout. Budget for construction phase support is an estimated budget allowance and may be adjusted depending number of RFIs and submittals.

#### **Construction Phase**

During construction, Tetra Tech will support MPWMD with administration of the construction contract. Tetra Tech will attend by teleconference a preconstruction meeting and approximately four construction status meetings to stay informed of progress, quality of work, compliance with contract documents, and support MPWMD's project manager. In addition to attending meetings, Tetra Tech will review weekly site visit photos and inspection reports supplied by MPWMD.

Requests for information (RFI) sent by MPWMD will be logged and routed to appropriate design staff for review and response. RFIs will be returned to MPWMD within two working days from date of receipt by Tetra Tech. If Tetra Tech and MPWMD agree that the RFI is more complex and could impact schedule or cost, more time will be requested to make a response. Review of 8 RFIs for Tetra Tech design items is anticipated.

Submittals sent by MPWMD will be logged and routed to appropriate design staff to take action on shop drawings, product data, samples, and other components of the contract documents. Submittals will be returned to MPWMD within 10 working days from date of receipt by Tetra Tech. Review of 8 submittals for Tetra Tech design items is anticipated.

#### **Project Startup and Closeout**

Project startup and closeout services will be initiated upon notice from the contractor that construction work is substantially complete, allowing MPWMD to operate the project. Tetra Tech will make a site visit to observe that equipment functions as designed and that the operating staff have been given adequate instruction for operating the equipment. During project startup a walkthrough inspection of the project with the contractor and MPWMD staff to verify conformity with the contract documents and that construction items are completed. Tetra Tech will work with MPWMD to prepare a punch list of any nonconforming or unfinished items observed during the inspection. Tetra Tech will review the contractor's drawing markup field records, operations manuals, and closeout paper work sent by MPWMD.

This task is based on the following assumptions:

- No weekly progress meetings are required to be attended by Tetra Tech.
- MPWMD will coordinate submittals with the general contractor and confirm that they are clear, organized, and complete prior to sending to Tetra Tech.
- No budget for change orders is included.
- Contractor will submit one complete O&M manual and Tetra Tech will provide one review with written comments within three weeks of receipt from MPWMD.
- Preparation of record drawings in AutoCAD format is not required.
- Tetra Tech will make one site for project closeout and startup.

## SCHEDULE

Table 1 presents a summary of the anticipated project schedule. Dates shown are completion dates for the task unless otherwise noted.

Project Milestone <sup>a</sup>	Completion Date
Notice to Proceed	8/2/2021
Project Startup Meeting	8/9/2021
Basis of Design	8/27/2021
30% Drawings and Specifications	9/3/2021
60% Drawings and Specifications	9/24/2021
100% Drawings and Specifications	10/22/2021
Bidding Assistance	11/1/2021 to 11/19/21
Begin Construction Phase Support	12/6/2021

a. Submittals anticipate a 1 week MPWMD review period.

The schedule assumes a one-week MPWMD review period for each submittal. Tetra Tech, with MPWMD assistance, will organize project startup, deliverables, and review meetings based on this schedule and receiving notice to proceed from MPWMD. Billing will be associated with progress on each task; pay schedule will generally correspond to major divisions in the schedule.

## BUDGET

Table 2 summarizes the budget estimate for each task of the work effort. Project payment is based on the tasks in this SOW and will be invoiced monthly based on level of completion associated with the work performed for each task, with a not-to-exceed budget of \$61,338 for basic tasks. Optional tasks are shown that can be added when desired.

Optional tasks have been given a budget allowance that can be added to the contract if necessary. This budget is approximate and will be revised before amending the contract. It is given now for MPWMD budget planning.



**Table 2. Project Budget**

Task No.	Description	Basic Tasks Budget	Optional Tasks Budget	Total Task Budget
<b>Task 1</b>	Project Management & QA/QC	\$5,322		\$5,322
<b>Task 2</b>	Basis of Design	\$12,459		\$12,459
<b>Task 3</b>	Drawings	\$32,736		\$32,736
<b>Task 4</b>	Specifications and Bid Documents	\$10,821		\$10,821
<b>Task 5</b>	Optional Tasks			
<b>Task 5.1</b>	<i>Biological Review</i>		\$9,946	\$9,946
<b>Task 5.2</b>	<i>Permitting Support</i>		\$5,138	\$5,138
<b>Task 5.3</b>	<i>Bidding Support</i>		\$3,744	\$3,744
<b>Task 5.4</b>	<i>Construction Phase Support</i>		\$17,806	\$17,806
<b>Subtotal Basic Tasks</b>		<b>\$61,338</b>		
<b>Subtotal Optional Tasks</b>			<b>\$36,634</b>	
<b>Total</b>				<b>\$97,972</b>





## Harris & Associates

July 30, 2021

P#: 1210366001

Mr. Larry Hampson  
 District Engineer  
 Monterey Peninsula Water Management District  
 5 Harris Ct., Bldg. G, Monterey CA 93940  
 P.O. Box 85, Monterey CA 93942

### PROPOSAL TO PROVIDE ENGINEERING SERVICES TO SUPPORT THE MAINTENANCE OF EXISTING FACILITY INFRASTRUCTURE AT THE SLEEPY HOLLOW STEELHEAD REARING FACILITY

Dear Mr. Hampson:

Harris & Associates (Harris) is pleased to provide this Scope of Work and Fee Proposal (Proposal) to the Monterey Peninsula Water Management District (MPWMD) to provide engineering services to support the maintenance of existing facility infrastructure at the Sleepy Hollow Steelhead Rearing Facility (SHSRF) located in Carmel Valley, California (the Project). The Project is shown on **Attachment 1 Limits of Work**. In order to provide the range of services necessary for the Project, Harris has teamed with List Engineering for mechanical engineering services, Fehr Engineering for electrical engineering services, and with Mr. Mike Podlech, Aquatic Ecologist, as an optional service to identify potential approaches for optimizing habitat conditions.

For over 40 years, Harris has helped to improve communities and create better places to live by providing smart, safe, and more sustainable planning, engineering, and construction solutions. Harris is a 100% employee-owned company focused on helping communities solve today's complex challenges across the areas of planning, financing, environmental compliance, civil engineering, and construction management. Our offices and project sites span the West Coast in California, Nevada, and Washington with a staff of over 230 employee-owners. We focus on serving clients in the municipal, water, transportation, and education markets. Our portfolio of services includes:

- Advisory Services
- Asset Management
- Civil Engineering Design
- Community Planning
- Construction Management
- Environmental Planning + Compliance
- Infrastructure + Utilities
- Municipal Engineering
- Municipal Finance
- Special District Services

**Personal Service.** At Harris, we are deeply passionate about enhancing the quality of life where we live and work. We provide “Big City” resources to our clients with personal “Small Town” service and attention. Our office at 450 Lincoln Avenue in Salinas, California, is approximately 21 miles from the entrance to the Project site at San Clemente Drive in Carmel Valley. Our staff can be at the Project site in about 45 minutes.

**Local Understanding and Focus.** Harris has been a local business since 1998. We serve many of the agencies within Monterey County including the cities of Monterey, Seaside, Sand City, Salinas, Greenfield, Soledad, and the County itself, as well as the Marina Coast Water District, California American Water, and the former Fort Ort Reuse Authority.

**Depth of Resources.** Harris is a singular source for a wide range of advisory, engineering, infrastructure, environmental planning, finance and special district services and our team includes highly-experienced professionals needed to successfully complete today's complex projects.

The following presents our understanding of the Project and the corresponding Scope of Work.

## PROJECT UNDERSTANDING

The SHSRF was designed in the early 1990s to hold juvenile steelhead fish rescued from the lower Carmel River during the summer. Construction of the Facility began in late 1995 and the first test fish were received in late 1996. Fish are generally held in the Facility from early summer to late fall depending on river flow and weather conditions. Once flow has returned to the lower river, the fish are recaptured, counted, and then released back into the river.

With an estimated capacity of approximately 47,000 juvenile fish, the Facility is comprised of an 800-foot-long, naturalized rearing channel, a large 22-foot diameter holding tank, eight 150 gallon rearing troughs, and five 8-foot diameter quarantine/holding tanks. A small, 800 square-foot, office/lab/shop building is also on site.

Water for the Facility is supplied directly from the adjacent Carmel River by two large submersible pumps. After traveling through a cooling tower to reduce the temperature, up to two cubic-feet-per-second (cfs) of river water is piped to the rearing channel and tanks before being discharged back into the river approximately 300 feet downstream of the inlet.

In 2018, the MPWMD initiated the construction of raw intake and water supply system upgrades at the SHSRF.

Currently, the MPWMD seeks to prepare a construction bid package for the following items of work:

### Rearing Channel Pool Maintenance

1. Remove an existing Hypalon liner within each pool while protecting the concrete encased drain line directly below the liner;
2. Excavate and dispose on-site approximately 6-inches of native material;
3. Shape pools to drain;
4. Pour steel reinforced concrete slabs and integrate them into the existing rearing channel concrete walls. Concrete strength shall be minimum 4,000 PSI and made waterproof by the addition of an additive such as Xypex to the concrete mix;
5. Install a new liner and integrate the existing liner with the new pool configuration at the upstream and downstream edges of the pool. The new liner shall be non-toxic;
6. Repair top boards on rearing channel walls (if required);
7. Fill rearing channel and inspect for water leakage;
8. Non-symmetrical pools may need temporary support.

### Quarantine Tanks and Deck Area Maintenance

1. Remove and replace five (5) quarantine tanks including supports, existing wood deck and stairs, and associated electrical and plumbing components;
2. Consolidate refrigeration units and replace them with one (1) larger unit at a suitable location on the deck and install and/or reconfigure plumbing as necessary noting that centralization of refrigeration facilities for the 5 quarantine tanks will require separate piping through the refrigeration unit for each tank;
3. Remove one (1) tank adjacent to the quarantine tanks and deck area by pouring a new concrete pad and installing the tank on it;
4. Verify electrical infrastructure meets current code requirements and provide upgrades if necessary;
5. The Project may require an electrical or building permit from Monterey County. If so, the MPWMD will complete and submit the permit application(s) and any associated fees. Harris will provide the supporting documentation to accompany the permit application(s).

### Optional: Analysis of Operations

1. As an optional task, a fisheries biologist may review available water quality data, operational procedures, and controller logic to gain an understanding of current habitat conditions and identify potential approaches for optimizing habitat conditions.

MPWMD would like to release the bid package for the Project in November 2021 and construct the improvements during the winter months after steelhead are removed from the rearing facility. If requested, engineering services during construction, including construction management and/or inspection may be considered under a separate agreement to be considered at the time of bid award.

## SCOPE OF SERVICES

Based on the construction bid package described above, Harris and our team will provide the following scope of services.

### Civil Engineering Scope of Services – Harris

Task Description	Scope of Work	Deliverables
<b>Task 1.0 Project Management</b>		
1.1 Project Coordination	Coordination with design team and client, maintenance of budget and schedule, monthly progress reports to accompany monthly invoices	Monthly progress report to accompany monthly invoices that will summarize budget, schedule, work performed, work to be performed, and any outstanding or unresolved issues.
1.2 Meetings	Up to three (3) meetings with client during the course of the Project.	Meeting agendas and minutes provided to all attendees.
1.3 Site Visit	One (1) site visit to gather additional data, take measurements, confirm field conditions, take photos, etc.	N/A
<b>Task 2.0 60% PS&amp;E</b>		
2.1 60% Draft Plans	Prepare 60% Plans as described herein. Harris estimates the following sheet schedule for the Project: <u>Civil</u> 1. Title Sheet: 1 sheet 2. General Notes and Definitions Sheet: 1 sheet 3. Overall Site Plan: 1 sheet 4. Construction Details: 2 sheets - We anticipate one (1) general detail that may be applied to all 16 rearing channel pools supplemented by a table that provides dimensions for quantity purposes. - We anticipate one (1) general detail that may be applied to all 5 quarantine tanks. 5. Tank and Deck Replacement Plan – 1 sheet 6. Erosion & Sediment Control Plan – 1 sheet 7. <u>Electrical</u> : 4 sheets 8. <u>Mechanical</u> : 4 sheets Total estimated plan sheets: 15 sheets	60% Draft Plans.
2.2 60% Draft Specifications	Prepare 60% draft technical specifications.	60% Draft Specifications.
2.3 60% Draft Quantity Take-off and OPCC	Prepare 60% quantity take-offs and OPCC.	60% Draft Quantity Take-off and OPCC.
2.4 Internal QA/QC Review	Perform internal Quality Assurance/Quality Control Review by Sr. Project Manager.	Review comments provided to design team and incorporated into PS&E.
2.5 Biddability and Constructability Review	B&C review of PS&E to identify errors, omissions and conflicts in PS&E, quantities, work items/activities, to ensure that design is	Review comments provided to design team and incorporated into PS&E.

	buildable and cost-effective, with reduced overruns and delays. Review performed by a Sr. Construction Inspector with extensive construction knowledge	
<b>2.6 Load Analysis (Electrical)</b>	Load analysis to be performed based on existing load analysis for the Project site.	Load analysis.
<b>Task 3.0 Final PS&amp;E</b>		
3.1 Final Plans	Based upon MPWMD review comments at 60% submittal stage, prepare final plans.	One (1) hardcopy of final plans (full size 24"x36"). Electronic copy of final plans in Adobe PDF format.
3.2 Final Specifications	Based upon MPWMD review comments at 60% submittal stage, prepare final specifications.	One (1) hardcopy of final specifications. Electronic copy of final specifications in Adobe PDF format.
3.3 Final Quantity Take-offs and OPCC	Based upon MPWMD review comments at 60% submittal stage, prepare final Quantity Take-offs and OPCC.	One (1) hardcopy of final OPCC. Electronic copy of final OPCC in Adobe PDF format.
3.4 Final Internal QA/QC Review	Final internal Quality Assurance/Quality Control Review by Sr. Project Manager.	Review comments provided to design team and incorporated into PS&E.
3.5 Final Biddability and Constructability Review	Final B+C review of PS&E by Sr. Construction Inspector.	Review comments provided to design team and incorporated into PS&E.
<b>Task 4.0 Bid Phase Support</b>		
4.1 Respond to RFIs	Respond to bidder's questions and/or clarifications to PS&E.	Responses provided in written and/or electronic form on letterhead.
<b>Task 5.0 Analysis of Operations (OPTIONAL)</b>		
5.1 Review Available Data, Site Visit, Meetings, and Recommendations Memorandum	As an optional task, fisheries biologist will review available water quality data, operational procedures, and controller logic to gain an understanding of current habitat conditions and identify potential limiting factors. Perform one (1) site visit to discuss current operations with rearing facility staff, background data and operations review. Fisheries biologist will coordinate with MPWMD staff and the controller consultant to identify potential approaches for optimizing habitat conditions for steelhead through reducing the frequency and duration of elevated temperature periods and/or adjusting in-channel conditions to improve juvenile steelhead ability to withstand with such periods.	Brief memorandum summarizing recommendations.

### Sub-consultant Support Services

Harris will engage three sub-consultants for this project; Fehr Engineering Company, Inc. (FEC) to complete the electrical design work, List Engineering Company (LEC) to complete the mechanical design work, and Mr. Mike Podlech, Fisheries Biologist, Sole Proprietor, to perform an analysis of operations and recommendations for improving the fish rearing capabilities of the facility as an optional task at the discretion of the MPWMD.

Below is a summary of the sub-consultant support services. Please refer to **Attachment 2 Sub-consultant Proposals** for copies of the actual letter proposals from FEC and LEC, showing tasks and fees by task.

### **Electrical Engineering Scope of Services – FEC**

1. Provide construction documents to install electrical feeder(s) to an industrial grade process chiller serving existing holding tanks
2. Design a power system for a 20± HP pump. The pump size is an estimate and will be finalized in the design process.
3. Perform field work to confirm existing conditions and design requirements.
4. All work to include up to point of connection for mechanical equipment.
5. Project meetings will be web based.
6. Controls for new equipment are assumed by others.
7. FEC will provide construction documents suitable for public bidding with an on sheet set of electrical specifications.
8. FEC will provide an opinion of probable costs prior to the completion of the construction documents.
9. Once signed documents have been delivered to the District, the project design is complete. The District's receipt and acceptance of said documents is the District's agreement of design completion. All requests beyond project completion will be billed on a time and materials basis in addition to FEC's design fee.
10. Construction Support Services (CSS) will not be provided by FEC. If requested FEC will provide CSS and billed on a time and materials basis in addition to FEC's design fee.
11. All projects are billed monthly based upon the percentage of completion. Payment is due upon receipt of all monthly statements. Payments are considered delinquent after 30 days. At FEC's discretion work on delinquent projects may be suspended until payment is received.

### **Mechanical Engineering Scope of Services - LEC**

#### **A. General**

1. Provide construction documents to provide an industrial grade process chiller serving five (e) holding tanks.
2. Field work to confirm (e) conditions and design requirements.
3. Designs shall provide for mechanical system features described below.
4. In-house prepared cost estimate for mechanical items.
5. Project meetings to be web based.
6. Provide plan check and construction support.

#### **B. Mechanical**

1. Remove (e) tank chillers and associated piping.
2. Evaluate and design a central air-cooled chiller system to include:
3. Air cooled process chiller with a clean-able heat exchanger and primary pump
4. Consider adding Chiller Water (CHW) hot and cold wells in a Basis of Design Memorandum
5. System design to allow for individual tank operation and temperature control

#### **C. Assumptions**

1. Client will advise on new chiller location.
2. Client will provide AutoCAD site plans.
3. Use (e) tank piping connections.

#### **D. Items not included in this scope of work:**

1. Any interface with an (e) digital control system.
2. Any work at rearing channel, cooling tower, river intake or processing plant.
3. Structural (slab), electrical engineering.
4. Arrangements or designs for operation during construction. Proposed design is based on work being completed during the off-season.
5. Value engineering process.
6. Construction phase activities
7. Commissioning.
8. Conforming documents.

**(Optional) Fisheries Biologist Scope of Services – Mr. Mike Podlech, Sole Proprietor**

1. Review available water quality data, operational procedures, and controller logic to gain an understanding of current habitat conditions and identify potential limiting factors.
2. Coordinate with MPWMD staff and the controller consultant to identify potential approaches for optimizing habitat conditions for steelhead through reducing the frequency and duration of elevated temperature periods and/or adjusting in-channel conditions to improve juvenile steelhead ability to withstand with such periods.
3. One (1) site visit to discuss current operations with rearing facility staff
4. Background data and operations review.
5. Phone/internet discussions with MPWMD staff and/or team members
6. Memorandum summarizing recommendations

**ASSUMPTIONS AND EXCLUSIONS**

This proposal and scope of work is based on the following assumptions and exclusions:

1. Based on direction from the MPWMD, a new topographic and/or boundary survey for the Project is not required.
2. Based on direction from the MPWMD, a geotechnical investigation (GI) and/or report for the Project is not required. The MPWMD will provide a copy of a previous GI report for the Project site to Harris upon request.
3. Based on direction from the MPWMD, the Project is considered maintenance of an existing facility and therefore exempt from CEQA. Therefore, CEQA services are not included in this scope of work.
4. Record drawings for the Raw Water Intake and Water Supply System Upgrades project dated 12/22/2020 and prepared by TetraTech have been provided by the MPWMD to Harris in both PDF and AutoCAD format Harris and the design team will utilize these files as the basis for the Project plans.
5. MPWMD comments at each submittal will be presented to Harris in one (1) consolidated set of mark-up documents and/or letter form.
6. All meetings will be web-based or via telephone conference call.
7. No work will be done on the river intake, cooling tower, or processing plant.
8. Work will not include interface to existing or proposed digital controls.
9. The existing PG&E electrical service is adequate, but near capacity, and this work will not include or require an upgrade or new service to PG&E. However, the MPWMD will provide a copy of the previous load analysis that was prepared for the Project site.
10. Harris will provide PS&E at 60% and Final stages.
11. Harris will provide a Class 2 OPCC.
12. Harris to provide a complete set of project specifications. District shall furnish Harris with specific specification requirements (such as front end or boiler plate specifications) as necessary.
13. Bid phase services will be limited to responses to bidder Requests for Information (RFI).
14. If requested by the MPWMD, construction management, inspection, materials testing, and engineering assistance during construction may be provided under a separate proposal and contract.
15. Based on direction from the MPWMD, the MPWMD will be responsible for providing bids and specifications for securing the five (5) new quarantine tanks for the Project prior to construction.

**PROJECT SCHEDULE**

Based on direction from the MPWMD, the Project will need to be released for public bidding by the end of November 2021. Therefore, Harris proposes the following schedule:

- Notice to Proceed (NTP) and Executed Contract: 8/30/21
- Task 1.0 Project Management: Ongoing
- Task 2.0 60% PS&E: 6 weeks

- MPWMD Review of 60% PS&E: 2 weeks
- Task 3.0 Final PS&E: 2 weeks
- Task 4.0 Bid Phase Services: TBD
- Task 5.0 Analysis of Operations (Optional): TBD

## ADDITIONAL SERVICES

Additional services not described in this proposal may be provided to the MPWMD upon request under a separate proposal.

## PROPOSED FEES

Harris will provide the services described herein for an estimated fee of **\$104,031** as shown on **Attachment 3 Fee Estimate**. If this Proposal meets with your approval, please sign and date below and return a copy for our records.

We look forward to working with the MPWMD on the successful and timely completion of the Project. If you have any questions regarding this Proposal, please do not hesitate to contact us.

Sincerely,  
**Harris & Associates, Inc.**



Leon D. Gomez, PE, QSD  
 Sr. Project Manager  
 Tel. (831) 272-4909 ■  
 Email: Leon.Gomez@WeAreHarris.com



Frank Lopez, PE, QSD, CFM  
 Business Unit Leader, Engineering  
 Tel. (831) 233-9242 ■  
 Email: Frank.Lopez@WeAreHarris.com

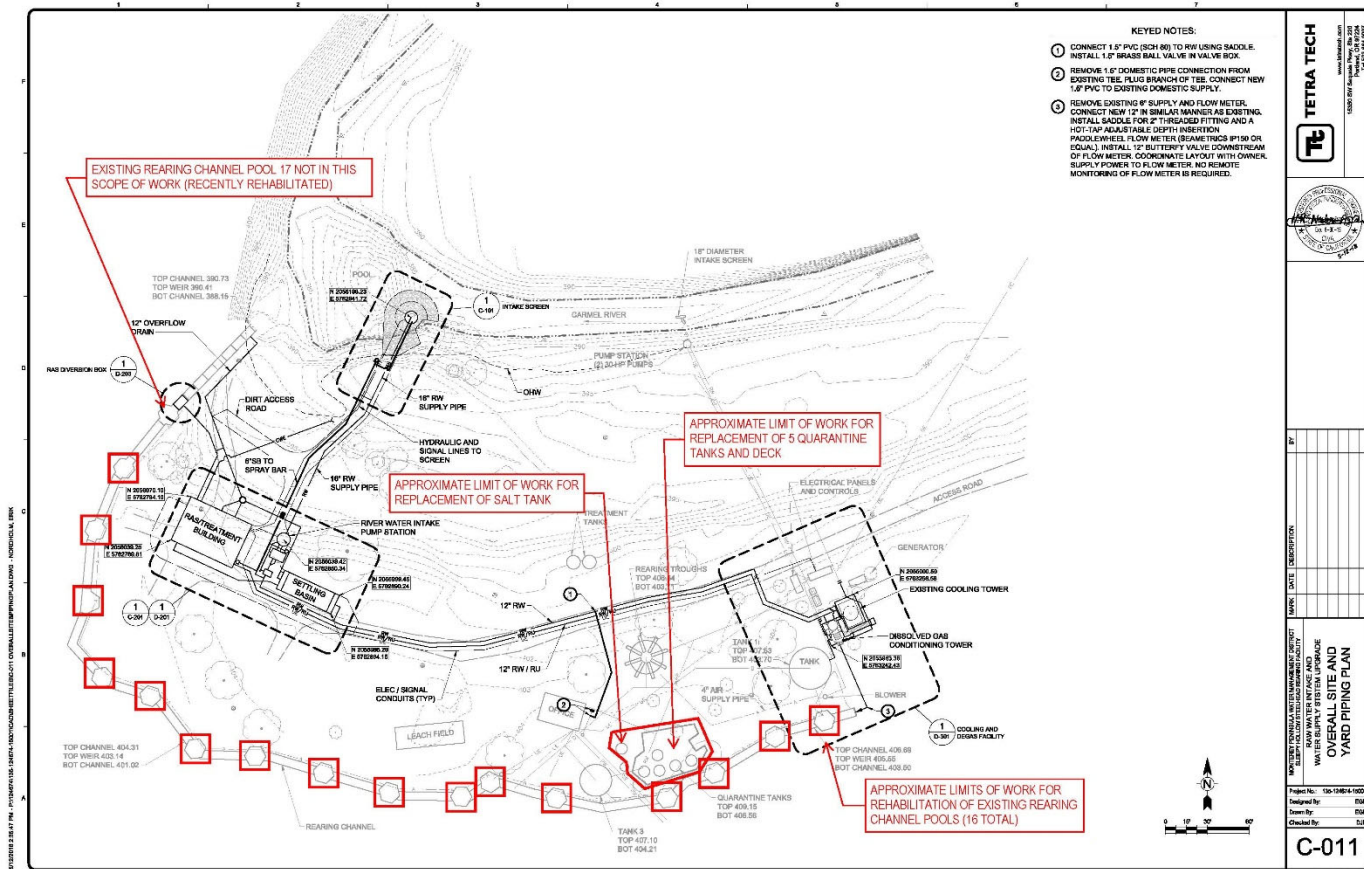
Accepted:

Signature: \_\_\_\_\_  
 Monterey Peninsula Water Management District                      Date

Print Name and Title: \_\_\_\_\_



### Attachment 1 Limits of Work



Record drawing sheet C-011 Overall Site and Yard Piping Plan of the "Raw Water Intake and Water Supply System Upgrades" project dated 12/22/2020 and prepared by TetraTech



**Attachment 2 Sub-consultant Proposals**

## FEHR ENGINEERING COMPANY, INC.



July 29, 2021

Leon D. Gomez, PE, QSD |  
 Sr. Project Manager, Engineering Services |  
 Harris & Associates  
 450 Lincoln Avenue, Suite 103  
 Salinas, California 93901

Re: Sleepy Hollow SRF: Rehabilitation Project  
 FE No. 21022.00

Dear Leon,

We are pleased to have this opportunity to provide a proposal for the Electrical Engineering portion of the referenced project. We propose to provide electrical design services to facilitate installation of the project. We base our proposal on the following:

**Scope of Services:**

- Based upon record documents provided by MPWMD the load on the existing service is nearing its maximum capacity. Our work includes review of load analysis that was done on this facility with the most recent upgrade.
- I have spoken to Ron Blue the Mechanical Engineer and he estimates that he will be adding a small net load to the system.
- From the combined information, noted above, we assume that the existing service at this location is adequate to support the new loads. Therefore, we assume that we will not be designing a new utility service at this location. Our work does not include a new PG&E service work of any kind.
- Provide construction documents to install electrical feeder(s) to an industrial grade process chiller serving existing holding tanks. This proposal includes electrical demolition plans.
- We're expecting to design a power system for a 20± HP pump. The pump size has not been determined at this time, so this is an estimated size.
- Field work to confirm existing conditions and design requirements.
- Project meetings to be web based.
- Our work includes the point of power connection for the mechanical equipment.
- Controls for new equipment are assumed to be by others.
- We're planning construction documents suitable for public bidding with an on sheet electrical specification.
- We're planning to provide an opinion of probable costs prior to the completion of the construction documents.
- Our design fee is **\$24,000.00** broken down as follows:
  - Load analysis of the existing system \$ 2,500.00
  - 60% Design Phase: \$13,000.00
  - Final Design Phase (construction documents): \$ 8,000.00
  - Bid support: \$ 500.00

Once signed documents have been delivered to the Client, the project design is complete. The Client's receipt and acceptance of said documents is the Client's agreement of design completion. All requests beyond project completion will be billed on a time and materials basis in addition to our stated design fee.

**Construction Support Services (CSS):**

Our engineering fee does not include Construction Support Services (CSS) and if CSS is required then those services will be contracted separately.

**Compensation:**

All projects are billed monthly based upon the percentage of completion. Payment is due upon receipt of all monthly statements. Payments are considered delinquent after 15 days. At our discretion, work on delinquent projects may be suspended until payment is received.

This proposal offer expires in 20 days. Fehr Engineering Company, Inc. has the sole right to determine if an extension will be granted.

We trust the above agrees with your understanding of our participation in this project and meets with your approval. We are most interested in your input and if there is something about our proposal that needs further explanation or if you would like to adjust the scope of work, please contact me.

If the above meets with your approval, please provide your written authorization to begin our work.

Sincerely,



Thomas E. Pinkerton P.E.  
Project Manager



28 July 2021

Mr. Leon Gomez, PE  
HARRIS GROUP  
450 Lincoln Suite 103  
Salinas, CA 93901

Re: Sleepy Hollow Steelhead Rearing Facility Chilled Water System Revisions

Mr. Gomez,

Thank you for considering List Engineering Company for your engineering needs. I trust the following information will describe our understanding of your request and our interest in working with your office.

#### **General**

- Provide construction documents to provide an industrial grade process chiller serving five (e) holding tanks.
- Field work to confirm (e) conditions and design requirements.
- Designs shall provide for mechanical system features described below.
- In-house prepared cost estimate for mechanical items.
- Project meetings to be web based.
- Provide plan check and construction support.

#### **Mechanical**

- Remove (e) tank chillers and associated piping.
- Evaluate and design a central air-cooled chiller system to include:
  - Air cooled process chiller with a clean-able heat exchanger and primary pump
  - Consider adding CHW hot and cold wells
  - System design to allow for individual tank operation and temperature control

#### **Items of Interest**

- Client will advise on new chiller location.
- Client will provide AutoCAD site plans.
- Use (e) tank piping connections.

#### **Not included at This Time:**

- Any interface with an (e) digital control system.
- Any work at rearing channel, cooling tower, river intake or processing plant.
- Structural (slab), electrical engineering.
- Arrangements or designs for operation during construction. Proposed design is based on work being completed during the off-season.
- Value engineering process.
- Construction phase activities.



- Commissioning.
- Conforming documents.

**Design Fee**

- |                                |                |
|--------------------------------|----------------|
| • 60% Construction Documents:  | \$15,000       |
| • 100% Construction Documents: | \$7,000        |
| • Plan Check / Bidding:        | <u>\$1,000</u> |
| Total:                         | \$23,000       |

Leon, please review this proposal for consistency with your requirements and do not hesitate to call with any question or request.

Sincerely,  
LIST ENGINEERING COMPANY

A handwritten signature in black ink, appearing to read 'Ron Blue', written over the printed name.

Ronald M. Blue, PE LEED® AP  
Principal

## ATTACHMENT 3


**Harris & Associates**

Sleepy Hollow Steelhead Rearing Facility  
 Monterey Peninsula Water Management District  
 Maintenance of Existing Facility Infrastructure

**FEE ESTIMATE**

Task/Subtask	Subconsultants								Subtotals
	QC Manager Leon Gomez	Project Manager Brian Spindor	Project Engineer Christian Mercado	Design Engineer Hilary Whelan	B&C Review Jeff Krebs	Mechanical Engineer LIST	Electrical Engineer FEHR Engr.	Fisheries Biologist Mike Podlech	
Task/Subtask	\$210.00	\$240.00	\$165.00	\$140.00	\$200.00				
<b>Task 1 Project Management</b>									
1.1 Project Coordination		20							\$4,800
1.2 Meetings (3 budgeted)		8							\$1,920
1.3 Site Visit			8	4					\$1,880
Subtotal Hours =	0	28	8	4	0				40
<b>Task 1 Subtotal (\$) =</b>	<b>\$0</b>	<b>\$6,720</b>	<b>\$1,320</b>	<b>\$560</b>	<b>\$0</b>				<b>\$8,600</b>
<b>Task 2 60% PS&amp;E Design</b>									
2.1 60% Draft Plans		4	16	40		\$15,000	\$13,000		\$37,200
2.2 60% Draft Specifications		4	12	24					\$6,300
2.3 60% Draft Quantity Take-off and OPCC		4	8	16					\$4,520
2.4 Internal QA/QC Review	4								\$840
2.5 Biddability & Constructability Review					8				\$1,600
2.6 Load Analysis (Electrical)							\$2,500		\$2,500
Subtotal Hours =	4	12	36	80	8				140
<b>Task 2 Subtotal (\$) =</b>	<b>\$840</b>	<b>\$2,880</b>	<b>\$5,940</b>	<b>\$11,200</b>	<b>\$1,600</b>	<b>\$15,000</b>	<b>\$15,500</b>		<b>\$52,960</b>
<b>Task 3 Final PS&amp;E Design</b>									
3.1 Final Plans		2	12	24		\$7,000	\$8,000		\$20,820
3.2 Final Specifications		2	8	16					\$4,040
3.3 Final Quantity Take-off and OPCC		2	8	8					\$2,920
3.4 Final Internal QA/QC Review	2		8	8					\$2,860
3.5 Final Biddability & Constructability Review					4				\$800
Subtotal Hours =	2	6	36	56	4				104
<b>Task 3 Subtotal (\$) =</b>	<b>\$420</b>	<b>\$1,440</b>	<b>\$5,940</b>	<b>\$7,840</b>	<b>\$800</b>	<b>\$7,000</b>	<b>\$8,000</b>	<b>\$0</b>	<b>\$31,440</b>
<b>Task 4 Bid Phase Support</b>									
4.1 Respond to RFIs	2		6			\$1,000	\$500		\$2,910
Subtotal Hours =	2	0	6	0	0				8
<b>Task 4 Subtotal (\$) =</b>	<b>\$420</b>	<b>\$0</b>	<b>\$990</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,000</b>	<b>\$500</b>	<b>\$0</b>	<b>\$2,910</b>
<b>Task 5 Analysis of Operations (OPTIONAL)</b>									
Review Available Data, Site Visit, Meetings, 5.1 Recommendations Memorandum								\$3,110	\$3,110
Subtotal Hours =	0	0	0	0	0				0
<b>Task 4 Subtotal (\$) =</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$3,110</b>	<b>\$3,110</b>
<b>Total Hours by Classification =</b>	<b>8</b>	<b>46</b>	<b>86</b>	<b>140</b>	<b>12</b>				<b>292</b>
<b>Total (\$) by Classification =</b>	<b>\$1,680</b>	<b>\$11,040</b>	<b>\$14,190</b>	<b>\$19,600</b>	<b>\$2,400</b>	<b>\$23,000</b>	<b>\$24,000</b>	<b>\$3,110</b>	<b>\$99,020</b>
<b>Direct Expenses =</b>									<b>\$0</b>
<b>Total (\$) =</b>						<b>\$23,000</b>	<b>\$24,000</b>	<b>\$3,110</b>	<b>\$50,110</b>
<b>Total Harris</b>									<b>\$48,910</b>
<b>Total Subs</b>									<b>\$50,110</b>
<b>Sub Markup (10%)</b>									<b>\$5,011</b>
<b>Total =</b>									<b>\$104,031</b>

**ITEM: CONSENT CALENDAR****3. CONSIDER ADOPTION OF RESOLUTION NO. 2021-11 -- AMENDING FEES AND CHARGES TABLE – RULE 60****Meeting Date:** August 16, 2021 **Budgeted:** N/A**From:** David J. Stoldt,  
General Manager **Program/  
Line Item No.:****Prepared By:** Gabriela Bravo **Cost Estimate:** N/A**General Counsel Review:** Yes**Committee Recommendation:** The Administrative Committee considered this item on August 9, 2021, and recommended approval.**CEQA Compliance:** This action does not constitute a project as defined by the California Environmental Quality Act Guidelines Section 15378.

**SUMMARY:** Resolution 2021-11 (**Exhibit 3-A**) updates Rule 60, the Fees and Charges Table, to reflect actual expenses (time, effort, and cost) incurred by the Monterey Peninsula Water Management District (District) as a result of providing the services listed. Three amendments to Rule 60 are proposed in Resolution 2021-11:

1. The resolution adds a new Line 8 for direct costs (i.e., lab costs) for water quality testing for a Confirmation of Exemption. Water quality testing is done to verify whether water is alluvial when a Well is located within 1,000 feet of the Monterey Peninsula Water Resource System.
2. All permitting now involves filing digitized plans for Water Permits. The applicant is asked to provide plans and applications electronically, but there may be times when plans must be scanned by staff, such as when an applicant brings the plans and application to the District office. Scanning construction plans and filing the documents takes approximately 30 minutes, and the proposed fee reflects this effort. This addition to Rule 60 would add a new line under the heading “Document Preparation, Processing, Review or Retrieval (Rule 60).”
3. The table from Line 8 forward must be renumbered due to the addition of these two fees.

**RECOMMENDATION:** The Administrative Committee recommends that the Board adopt Resolution 2021-11, A Resolution of the Board of Directors of the Monterey Peninsula Water Management District Amending Rule 60, Fees and Charges Table.

**BACKGROUND:** Ordinance No. 120, adopted March 21, 2005, allows changes to the Fees and Charges Table by resolution. The Fees and Charges Table was last updated on October 19, 2020, by adoption of Resolution 2020-14.

**EXHIBIT****3-A** Resolution No. 2021-11







**EXHIBIT 3-A**

**DRAFT  
RESOLUTION NO. 2021-11**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE  
MONTEREY PENINSULA WATER MANAGEMENT DISTRICT  
AMENDING RULE 60, FEES AND CHARGES TABLE**

**WHEREAS:** Fees and charges of the Monterey Peninsula Water Management District (MPWMD) are set forth in the MPWMD Rules and Regulations;

**WHEREAS:** The MPWMD Board of Directors created a new Fees and Charges Table in MPWMD Rule 60 pursuant to Ordinance No. 120, which became effective on April 20, 2005;

**WHEREAS:** Fees and charges shall bear a positive correlation to the actual time, effort, and cost of providing the services and actions set forth in the Fees and Charges Table;

**WHEREAS:** There shall be a new Line 8 to assess the direct cost of water quality sampling initiated by the District when it is required prior to issuance of a Confirmation of Exemption. Line 8 shall be added as shown below. All subsequent lines shall be renumbered:

<b>8</b>	<b><i>Water Quality Sampling for Confirmation of Exemption</i></b>	<b><i>Actual cost incurred by District</i></b>
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**WHEREAS:** There shall be a new charge for document scanning under the heading "Document Preparation, Processing, Review or Retrieval (Rule 60)," as shown below. The remaining lines of the table shall be renumbered.

	<b><i>Scan Construction Plans for Water Permit</i></b>	<b><i>\$45 per application. Time to process beyond 30 minutes shall be charged at a rate of \$90/hour.</i></b>
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**NOW, THEREFORE, BE IT RESOLVED:** The Board of Directors of the Monterey Peninsula Water Management District hereby amends the Fees and Charges Table to add recovery of direct costs for water quality sampling (when required) for a Confirmation of Exemption, and to add a fee for recovery of costs associated with scanning construction plans. All subsequent lines shall be renumbered after the insertion of a new line.

PASSED AND ADOPTED on this 16<sup>th</sup> day of August, 2021 on a motion by Director \_\_\_\_\_ and second by Director \_\_\_\_\_, by the following vote, to wit:

AYES:

NAYS:

ABSENT:

I, David J. Stoldt, Secretary to the Board of Directors of the Monterey Peninsula Water Management District, hereby certify the foregoing is a resolution duly adopted on the 16<sup>th</sup> day of August 2021.

Witness my hand and seal of the Board of Directors this \_\_\_\_ day of August 2021.

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David J. Stoldt,  
Secretary to the Board

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**ITEM: CONSENT CALENDAR****4. CONSIDER PURCHASE OF SPARE REPLACEMENT PARTS FOR SLEEPY HOLLOW STEELHEAD REARING FACILITY UV UNIT**

<b>Meeting Date:</b>	<b>August 16, 2021</b>	<b>Budgeted:</b>	<b>Yes</b>
<b>From:</b>	<b>David J. Stoldt, General Manager</b>	<b>Program/ Line Item No.:</b>	<b>Protect Environmental Quality 2-3-1-A</b>
<b>Prepared By:</b>	<b>Thomas Christensen and Larry Hampson</b>	<b>Cost Estimate:</b>	<b>\$ 9,000 (approximate)</b>

**General Counsel Review: N/A****Committee Recommendation: The Administrative Committee reviewed this item on August 9, 2021 and recommended approval.****CEQA Compliance: Exempt under §15262.**

**SUMMARY:** The ultra-violet (UV) water treatment unit at the Sleepy Hollow Steelhead Rearing Facility (SHSRF or Facility) was recently upgraded to cope with biofilm accumulation within the unit and to increase radiation dosage against water-borne disease affecting Carmel River steelhead at the facility. Under normal operating conditions at the facility, UV unit bulbs are expected to last about three years before coming to end-of-life. Integrated Aqua Systems, Inc. is the sole U.S. distributor for the unit and its replacement parts, which are made in Italy by SITA (Società Italiana Trattamento Acque – or in english, Italian Society of Water Treatment). The quote for the parts (\$8,979.44) is attached as **Exhibit 4-A**. Staff notes that the 30-day quote expires before the Board meeting date.

Staff proposes to purchase replacement bulbs and other necessary parts to have on hand in case of bulb failure during operations and/or difficulties with finding replacement parts in the future or with deliveries from the global supply chain.

**RECOMMENDATION:** The Administrative Committee recommends that the Board authorize the General Manager to purchase UV unit replacement parts for the Sleepy Hollow Facility at an approximate cost of \$9,000.

**IMPACTS ON STAFF AND RESOURCES:** Funds for this work are budgeted under Sleepy Hollow Operations Budget Program line item 2-3-1-A Sleepy Hollow Facility Operations General maintenance and operations.

**EXHIBIT****4-A** Integrated Aqua Systems, Inc. quote S1580 dated July 12, 2021





**EXHIBIT 4-A**

**Estimate**

Integrated Aqua Systems, Inc.  
 1235 Activity Dr Suite A  
 Vista, CA 92081-8562  
 Phone: 760-745-2201  
 Email: support@integrated-aqua.com

Order #	Date
<b>S1580</b>	07/12/2021

<b>Bill To:</b>
MONTEREY PENINSULA WATER MANAGEMENT DIST. 5 HARRIS CT., BLDG G MONTEREY, CA 93940

<b>Ship To:</b>
MONTEREY PENINSULA WATER MANAGEMENT DIST. 5 HARRIS CT., BLDG G MONTEREY, CA 93940

Customer: MONTEREY PENINSULA WATER MANAGEMENT DIST.
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Contact: MONTEREY PENINSULA WATER MANAG
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Sales Rep	Payment Terms	FOB Point	Carrier	Ship Service	Estimated Lead Time
Karcher	PREPAID	Origin	Fedex		

Project Reference	PO#	Date Scheduled	Currency Code
		07/06/2021	USD

Item #	Part Number	Description	Unit Price	Qty	Total Price
1	241-0051	400 SERIES PARTS - LAMP - LAMP 400 SERIES	\$325.00	19 ea	\$6,175.00
2	241-0070	400 SERIES PARTS - QUARTZ FOR 400 SERIES - SOE - SPECIAL LENGTH	\$260.00	5 ea	\$1,300.00
3	241-0117	400 SERIES PARTS - O-RING FOR UV SLEEVE	\$10.98	19 ea	\$208.58
4	SHIPPING-OUT	OUTBOUND SHIPPING	\$650.00	1 ea	\$650.00
5	ESTIMATED SALES TAX	ESTIMATED SALES TAX	\$645.86	1 ea	\$645.86

<b>Subtotal:</b>	<b>\$8,979.44</b>
<b>Sales Tax:</b>	<b>\$0.00</b>
<b>Total:</b>	<b>\$8,979.44</b>

Approval: \_\_\_\_\_ Date: \_\_\_\_\_

Please note that all orders are subject to IAS Standard Terms & Conditions of Sale available from [www.integrated-aqua.com](http://www.integrated-aqua.com). Credit card sales in excess of \$1,500 shall be subject to a 3% credit card processing fee. Pricing is valid for 30 days. All estimated lead times are at receipt of accepted order, deposit and approved submittals.



**ITEM: CONSENT CALENDAR****5. CONSIDER APPROVAL OF THE WATERMASTER MASTER SERVICE AGREEMENT**

<b>Meeting Date:</b>	<b>August 16, 2021</b>	<b>Budgeted:</b>	<b>Yes</b>
<b>From:</b>	<b>David J. Stoldt, General Manager</b>	<b>Program/ Line Item No.:</b>	<b>N/A</b>
<b>Prepared By:</b>	<b>Jonathan Lear</b>	<b>Cost Estimate:</b>	<b>None</b>

**General Counsel Approval: N/A****Committee Recommendation: The Administrative Committee considered this item on August 9, 2021 and recommended approval.****CEQA Compliance: This action does not constitute a project as defined by the California Environmental Quality Act Guidelines Section 15378.**

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**SUMMARY:** The Seaside Basin Watermaster has used the Monterey Peninsula Water Management District (District) for 12 years as a consultant to provide a number of services. Currently the District provides hydrologic monitoring and database/reporting services to provide compliance reporting to the Watermaster. The original Professional Agreement from 2009 was reviewed in 2020 and was found to contain a number of active cost recovery mechanisms that are not compatible with the District's current Certificate of Transparency for small government operations. District staff worked with Watermaster staff to draft a new Master Services Agreement that is compatible with the Transparency Certificate so that the District can continue to provide services to the Watermaster. The District is currently under contract with the Watermaster through December 2021 under the old agreement. Moving forward any new contracts will be under the new agreement following approval by the MPWMD Board.

**RECOMMENDATION:** The Administrative Committee recommends that the Board receive and approve the Master Services Agreement between MPWMD and the Watermaster for Hydrologic Monitoring and Database Services.

**BACKGROUND:** In 2009 to assist the Watermaster in establishing its technical databases and hydrologic monitoring network, the District Board and Watermaster Board entered into a Professional Services Agreement for MPWMD to support the Watermaster. For the past 12 years, the District has provided a number of services including professional analysis, hydrologic monitoring, database services, and report tabulation. Now that the Watermaster has established a larger group of professional consultants, the District's role has changed to support largely the hydrologic data collection and database services. The 2009 Professional Services Agreement was reviewed in 2020 and found to have a number active cost recovery mechanisms no longer practiced by the District and a new Master Service Agreement was drafted.

**EXHIBIT****5-A Watermaster Master Service Agreement**

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**EXHIBIT 5-A**

**MONTEREY PENINSULA WATER MANAGEMENT DISTRICT**

**MASTER SERVICES AGREEMENT FOR GROUNDWATER**

**MONITORING AND DATABASE SERVICES**

This Services Agreement (the “Agreement”) sets forth terms under which Monterey Peninsula Water Management District a California Special District (“DISTRICT”) shall provide services to Seaside Groundwater Basin Watermaster, a Monterey County Superior Court Administrative Entity (the “WATERMASTER”). This Agreement is effective as of Month dd, yyyy (“**Effective Date**”).

- 1. Services.** The DISTRICT shall provide groundwater monitoring and database services for purposes of supporting the WATERMASTER’s Monitoring and Maintenance plan (“Services”) as described on one or more Statements of Work signed by the DISTRICT and the WATERMASTER that reference this Agreement (“**SOW**” or “**Statement of Work**”). The DISTRICT shall perform groundwater monitoring as outlined in the SOW to collect and enter groundwater data into the WATERMASTER’s database, report data to appropriate parties, and respond to data requests (“Deliverable”) for the WATERMASTER no later than the due date specified (if applicable) in the SOW (“Completion Date”). This due date is subject to change in accordance with the Change Order process defined in the applicable SOW. WATERMASTER shall assist DISTRICT by promptly providing all information requests known or available and relevant to the Services in a timely manner.

**DATA FURNISHED BY WATERMASTER**

For the purpose of aiding DISTRICT in the performance of its obligations under this Agreement and SOWs issued under it, WATERMASTER shall furnish DISTRICT all relevant data in its possession and shall render all reasonable assistance to DISTRICT in connection with its performance hereunder. WATERMASTER is responsible for the reasonable correctness of data so furnished, but it shall likewise be the responsibility of DISTRICT to apply reasonable caution in its use and interpretation of the data and to promptly advise WATERMASTER of any incorrectness or suspected incorrectness in the data furnished.

WATERMASTER shall provide to DISTRICT in a timely manner all materials, decisions, and direction necessary to the progress of the work and which are basically the prerogative of WATERMASTER, but which DISTRICT is not required to determine or provide under the terms of this Agreement.

**RESPONSIBILITIES OF DISTRICT**

DISTRICT is employed to render professional service only, and any payments made are compensation solely for such services.

DISTRICT shall be responsible for the professional quality, technical accuracy, timely completion, and the coordination of all data collection, QA/QC, preparation of data tabulation, data requests, and database support.

For all work performed under this Agreement and all SOWs thereto, DISTRICT shall provide to WATERMASTER copies of all plans, drawings, specifications, studies, data tabulation reports, and all other work products and supporting documentation developed in the course of performing the work authorized by this Agreement. The costs for reproducing, assembling, and delivering said copies of these documents to WATERMASTER shall be considered to have been included in the price for performing each SOW, whether or not specifically stated therein. Unless stated otherwise in the SOW the electronic file (e.g., in MS Word, MS Excel, etc.) of each document shall be provided by DISTRICT to WATERMASTER. WATERMASTER shall have the right, and permission of DISTRICT, to use any such document for any purpose WATERMASTER deems appropriate. Use of documents for other than their intended purpose shall be at WATERMASTER's risk. WATERMASTER shall hold DISTRICT harmless from all claims and damages arising out of improper use of said documents.

DISTRICT shall be and remain liable in accordance with applicable law for damages to WATERMASTER caused by DISTRICT's negligent performance of any of the services performed by the DISTRICT under this Agreement. The only exception in this regard will be for errors, omissions or other deficiencies to the extent attributable to WATERMASTER, WATERMASTER-furnished data, or any third party not under the control of DISTRICT. DISTRICT shall not be responsible for any time delays in Services caused by circumstances beyond DISTRICT's control.

DISTRICT shall perform the services hereunder as an independent contractor, and nothing herein contained shall be construed to be inconsistent with this relationship or status. The employees of DISTRICT assigned to Services shall not be deemed to be the employees of WATERMASTER, and WATERMASTER shall have no right to control the physical conduct of DISTRICT employees.

- 2. Contract Price.** For performance of the Services and rendering the Deliverable, WATERMASTER shall pay to DISTRICT all fees due under the applicable SOW.
- 3. Dates of Performance.** DISTRICT will begin performing Services upon receipt of signed Agreement. Unless terminated as provided for in this Agreement, the DISTRICT will complete Services by the Completion Date. Deliverable shall be furnished to WATERMASTER or WATERMASTER's consultants.
- 4. Change in Services.** Either party, at its discretion and from time to time, may request to revise, correct, or modify the work to be performed under a SOW. All such change requests shall be made formally and in writing. Should DISTRICT determine that said changes will result in an increase or decrease in costs to DISTRICT, these costs shall be evaluated by WATERMASTER and DISTRICT for negotiation as to adjustment in the compensation due DISTRICT. Written agreement as to said changes and adjustment in costs shall be reached between the parties prior to commencement of any work that will cause an increase or decrease in DISTRICT's costs.
- 5. Termination.** DISTRICT shall have the right to modify, reject, or terminate any SOW and any related work in process with thirty (30) days written notice to WATERMASTER. In the

event the DISTRICT terminates the SOW prior to completion of Services, the WATERMASTER shall pay the DISTRICT the fees due under the SOW with respect to Services completed as of the date of termination. Upon settlement of funds due to DISTRICT, all WATERMASTER provided materials will be returned to WATERMASTER.

WATERMASTER reserves the right to terminate any SOW to this Agreement at any time prior to the completion of the Services to be furnished by DISTRICT under said SOW by giving thirty (30) days written Notice of Termination to DISTRICT, in which event WATERMASTER shall pay DISTRICT only for work done and direct costs incurred by DISTRICT under said SOW prior to receipt of such Notice of Termination. Such costs will include reasonable costs to bring the work to a halt, and costs to deliver to WATERMASTER the documentation described in the following paragraph. Termination of a particular SOW will not affect any other operative SOW.

Upon receipt of a Notice of Termination, DISTRICT shall (1) promptly discontinue all services affected (unless the notice directs otherwise), and (2) deliver to WATERMASTER all data, drawings, specifications, reports, estimates, summaries, and such other information and materials as may have been accumulated by DISTRICT in performing work under a particular SOW, whether completed or in process.

Upon termination WATERMASTER may take over the work and prosecute the same to completion by agreement with another party or otherwise. Any work taken over by WATERMASTER for completion will be completed at WATERMASTER's risk, and WATERMASTER will hold harmless DISTRICT from all claims and damages arising out of improper use of DISTRICT'S work.

- 6. Payment of Services.** In exchange for DISTRICT'S Services under this Agreement, the Watermaster shall pay DISTRICT the contract price set forth in the SOW. DISTRICT shall invoice WATERMASTER quarterly for work completed during the previous quarter. All invoices shall be due and payable within thirty (30) days of the date of receipt by WATERMASTER, provided all costs included in the invoice are adequately supported by documentation accompanying the invoice. If payment is not made within sixty (60) days of the date of receipt by WATERMASTER, interest on the unpaid balance will accrue beginning with the sixty-first day at the rate of 1.0 percent per month, or the maximum interest rate permitted by law, whichever is the lesser. Such interest shall become due and payable at the time said overdue payment is made.

Time-and-Material Payment Method - WATERMASTER will pay the DISTRICT on a time-and-material basis in accordance with the DISTRICT'S most current Standard Schedule of Compensation. The hourly rates set forth in the Standard Schedule of Compensation shall be inclusive of all direct and indirect salary costs, overhead, fringe benefits, and other costs, and shall reflect the total hourly charge for each listed job category. Other direct non-salary expenses for the performance of work authorized under the Time-and-Material Payment Method shall be all identifiable costs directly chargeable to each SOW including, but not limited to: travel and subsistence expenses; work subcontracted to others; reproduction of plans, specifications, reports and other documents; equipment rental; and, drafting and stenographic supplies used in the work. The chargeable rate for automobile mileage for the work to be performed under this Agreement

shall be stated in the SOW. Direct non-salary expenses shall be compensated for at their actual cost, unless otherwise stated in the SOW, providing they have been authorized in advance by WATERMASTER. A Total Price, which may not be exceeded without WATERMASTER's prior written approval, will be established for each specific SOW.

Projected Cost Overruns Under Time-and-Material Payment Method - If, at any time in the performance of the work of a specific SOW under the Time-and-Material payment method, DISTRICT has reason to believe that the costs which it expects to incur to complete the work of that SOW will exceed the total amount authorized for that SOW, DISTRICT shall notify WATERMASTER in writing to that effect. The notice shall: State the reason(s) why DISTRICT anticipates a cost overrun, state the estimated amount of additional funds beyond the total amount currently authorized that will be required to complete the work authorized by the SOW, and provide recommendations of how the overrun can be avoided.

Penalty for Late Performance - The DISTRICT is not responsible for delays in the schedule caused by events outside DISTRICT's reasonable control. However, in the event DISTRICT fails to properly complete work within thirty (30) days of the Completion Date, because of events within DISTRICT's reasonable control, WATERMASTER shall reduce the total compensation established for the work of that SOW by ten percent (10%). Said reduction shall be deemed liquidated damages for the untimely performance of work required by this Agreement. DISTRICT shall be deemed to have waived any claim for such amount by reason of its failure to perform in a timely fashion.

- 7. Indemnification.** DISTRICT shall indemnify and hold harmless WATERMASTER and its officers, officials, employees and agents from and against all losses, claims, demands, payments, suits, actions, recoveries, and judgements of every nature and description brought or recoverable against it or them by reason of any grossly negligent act, grossly negligent error, or grossly negligent omission of DISTRICT, its agents, or employees for work performed under this Agreement.

WATERMASTER shall indemnify and hold harmless DISTRICT and its officers, officials, employees and agents from and against all losses, claims, demands, payments, suits, actions, recoveries, and judgements of every nature and description brought or recoverable against it or them by reason of any negligent act, negligent error, or negligent omission of WATERMASTER, its agents, or employees for work performed under this Agreement.

- 8. Limitation of Liability.** DISTRICT understands that this Agreement is with WATERMASTER alone, and that none of the members of WATERMASTER are liable for any sums which may be payable hereunder, or for any debts of WATERMASTER.
- 9. Compliance with Laws.** Each party shall perform all of its obligations under this Agreement in compliance at all times with all foreign, federal, state and local statutes, orders and regulations, including those relating to privacy and data protection.
- 10. General.** Neither party may assign this Agreement without the prior written consent of the other party and any attempt to do so will be void. Any notice or consent under this Agreement will be in writing to the addresses specified below. If any part of this Agreement is found to be

in conflict with applicable laws, such part shall be inoperative, null and void insofar as it is in conflict with said laws, but the remainder of the Agreement shall be in full force and effect. Any waivers or amendments shall be effective only if made in writing signed by a representative of the respective parties. Both parties agree that this Agreement is the complete and exclusive statement of the mutual understanding of the parties, and supersedes and cancels all previous written and oral agreements and communications relating to the subject matter of this Agreement. This Agreement is to be signed by a representative from each party duly authorized to bind to Agreement terms and services and no consent from any third party is required.

Both parties hereby reserve the right to amend the provisions of this Agreement from time to time as may be in the best interest of WATERMASTER and DISTRICT. Such amendments, upon written acceptance by DISTRICT and by WATERMASTER, shall become and be considered as part of this Agreement, and all provisions herein shall apply to such amendments.

This Agreement constitutes the entire agreement between the parties relative to the subject matters hereof, and no modifications thereof shall be effective unless and until such modifications are evidenced by written amendments, signed by both parties to this Agreement. There are no understandings, agreements, conditions, representations, warranties, or promises with respect to the subject matter of this Agreement which are not actually contained in this Agreement, except those expressly contained in such written amendments.

Written notice shall be deemed to have been duly served if delivered in person or by mail to the individuals and at the addresses listed below:

A. WATERMASTER:           Administrative Officer  
                                       Seaside Basin Watermaster  
                                       P.O. Box 51502  
                                       Pacific Grove CA 93950

B. DISTRICT:                 General Manager  
                                       Monterey Peninsula Water Management District  
                                       5 Harris Court, Building G  
                                       PO Box 85  
                                       Monterey, CA 93942-0085

**11. Choice of Law.** This Agreement will be deemed to have been made in, and shall be construed pursuant to, the laws of the State of California without regard to conflicts of laws provisions thereof. Any suit or proceeding arising out of or relating to this Agreement shall be commenced in a State court in Monterey County, California and each party irrevocably submits to the jurisdiction and venue of such courts.

**12. Remedies.** If any legal action is necessary to enforce or interpret the terms or provisions of this Agreement and all amendments thereto, and the respective rights and duties of the parties

hereunder, the prevailing party shall be entitled to reasonable attorneys' fees in addition to any other entitled relief.

**13. Insurance.** DISTRICT shall procure and maintain for the duration of this Agreement insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder by DISTRICT, its agents, representatives, employees or subcontractors.

A. Minimum Scope and Limits of Insurance

DISTRICT shall maintain the types of insurance with limits no less than those set forth below, and having no deductibles, except as noted.

General Liability Insurance: Combined single limit of \$1,000,000 per occurrence and \$2,000,000 annual aggregate for bodily injury, personal injury, and property damage. If Commercial General Liability Insurance or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to this Agreement, or the general aggregate limit shall be twice the required occurrence limit.

Automobile Liability Insurance: \$1,000,000 per accident for bodily injury and property damage.

Employer's Liability Insurance: \$1,000,000 per accident for bodily injury or disease.

Workers' Compensation Insurance: As required by the State of California.

B. Other Insurance Provisions

The general liability and automobile liability policies are to contain, or be endorsed to contain, the following provisions:

1. WATERMASTER, its officers, officials, employees, and volunteers are to be covered as insureds as respects: liability arising out of activities performed by or on behalf of DISTRICT; products and completed operations of DISTRICT; premises owned, occupied or used by DISTRICT; or, automobiles owned, leased, hired or borrowed by DISTRICT. The coverage shall contain no special limitations on the scope of protection afforded to WATERMASTER, its officers, officials and employees.
2. For any claims related to this Agreement, DISTRICT insurance coverage shall be primary insurance as respects WATERMASTER, its officers, officials, employees, and volunteers. Any insurance or self-insurance maintained by WATERMASTER, its officers, officials, employees, or volunteers shall be excess of DISTRICT insurance and shall not contribute with it.

3. Any failure to comply with reporting or other provisions of the policies including breaches of warranties shall not affect coverage provided to WATERMASTER, its officers, officials and employees.
4. DISTRICT's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.
5. Each insurance policy required by this clause shall be endorsed to state that coverage shall not be suspended, voided, canceled by either party, reduced in coverage or in limits except after thirty (30) days' prior written notice by certified mail, return receipt requested, has been given to WATERMASTER.
6. Coverage shall not extend to any indemnity coverage for the active negligence of the additional insured in any case where an agreement to indemnify the additional insured would be invalid under Subdivision (b) of Section 2782 of the Civil Code.

C. Verification of Coverage

DISTRICT shall furnish WATERMASTER with Certificates of Insurance effecting coverage required by this section. All Certificates of Insurance are to be received by WATERMASTER before work commences.

[Signature Page Follows]

Accepted and agreed to as of the Effective Date by the authorized representative of each party:

**WATERMASTER**

Signature: \_\_\_\_\_

Print Name: Paul Bruno

Print Title: Board Chairman

Date: [MM/DD/YYYY]

**DISTRICT**

Signature: \_\_\_\_\_

Print Name: [NAME]

Print Title: [TITLE]

Date: [MM/DD/YYYY]





**ITEM: ACTION ITEM****8. CONSIDER APPROVING AND AUTHORIZING THE DISTRICT TO ENTER INTO AN AMENDED AND RESTATED WATER PURCHASING AGREEMENT FOR THE PURE WATER MONTEREY PROJECT EXPANSION**

<b>Meeting Date:</b>	<b>August 16, 2021</b>	<b>Budgeted:</b>
<b>From:</b>	<b>David J. Stoldt, General Manager</b>	<b>Program/  Line Item No.:</b>
<b>Prepared By:</b>	<b>David J. Stoldt</b>	<b>Cost Estimate:</b>

**General Counsel Approval: N/A****Committee Recommendation: None****CEQA Compliance: This action does not constitute a project as defined by the California Environmental Quality Act Guidelines Section 15378.**

**SUMMARY:** On May 11, 2021 District staff, representatives of California American Water Company (Cal-Am), and Monterey One Water (M1W) staff met to discuss opening discussions on construction of the Pure Water Monterey (PWM) expansion project and what terms and conditions, or amendments to the existing water purchase agreement (WPA), might be necessary. In all the parties had nine meetings and exchanged terms and suggested language fourteen times. Attorneys for all the parties participated in the meetings.

It was decided that, using the existing WPA as a starting point, an Amended and Restated Water Purchase Agreement would be the best approach to contract for water deliveries from the combined base and expanded PWM project. There were several areas of discussion/negotiation: (a) recitals, (b) project construction timeline, (c) water delivery guarantees, (d) financial penalties in event of default, (e) the public agency's actions in event of cost recovery for stranded desalination expenditures, if any, and (f) the public agency's support of alternative water supply sources in the event of repeated failure to meet PWM delivery guarantees.

District staff believes the draft Amended and Restated WPA attached hereto as **Exhibit 8-A** meets the objectives of all three parties.

The California Public Utilities Commission (CPUC) will need to approve the WPA before the parties can sign it. It is not yet clear what process will be utilized to secure CPUC approval, but it is expected that the CPUC will do so. Agreement by all three parties that each intends to sign the WPA when approved will serve as a basis for expenditure of pre-construction monies for design, bid documents, additional environmental work, and permitting. It is likely the District will be asked to participate in such pre-construction funding based upon the WPA.

**RECOMMENDATION:** The Board should consider approval of the attached draft Amended and Restated Water Purchase Agreement and authorize the General Manager to sign it once CPUC approval is obtained.

**EXHIBIT**

**8-A** Proposed (Draft) Amended and Restated Water Purchase Agreement Dated August 11, 2021

**EXHIBIT 8-A****DRAFT AMENDED AND RESTATED  
WATER PURCHASE AGREEMENT FOR  
PURE WATER MONTEREY PROJECT**

**THIS AMENDED AND RESTATED WATER PURCHASE AGREEMENT** (“Agreement”) is made this \_\_\_\_ day of \_\_\_\_\_, 2021 (the “Effective Date”) by and between California-American Water Company, a California corporation, hereinafter referred to as the “Company,” Monterey One Water (formerly the Monterey Regional Water Pollution Control Agency), hereinafter referred to as the “Agency,” and Monterey Peninsula Water Management District, hereinafter referred to as the “District.” The Company, the Agency, and the District are hereinafter referred to individually as a “Party” and collectively as the “Parties.”

**RECITALS**

- A. The Company has a statutory duty to serve water in certain cities on the Monterey Peninsula and in a portion of Monterey County for its service area, the boundaries of which are shown in Exhibit A attached hereto and incorporated herein.
- B. The Company has been ordered by the State Water Resources Control Board in orders WR 95-10, WR 2009-0060, and WR 2016-0016 to find alternatives to the Carmel River to fulfill its duty to serve, and to reduce Carmel River diversions to authorized limits by December 31, 2021.
- C. In 2012, the Company filed application 12-04-019 with the California Public Utilities Commission (“CPUC”), seeking an order issuing a Certificate of Public Convenience and Necessity (“CPCN”) for the construction of the Monterey Peninsula Water Supply Project (“MPWSP”) and authorizing the recovery of the costs for such construction in rates. The Company proposed the MPWSP as either a 9.6 million gallons per day (“mgd”) production capacity desalination plant or a reduced capacity 6.4 mgd production capacity desalination plant combined with a water purchase agreement for 3,500 acre-feet per year of product water from the Agency’s Groundwater Replenishment Project (also known as the Pure Water Monterey Project).
- D. In 2013, multiple parties, including the Company, the Agency, and the District, entered into a Comprehensive Settlement Agreement, providing for the development, construction, operation and financing of the MPWSP, and recovery of costs in rates for a desalination plant sized at either 9.6 mgd or 6.4 mgd.
- E. In 2016, in Decision 16-09-021, the CPUC authorized a water purchase agreement for the

3,500 acre-feet per year of product water from the Pure Water Monterey Project to be delivered to the Company.

- F. On September 20, 2018, the CPUC issued Decision 18-09-017, certifying the combined Final Environmental Impact Report/Environmental Impact Statement for the MPWSP and authorizing a CPCN for the MPWSP at a desalination plant size of 6.4 mgd. The Decision declined to adopt the Comprehensive Settlement Agreement, but adopted the framework set forth therein, including a cost cap, operations and maintenance financing provisions, ratemaking provisions, and contingency provisions.
- G. Between 2012 and the present, the Company incurred costs, including environmental review, permitting, and other costs, in proceeding with development of the MPWSP to provide a permanent, reliable water supply and allow reduction of unauthorized Carmel River and Seaside Basin diversions. Many of these costs were reviewed and discussed among the parties. Since July 2013, the Company has provided these incurred costs as part of its quarterly newsletter filings that are served on all parties in the CPUC proceeding.
- H. In September 2017, at the CPUC's request the Agency proposed expansion of the Pure Water Monterey Project to provide an additional incremental supply of 2,250 acre-feet per year of product water to be made available to the Company for delivery to its customers.
- I. In Decision 18-09-017, the CPUC required the Company to file an application if it sought to enter into a water purchase agreement for additional water supply to be provided by an expansion of the Pure Water Monterey Project.
- J. In Decision 18-09-017, the CPUC set forth the requirements for any water purchase agreement application to be filed with the CPUC for acquiring water from the Pure Water Monterey Expansion Project if the MPWSP desalination plant was delayed beyond December 31, 2021, stating: "To the extent Cal-Am files (or the Commission directs Cal-Am to file) an application seeking approval of a PWM expansion WPA, the application shall include sources of supply water, development costs, prices for sales of the developed water, contractual details, environmental effects, potential to obtain necessary permits, water quality, sources of funding, possible related facilities (e.g., additional pipelines or pump stations), and any other information relevant and necessary for the Commission to make an informed, just and reasonable decision including details as to supply and production including not only during average rainfall years but also during a multi-year drought and the timing of expanded production. The application will be considered only to the extent the desalination plant authorized in this decision (i.e., 6.4 million gallons per day) is delayed to the point that sufficient source water capacity is more likely than not to be unavailable after the December 31, 2021, deadline set by the State Water Resources Control Board in its amended CDO."
- K. Approval by the California Coastal Commission of a coastal development permit necessary for

the MPWSP desalination plant slant wells was delayed, such that the desalination plant authorized by the CPUC will not be operational by December 31, 2021.

- L. At this time, the Company desires to buy advanced treated recycled water from the Pure Water Monterey Project, and the Pure Water Monterey Expansion project, from the District for the purpose of fulfilling its duty to serve its customers within its service area and the District is willing to sell advanced treated recycled water to the Company for this purpose on the terms and conditions provided for herein.
- M. The Company believes, based on expert advice, that the water available from the Pure Water Monterey Project and the Pure Water Monterey Expansion Project provides insufficient supplies to meet customer demand without the desalination component of the MPWSP and, therefore, intends to continue to seek all necessary approvals for development, construction and operation of the MPWSP desalination plant. Nevertheless, water supplied by the Pure Water Monterey Expansion Project will likely be available before the desalination plant is operational and would help meet current demand after December 31, 2021.
- N. The District believes, also based on expert advice and peer review, that supplies without the desalination plant are sufficient to satisfy customer demand for a couple decades if the Pure Water Monterey Expansion Project is built, and, therefore, supports entering into an agreement with the Company for water purchases from the Pure Water Monterey Expansion Project.
- O. The Agency will be responsible for the design, construction, operation, and ownership of facilities for the production, delivery, and injection of advanced treated recycled water into the Seaside Groundwater Basin, such facilities to be part of the Pure Water Monterey groundwater replenishment project.
- P. The District will buy advanced treated recycled water from the Agency for purpose of securing the financing of and paying the operating costs of the project. The District will sell the advanced treated recycled water to the Company subject to the terms of this Agreement.
- Q. The Company desires to buy advanced treated recycled water from the District for the purpose of fulfilling its duty to serve its customers within its service area and the District is willing to sell advanced treated recycled water to the Company for this purpose on the terms and conditions provided for herein.
- R. The Agency contends, and has so advised the District and the Company, that based on advice of counsel, (1) Agency assets and revenue derived from Agency ratepayers are not available for satisfying claims and judgments for any liability arising from this water project Agreement, and (2) therefore, the single source for so satisfying is insurance coverage described as Required Insurance in this Agreement.

- S. The Agency has separately entered into an agreement with the Monterey County Water Resources Agency in Section 4.05 of which, the Monterey County Water Resources Agency may request additional irrigation water from Agency sources. Pursuant to that agreement the Agency has committed to produce no more than 200 acre-feet per year, up to a total quantity of 1,000 acre-feet, for delivery to the District as a drought reserve. When such a request is made, the District may make available to the Company Drought Reserve Water in order to satisfy the Company Allotment. Additionally, in order to ensure delivery of the Company Allotment in the event of an interruption in project operations, the District has established an Operating Reserve. Together the two reserves are called the Reserve Account and will be paid for by the District until deemed delivered to the Company if needed at a future date.

**NOW, THEREFORE**, the Parties agree as follows:

1. Purpose of Agreement.

The purpose of this Agreement is to provide for the sale of advanced treated recycled water from the Agency to the District and from the District to the Company derived from the Pure Water Monterey groundwater replenishment project owned and operated by the Agency, and to serve the Company's customers within its service area. The Parties confirm that this Agreement constitutes a contractual right to purchase advanced treated recycled water, that no water right is conferred to the Company, and that no additional rights in the Seaside Groundwater Basin are conferred to the District or the Agency.

2. Definitions

The following terms shall, for all purposes of this Agreement have the following meanings:

“Additional Project Participant” means any public district, agency, or entity, or any private water company, other than the Company, that executes a water purchase agreement in accordance with Section 19 hereof, together with its respective successors or assigns.

“Affected Party” means a Party claiming the occurrence of a Force Majeure Event and seeking relief under this Agreement as a result thereof.

“Agreement” means this Amended and Restated Water Purchase Agreement, as the same may be amended from time to time.

“Applicable Law” means any federal, state or local statute, local charter provision, regulation, ordinance, rule, mandate, order, decree, permit, code or license requirement or other governmental requirement or restriction, or any interpretation or administration of any of the foregoing by any governmental authority, which applies to the services or obligations of any of the Parties under this Agreement.

“AWT Facilities” means the advanced water treatment facilities portion of the Project that provides advanced treatment to source water that has undergone secondary treatment at the Regional Treatment Plant, including any advanced water treatment facilities constructed as part of the Expansion.

“AWT Water” means advanced treated recycled water produced by the AWT Facilities. “Company Account” means the account managed by the District and the Company that tracks and records the quantity of Company Water delivered to the Delivery Point.

“Company Allotment” means 3,500 acre-feet of AWT Water until the Expansion Performance Start Date, after which it shall mean 5,750 acre-feet, or another quantity of AWT Water as agreed to, in writing, by the Parties.

“Company Facilities” means the necessary facilities funded and constructed by the Company for purposes of supporting water deliveries from the Project and other Company water supplies, including (a) injection/extraction wells and related appurtenances, (b) pipelines and transmission mains, and (c) real property, all as additionally described in Exhibit B.

“Company Water” means the AWT Water delivered to the Delivery Point to be used and owned by the Company and will be counted toward the Company Allotment.

“Company Water Payments” means payments made by the Company to the District pursuant to Section 16 hereof for the furnishing of Company Water.

“Company Water Rate” means the dollar amount per acre-foot of Company Water that the Company pays the District for delivery of Company Water, as calculated pursuant to Section 16.

“CPUC” means the California Public Utilities Commission.

“Delivery Point” means any of the metered points of delivery identified in Exhibit C.

“Delivery Start Date” means the date that the District commences delivery of AWT Water to the Delivery Point.

“Drought Reserve” means one of the two sub-accounts that comprise the Reserve Account.

“Drought Reserve Minimum” means 1,000 acre-feet of Drought Reserve Water in the Drought Reserve.

“Drought Reserve Water” means Excess Water in the Drought Reserve Account at any given time.

“Event of Default” means each of the items specified in Section 20 which may lead to termination of this Agreement upon election by a non-defaulting Party.

“Excess Water” means a quantity of AWT Water in excess of the Company Allotment delivered by the District to the Delivery Point in any given Fiscal Year.

“Expansion” means the Pure Water Monterey groundwater replenishment project expansion, including (a) expansion to AWT Facilities, (b) additional Product Water Facilities, and (c) additional Injection Facilities, all as additionally described in Exhibit B.

“Expansion Performance Start Date” means the date set forth in a written notice provided by the District to the Company upon which the District’s performance obligations with respect to the Water Availability Guarantee, the Water Delivery Guarantee, and the Water Treatment Guarantee shall commence with respect to the Expansion, such date not to be more than twelve months following the Expansion Delivery Start Date.

“Expansion Delivery Start Date” means the date that the District commences delivery of AWT Water from the Expansion to the Delivery Point.

“Fiscal Year” means a twelve-month period from July 1 through June 30. Any computation made on the basis of a Fiscal Year shall be adjusted on a pro rata basis to take into account any Fiscal Year of less than 365 or 366 days, whichever is applicable.

“Fixed Project Costs” means all pre-construction, development, and capital costs of the Project, including debt service and reserves for the payment of debt service, incurred by the Agency or District in accordance with Section 6 hereof; provided, however, Fixed Project Costs shall not include any damages or other amounts paid by the Agency or the District to the Company as indemnification payments pursuant to Section 22 of this Agreement.

“Force Majeure Event” means any act, event, condition or circumstance that (1) is beyond the reasonable control of the Affected Party, (2) by itself or in combination with other acts, events, conditions or circumstances adversely affects, interferes with or delays the Affected Party’s ability to perform its obligations under this Agreement, and (3) is not the fault of, or the direct result of the willful or negligent act, intentional misconduct, or breach of this Agreement by, the Affected Party.

“Injection Facilities” means the injection wells and appurtenant facilities portion of the Project used to inject AWT Water into the Seaside Basin.

“Minimum Allotment” means 2,800 acre-feet of AWT Water until the Expansion Performance Start Date, after which it shall mean 4,600 acre-feet.

“Operating Reserve” means one of the two sub-accounts that comprise the Reserve Account.

“Operating Reserve Minimum” means (a) 1,000 acre-feet of Operating Reserve Water in the Operating Reserve prior to the date that is three (3) years following the Performance Start Date, (b) 1,750 acre-feet of Operating Reserve Water in the Operating Reserve after the date that is three



(3) years following the Performance Start Date but prior to the Expansion Performance Start Date, and (c) 2,875 acre-feet of Operating Reserve Water in the Operating Reserve after the date that is three (3) years following the Expansion Performance Start Date.

“Operating Reserve Water” means Excess Water in the Operating Reserve at any given time.

“Performance Start Date” means the date set forth in a written notice provided by the District to the Company upon which the District’s performance obligations with respect to the Water Availability Guarantee, the Water Delivery Guarantee, and the Water Treatment Guarantee shall commence, such date not to be more than six months following the Delivery Start Date.

“Product Water Facilities” means the product water conveyance facilities portion of the Project used to transport the AWT Water from the AWT Facilities to the Injection Facilities.

“Project” means the Pure Water Monterey groundwater replenishment project, including (a) Source Water Facilities, (b) AWT Facilities, (c) Product Water Facilities, and (d) Injection Facilities, all as additionally described in Exhibit B. The Project also includes the Expansion beginning on the Expansion Delivery Start Date.

“Project Operation and Maintenance Expenses” means all expenses and costs of management, operation, maintenance, repair, replacement, renovation, or improvement of the Project incurred by the Agency and the District, including overhead costs, and properly chargeable to the Project in accordance with generally accepted accounting principles, including, without limitation (a) salaries, wages, and benefits of employees, contracts for professional services, power, chemicals, supplies, insurance, and taxes; (b) an allowance for depreciation, amortization, and obsolescence; (c) all administrative expenses; and (d) a reserve for contingencies, in each case incurred by the Agency or District with respect to the Project; provided, however, Project Operation and Maintenance Expenses shall not include any damages or other amounts paid by the Agency or the District to the Company as indemnification payments pursuant to Section 22 of this Agreement.

“Regional Treatment Plant” means the Agency’s Regional Wastewater Treatment Plant.

“Required Insurance” means, with respect to the Agency and the District, the insurance each Party is required to obtain and maintain during the term of this Agreement as set forth in Exhibit D.

“Reserve Account” means the account managed by the District that tracks and records (a) quantities of Excess Water delivered to the Delivery Point, and (b) quantities of Reserve Water debited from the Reserve Account to satisfy the Company Allotment.

“Seaside Basin” means the Seaside Groundwater Basin.

“Service Area” means the Company’s service area as of the Effective Date of this Agreement, as shown in Exhibit A, and as amended from time-to-time by the CPUC.

“Storage and Recovery Agreement” means the storage and recovery agreement among the Company, the District and the Watermaster that allows for injection of AWT Water into the Seaside Basin for purposes of continued storage or withdrawal.

“Source Water Facilities” means the source water diversion and conveyance facilities portion of the Project used to divert and convey new source waters to the Regional Treatment Plant.

“Watermaster” means the Seaside Groundwater Basin Watermaster.

“Water Availability Guarantee” means the water availability guarantee set forth in Section 13.

“Water Delivery Guarantee” means the water delivery guarantee set forth in Section 12.

“Water Treatment Guarantee” means the water treatment guarantee set forth in Section 14.

### **OPERATIVE PROVISIONS**

#### **3. Commencement of Service.**

The Performance Start Date occurred on September 1, 2020. The Expansion Delivery Start Date shall be no later than October 1, 2024, or other date as agreed to in writing by the Parties. Failure of the Agency and the District to meet this deadline shall constitute an Event of Default upon which the Company may terminate this Agreement in accordance with Section 20. The Company shall not incur any costs or be responsible for any payments under this Agreement prior to the Performance Start Date. The Company shall not incur any costs or be responsible for any payments under this Agreement relating to the Expansion prior to the Expansion Delivery Start Date.

#### **4. Term of Agreement.**

This Agreement shall be effective as of the Effective Date and shall remain in effect until the date that is thirty (30) years after the Expansion Performance Start Date (the “Expiration Date”), unless earlier terminated as provided in this Agreement.

#### **5. Option for Continued Service.**

The Company may extend the Expiration Date of this Agreement for one or more periods not to exceed ten (10) years, in total. The Company shall notify the Agency and the District, in writing at least 365 days prior to the then-applicable Expiration Date, of its intent to extend the Expiration Date and such notice shall indicate the new Expiration Date. At the election of any Party, the Parties will meet and confer to consider the Parties’ interest in any additional extension or renewal of an arrangement similar to this Agreement. Such meet-and-confer sessions should take place approximately five (5) years prior to the then-applicable Expiration Date; provided, however, if pursuant to an extension under this Section 5 the new Expiration Date is less than five (5) years following the Company’s notification of the extension, the Parties will meet and confer within a

reasonable time prior to the new Expiration Date.

6. Agency and District to Develop Project and Expansion.

Subject to all terms and conditions of the Agency's water rights, permits and licenses, and all agreements relating thereto, the Agency and District will cause and complete the design, construction, operation, and financing of the Project and the Expansion, the production and delivery of AWT Water, the obtaining of all necessary authority and rights, consents, and approvals, and the performance of all things necessary and convenient therefor. The Agency will own and operate the Project and the Expansion.

As consideration for funding environmental, permitting, design, and other pre-construction costs, as well as for pledging revenues for repayment of future costs under this Agreement in the event Company Water Payments are insufficient, the District shall (i) own AWT Water for sale and delivery to the Company, (ii) have the right to sell AWT Water to the Company or any Additional Project Participant (if approved by the Company pursuant to Section 19), (iii) have the right to bill the Company for Company Water Payments or to bill any Additional Project Participant for AWT Water, and (iv) have the right to apply all Company Water Payments to payment of Fixed Project Costs and Project Operation and Maintenance Expenses.

7. Obligation to Pay Design and Construction Costs.

The Agency shall be solely responsible for the design, construction, implementation and performance of the Project, and shall bear all costs associated with such design, construction, implementation and performance. Title to the structures, improvements, fixtures, machinery, equipment, materials, and pipeline capacity rights constituting the Project and the Expansion shall remain with the Agency as described in Exhibit B. The Agency shall bear all risk of loss concerning such structures, improvements, fixtures, machinery, equipment, and materials.

At the request of the Agency, the Company may assist the Agency in obtaining financing for Fixed Project Costs for the Project. Any such assistance will be evidenced in a writing agreed to by the Company and the Agency.

8. Obligation to Pay Operation and Maintenance Costs.

The Agency shall be solely responsible for the operation, maintenance, repair and replacement of the Project, and shall bear all costs associated with such operation, maintenance, repair and replacement.

9. Point of Delivery and Ownership of AWT Water.

All AWT Water shall be delivered to the Delivery Point. Water utilized to backflush an injection well that percolates into the ground is considered delivered AWT Water.

The Agency shall own the AWT Water until the point it leaves the AWT Facilities. The District shall own the AWT Water from the point it leaves the AWT Facilities to the Delivery Point. After the Delivery Point, if the water is Company Water, it will be owned by the Company. If, however, the water is Excess Water after the Delivery Point, then ownership of such water shall remain with the District. The District shall own any water in the Reserve Account, until such time as Operating Reserve Water or Drought Reserve Water is used to satisfy the Water Availability Guarantee at which point it shall become Company Water and be owned by the Company.

The Company recognizes and agrees that it acquires no interest in or to any portion of the District's system or any Agency facilities.

Delivery by the District and withdrawal by the Company shall be governed by the Storage and Recovery Agreement.

#### 10. Points of Withdrawal.

All AWT Water furnished pursuant to this Agreement shall be taken from storage by the Company at the points of withdrawal controlled by the Company and permitted by the California Department of Public Health. The Company shall be solely responsible for operating and maintaining all of its facilities for withdrawal of water.

#### 11. Measurement.

All AWT Water furnished pursuant to this Agreement shall be measured by the Agency at the Delivery Point. Such measurement shall be with equipment chosen by the Agency, installed by the Agency on Agency facilities, and approved by the District and Company in writing. All measuring equipment shall be installed, maintained, repaired and replaced by the Agency. The Agency will provide annual meter calibration by an outside contractor and provide a copy of results of such calibrations to District and Company. The Agency shall have the primary obligation to measure the quantity of AWT Water delivered to the Delivery Point. The Company may request, at any time, investigation and confirmation by the District or Agency of the measurement being made as well as the charges associated with those measurements. Errors in measurement and charges discovered by the investigation will be corrected in a timely manner by the Agency and the District. The Company may, at its own expense, at any time, inspect the measuring equipment and the record of such measurements for the purpose of determining the accuracy of the equipment and measurements.

#### 12. Water Delivery Guarantee.

- (a) Beginning on the Performance Start Date and in every Fiscal Year throughout the term of this Agreement, the Agency shall use its best efforts to deliver AWT Water to the District in quantities at least equal to the Company Allotment.

- (b) Beginning on the Performance Start Date and in every Fiscal Year throughout the term of this Agreement, the District shall use its best efforts to deliver Company Water to the Delivery Point in quantities at least equal to the Company Allotment.
- (c) Beginning on the Performance Start Date and in every Fiscal Year throughout the term of this Agreement, the Agency shall deliver AWT Water to the District in quantities at least equal to the Minimum Allotment (the “Water Delivery Guarantee”).
- (d) Beginning on the Performance Start Date and in every Fiscal Year throughout the term of this Agreement, the District shall deliver Company Water to the Delivery Point in quantities at least equal to the Minimum Allotment (also, the “Water Delivery Guarantee”).
- (e) All AWT Water delivered by the District to the Delivery Point between the Delivery Start Date and the Performance Start Date shall be deemed Operating Reserve Water and allocated to the Operating Reserve. The Performance Start Date shall not occur until the Operating Reserve Minimum has been allocated to the Operating Reserve. Beginning on the Performance Start Date and in every Fiscal Year throughout the term of this Agreement, all AWT Water delivered to the Delivery Point each Fiscal Year shall be Company Water until an amount equal to the Company Allotment has been delivered.

13. Water Availability Guarantee.

- (a) Beginning on the Performance Start Date and throughout the term of this Agreement, the Agency must deliver enough AWT Water to the District so that the Company may draw AWT Water (including Company Water, Operating Reserve Water, and Drought Reserve Water released by the District to the Company) from the Seaside Basin every Fiscal Year in an amount at least equal to the Company Allotment (the “Water Availability Guarantee”).
- (b) Beginning on the Performance Start Date and throughout the term of this Agreement, the District must deliver enough AWT Water to the Delivery Point so that the Company may draw AWT Water (including Company Water, Operating Reserve Water, and Drought Reserve Water released by the District to the Company) from the Seaside Basin every Fiscal Year in an amount at least equal to the Company Allotment (also, the “Water Availability Guarantee”).
- (c) If in any Fiscal Year the District delivers Excess Water, any such amount shall be credited to the Reserve Account. The Reserve Account will have two sub-accounts: the Operating Reserve and the Drought Reserve. The District will allocate all Excess Water into either the Operating Reserve or the Drought Reserve as it shall determine in its sole discretion.
- (d) If the amount of Operating Reserve Water in the Operating Reserve at any time is less than

the Operating Reserve Minimum, then all Excess Water in a Fiscal Year must be allocated to the Operating Reserve until the Operating Reserve Minimum is achieved, except for up to 200 acre-feet of Excess Water that may, at the District's election, be allocated to the Drought Reserve but only if the balance in the Drought Reserve is less than the Drought Reserve Minimum. In no instance shall the District reduce Company Water deliveries to make available additional irrigation water to the Monterey County Water Resources Agency from Agency sources in an amount exceeding the balance available in the Drought Reserve.

- (e) If in any Fiscal Year the District delivers Company Water to the Delivery Point in quantities less than the Company Allotment, the Company shall have the right, but not the obligation, to draw Operating Reserve Water from the Operating Reserve to make up for any such shortfall in Company Water. In addition, if a shortfall still exists after Operating Reserve Water is drawn by the Company, the District may, in its sole discretion, use Drought Reserve Water available in the Drought Reserve to satisfy the Water Availability Guarantee. Upon the occurrence of the Expiration Date, or the earlier termination of this Agreement as contemplated herein, the Company shall have the right to draw Drought Reserve Water from the Drought Reserve.
- (f) At least every three (3) months during the term of this Agreement, beginning on the Performance Start Date, the District will report to the Company the balances and activity in the Operating Reserve and Drought Reserve. In addition, the District shall, with ten (10) days following the Company's request, provide to the Company the balances and activity in the Operating Reserve and Drought Reserve.

#### 14. Water Treatment Guarantee.

All AWT Water delivered by the Agency to the District and by the District to the Delivery Point must meet the water quality requirements set forth in Applicable Law (the "Water Treatment Guarantee"). If at any time the Agency or the District fails to meet the Water Treatment Guarantee, the Agency or the District shall give the Company immediate notice thereof and shall promptly meet with the Company to discuss the circumstances of such failure and the District's and the Agency's proposed action plan for remediation so that the Water Treatment Guarantee will be met. AWT Water delivered by the Agency to the District or by the District to the Delivery Point that does not meet the Water Treatment Guarantee shall not be considered Company Water or Excess Water.

#### 15. Budgeting.

Not later than May 1 each year, the Fixed Project Costs and Project Operation and Maintenance Expenses shall be estimated by the Agency and the District for the following Fiscal Year. Such estimates shall be made available for review by the Parties at least fifteen (15) days prior to adoption by the Agency's or District's respective boards.

#### 16. Rate of Payment for Company Water.

For Company Water furnished to the Company under this Agreement, the Company shall pay Company Water Payments to the District on a monthly basis determined as the Company Water Rate multiplied by the quantity of Company Water delivered the previous month. The Company shall not pay for deliveries to the Operating Reserve and the Drought Reserve until such reserves are designated by the Company or the District, as applicable, as Company Water.

The Company Water Rate in each Fiscal Year of the Agreement shall be the sum of the Fixed Project Costs and Project Operation and Maintenance Expenses budgeted for production and delivery of AWT Water in such Fiscal Year, divided by the amount of AWT Water expected to be produced during such Fiscal Year. The Parties agree that the fundamental rate-setting principles of this Agreement shall be (a) the Company does not pay for water it does not receive, (b) the cost of water shall only reflect the true cost of service consistent with California public agency laws and regulations, and (c) the Company shall pay only its proportionate share of the costs of the Agency and the District producing AWT Water.

In the first year following the Performance Start Date, the Company Water Rate shall not exceed \$1,720 per acre foot (the “Soft Cap”). Prior to the Performance Start Date, if the first-year Company Water Rate as calculated is expected to exceed the Soft Cap, the Company shall apply to the CPUC through a Tier 2 advice letter for approval of such rate before the Company shall be required under this Agreement to pay an amount greater than the Soft Cap as the Company Water Rate. Unless and until the CPUC approves a Company Water Rate in an amount greater than the Soft Cap, the Company shall only be required to pay an amount equal to the Soft Cap as the Company Water Rate. In no circumstance shall the District’s or the Agency’s obligations under this Agreement to deliver Company Water to the Company be affected by the pendency of the Company’s application to the CPUC for approval of a rate greater than the Soft Cap or a decision by the CPUC to deny any such application.

As Project Operation and Maintenance Expenses are projected or budgeted for an upcoming Fiscal Year, the Parties agree there will be a “true-up” or reconciliation at the end of every Fiscal Year following the Performance Start Date to ensure the principles set forth in this section are met. Such “true-up” shall mean: if actual Project Operation and Maintenance Expenses are more or less than budgeted Project Operation and Maintenance Expenses used to calculate the Company Water Rate paid during the Fiscal Year, a corresponding adjustment (up or down) will be provided against the subsequent Fiscal Year budget and computed Company Water Rate for that Fiscal Year.

The Parties agree that, given the status of the Agency and the District as governmental agencies and the requirements under law that they incur only reasonable and prudent costs and expenses for purposes related to their governmental duties and the fact that such costs and expenses are subject to public review and scrutiny, all Fixed Project Costs and Project Operation and Maintenance Expenses incurred by the Agency and/or the District in compliance with the terms of this

Agreement shall reflect only the actual cost of service consistent with California public agency laws and regulations and shall be subject to CPUC review consistent with that used for existing water purchase agreements by CPUC-regulated Class A investor-owned water utilities.

The District covenants and agrees to pay to the Agency the revenues received from the Company from the Company Water Payments provided, however, it will reduce the payment amount by any portion of the Fixed Project Costs and Project Operation and Maintenance Expenses directly paid or incurred by the District.

17. Time and Method of Payments.

The District shall send the Company a detailed monthly statement of charges due for all Company Water delivered to the Delivery Point during the preceding month as measured by the Agency meters, which shall be read on a monthly basis, and all Operating Reserve Water and Drought Reserve Water used to satisfy the Water Availability Guarantee, The Company shall not be billed for Excess Water that goes into the Reserve Account.

The Company shall pay to the District all undisputed portions of statements, within forty-five (45) days after receipt. Statements shall be mailed to the Company at the following address:

California American Water Company  
Director of Operations  
511 Forest Lodge Rd # 100  
Pacific Grove, CA 93950

The Agency shall send the District a monthly statement of charges due for all AWT Water actually delivered to the District during the preceding month as measured by the meters, which shall be read on a monthly basis. The District shall pay all statements within forty-five (45) days after receipt. Statements shall be mailed to the District at the following address:

Monterey Peninsula Water Management District  
Administrative Services Division Manager  
5 Harris Court, Building G  
Monterey, CA 93940

If payment of any amount due hereunder is not made when due, excluding disputed amounts, simple interest will be payable on such undisputed amount at the legal rate of interest charged on California judgments, as provided in California Code of Civil Procedure Section 685.010, and shall be calculated on the basis of a 365-day year from the date such payment is due under this Agreement until paid.

The Company is obligated to pay to the District the undisputed amounts becoming due under this Agreement, notwithstanding any individual default by its water users or others in the payment to the Company of assessments or other charges levied by the Company.



## GENERAL PROVISIONS

### 18. CPUC Rate Recovery Process.

All costs that the Company pays to the District pursuant to this Agreement shall be considered purchased water costs that are a pass-through to customers to be recovered via the Modified Cost Balancing Account (“MCBA”) mechanism.

At least six (6) months prior to the Performance Start Date, at least one time between May 1 and June 1 of every year thereafter, and at any time throughout the term of this Agreement the District deems necessary, the District shall provide the Company with written notice of the Company Water Rate, supported by detailed information relating to the Fixed Project Costs and the estimated Operation and Maintenance Expenses to be incurred in the upcoming Fiscal Year that were used to determine the Company Water Rate. Within sixty (60) days following receipt of the written notice containing the Company Water Rate, the Company shall file a Tier 1 advice letter for rate recovery with the CPUC to update its rates and tariffs, and in doing so establish a surcharge rate to reflect the Company Water Rate.

All changes to the Company Water Rate resulting from annual increases or decreases to the Fixed Project Costs or Project Operation and Maintenance Expenses, as reflected in the Company Water Rate, shall be requested for rate recovery through a Tier 1 advice letter in accordance with Section 3.2 of Water Industry Rules in General Order 96-B, as amended from time to time, for processing expense offset rate changes. The rate change will be applied to the surcharge to ensure that the Company’s customer rates remain aligned with the Company Water Rate under the Agreement.

The Company shall have no obligation to make Company Water Payments unless and until the CPUC approves payment and recovery of those payments in rates through the process set forth in General Order 96-B, including a Tier 1 advice letter, which is effective upon filing pending CPUC approval, or another process resulting in CPUC approval of such costs, which shall be diligently pursued by the Company. Failure of the Company to pay amounts in excess of the amount approved by the CPUC shall not constitute a breach, and the District and Agency shall not be relieved of any obligations hereunder as a result thereof.

Access to the books and records of the Agency and the District will be made available to the Company for purposes of reviewing the accuracy and reasonableness of all costs relating to the Project and determination of the Company Water Rate.

Notwithstanding the Company’s commitments under this Agreement, the Company intends to implement the MPWSP as authorized by the CPUC. Neither the District nor the Agency shall oppose the Company’s efforts to obtain CPUC approval to recover in rates the Company’s costs incurred relating to the MPWSP on or prior to August 31, 2019. Neither the District nor the

Agency is currently taking a position relating to the Company's efforts to obtain CPUC approval to recover in rates the Company's costs incurred relating to the MPWSP after August 31, 2019.

19. Additional Project Participants.

After giving sixty (60) days' prior written notice to the Company, the District and Agency may enter into water purchase agreements for AWT Water with Additional Project Participants subsequent to the Effective Date of this Agreement to the extent the District determines sufficient capacity exists (after accounting for the need to maintain the Operating Reserve Minimum and the Drought Reserve Minimum), to the extent there is no additional cost to the Company as a result of any such agreement, and to the extent any such agreement does not adversely affect the Agency's or the District's ability to meet their performance obligations under this Agreement.

In order to not diminish the source waters available to produce AWT Water under this Agreement, the Company shall have the right, prior to the District or the Agency entering into any water purchase agreement for AWT Water and in the Company's sole discretion, to approve or not approve in writing any Additional Project Participants deriving water from the water sources identified for the Project, specifically source waters identified in Sections 1.04 and 2.02 of the Amended and Restated Water Recycling Agreement between the Agency and Monterey County Water Resources Agency, dated November 3, 2015.

The Company shall not have the right to approve Additional Project Participants deriving water from prior existing rights to wastewater flows to the Regional Treatment Plant pursuant to Section 4.01 of the Agency's agreement with Monterey County Water Resources Agency or from future additional sources, as yet unidentified, such as wastewater systems annexed to the Agency's service area.

Any Additional Project Participant will pay for all additional capital costs necessitated by existence of the new water purchase agreement, its proportionate share of both the unamortized capital costs of the Project, and its proportionate share of future operation and maintenance expenses of the Project. The District and Agency will provide supporting documentation to the Company to ensure the Company Water Payments do not include any costs properly allocable to an Additional Project Participant.

20. Breach, Event of Default and Termination.

- (a) Remedies for Breach – The Parties agree that, except as otherwise provided in this section with respect to termination rights, if any Party breaches this Agreement, any other Party may exercise any legal rights it may have under this Agreement and under Applicable Law to recover damages or to secure specific performance. No Party shall have the right to terminate this Agreement for cause except upon the occurrence of an Event of Default. If a Party exercises its rights to recover damages upon a breach of this Agreement or upon a

termination due to an Event of Default, such Party shall use all reasonable efforts to mitigate damages. If a Force Majeure Event occurs, the Affected Party shall be entitled to relief from determination of a breach pursuant to Section 23 of this Agreement.

- (b) If the District fails to exercise, and diligently pursue, any legal rights it may have against the Agency pursuant to subsection (a) of this section 20 within forty-five (45) days after the Company's written request that the District do so, the District shall be deemed to have assigned to the Company all such legal rights. The Agency shall not object to any such assignment, but shall not waive any defense it may otherwise assert to any claim brought by the Company.
- (c) Event of Default – The following shall each constitute an “Event of Default” under this Agreement:
- (1) The Delivery Start Date does not occur on or before July 1, 2019;
  - (2) The Performance Start Date does not occur on or before January 1, 2020;
  - (3) The Expansion Delivery Start Date does not occur on or before October 1, 2024;
  - (4) The Expansion Performance Start Date does not occur on or before October 1, 2025;
  - (5) The failure of the Agency or the District to deliver Company Water to the Delivery Point in quantities at least equal to the Company Allotment in each of three consecutive Fiscal Years;
  - (6) The failure of the Agency or the District to meet the Water Delivery Guarantee in each of two consecutive Fiscal Years;
  - (7) The failure of the Agency or the District to deliver Company Water to the Delivery Point in quantities at least equal to 2,960 acre-feet in any Fiscal Year;
  - (8) The failure of the Agency or the District to meet the Water Availability Guarantee in any Fiscal Year;
  - (9) The failure of any Party to perform any material term, covenant, or condition of this Agreement, and the failure continues for more than thirty (30) days following the defaulting Party's receipt of written notice of such default from a non-defaulting Party; provided, however, that if and to the extent such default cannot reasonably be cured with such thirty (30) day period, and if the defaulting Party has diligently attempted to cure the same within such thirty (30) period and thereafter continues to diligently attempt to cure the same, then the cure period provided for herein shall be

extended from thirty (30) days to one-hundred twenty (120) days;

(10) The failure of the Agency or the District to meet the Water Treatment Guarantee on a repeated basis; and

(11) The Company no longer has a statutory duty to serve water in the Service Area.

(d) Termination for Event of Default – If an Event of Default occurs, any non-defaulting Party may terminate this Agreement immediately upon written notice to the other Parties. A non-defaulting Party may enforce any and all rights and remedies it may have against a defaulting Party under Applicable Law.

(e) Support upon Event of Default – In addition to the remedies available under section 20(d), above, if an Event of Default should occur under Section 20(c)(5) or Section 20(c)(6), the District and the Agency shall cooperate and support the Company’s efforts to obtain all permits and approvals necessary for implementation of a CPUC-approved water supply project (specifically including all necessary approvals for development, construction and operation of desalination facilities) proposed by the Company to both satisfy the requirements for lifting State Water Resources Control Board Orders WR 2009-0060 and WR 2016-0016 and comply with source capacity requirements under state regulations for a public water system, and any water supply project that may be proposed by the Company to the CPUC as a substitute therefor. The obligations provided in this section 20(e) shall survive any termination of the Agreement exercised pursuant to section 20(d), above.

## 21. Dispute Resolution.

Representatives from each Party shall meet and use reasonable efforts to settle any dispute, claim, question or disagreement (a “Dispute”) arising from or relating to this Agreement. To that end, the Parties’ representatives shall consult and negotiate with each other in good faith and, recognizing their mutual interests, attempt to reach a just and equitable solution satisfactory to the Parties. If the Parties do not reach such a solution within a period of thirty (30) days after the first notice of the Dispute is received by the non-disputing Parties, then the Parties shall pursue non-binding mediation to be completed within one-hundred twenty (120) days after the notice of the Dispute is received by the non-disputing Parties. If the Parties do not settle the Dispute within the one-hundred twenty (120) day period, any Party may pursue any and all available legal and equitable remedies.

## 22. Indemnification.

Each Party (an “Indemnifying Party”) shall fully indemnify the other Parties and their respective officers, directors, employees, consultants, contractors, representatives and agents (the “Indemnified Persons”) against, and hold completely free and harmless from, all liability and

damages including any cost, expense, fine, penalty, claim, demand, judgment, loss, injury and/or other liability of any kind or nature, including personal or bodily injury, death or property damage, that are incurred by or assessed against the Indemnified Persons and directly or indirectly caused by, resulting from, or attributable to the fault, failure, breach, error, omission, negligent or wrongful act of the Indemnifying Party, or its officers, directors, employees, consultants, contractors, representatives and agents, in the performance or purported performance of the Indemnifying Party's obligations under this Agreement, but only to the extent of and in proportion to the degree of fault, failure, breach, error, omission, negligent or wrongful act of the Indemnifying Party, or its officers, directors, employees, consultants, contractors, representatives and agents.

### 23. Force Majeure Event Relief.

- (a) If a Force Majeure Event occurs, the Affected Party shall be entitled to (1) relief from its performance obligations under this Agreement to the extent the occurrence of the Force Majeure Event prevents or adversely affects Affected Party's performance of such obligations, and (2) an extension of schedule to perform its obligations under this Agreement to the extent the occurrence of the Force Majeure Event prevents or adversely affects Affected Party's ability to perform such obligations in the time specified in this Agreement. The occurrence of a Force Majeure Event shall not, however, excuse or delay the other Parties' obligation to pay monies previously accrued and owing to Affected Party under this Agreement, or for Affected Party to perform any obligation under this Agreement not affected by the occurrence of the Force Majeure Event.
  
- (b) Upon the occurrence of a Force Majeure Event, Affected Party shall notify the other Parties in accordance with the notice provisions set forth herein promptly after Affected Party first knew of the occurrence thereof, followed within fifteen (15) days by a written description of the Force Majeure Event, the cause thereof (to the extent known), the date the Force Majeure Event began, its expected duration and an estimate of the specific relief requested or to be requested by the Affected Party. Affected Party shall use commercially reasonable efforts to reduce costs resulting from the occurrence of the Force Majeure Event, fulfill its performance obligations under the Agreement and otherwise mitigate the adverse effects of the Force Majeure Event. While the Force Majeure Event continues, the Affected Party shall give the other Parties a monthly update of the information previously submitted. The Affected Party shall also provide prompt written notice to the other Parties of the cessation of the Force Majeure Event.

### 24. Amendments.

No change, alteration, revision or modification of the terms and conditions of this Agreement shall be made, and no verbal understanding of the Parties, their officers, agents or employees shall be valid, except through a written amendment to this Agreement duly authorized and executed by the Parties.

25. Remedies Not Exclusive.

The use by any Party of any remedy for the enforcement of this Agreement is not exclusive and shall not deprive the Party using such remedy of, or limit the application of, any other remedy provided by law.

26. Mitigation of Damages.

In all situations arising out of this Agreement, the Parties shall attempt to avoid and minimize the damages resulting from the conduct of another Party.

27. Failure of CPUC Approval.

If this Agreement is not approved by the CPUC in a manner acceptable to the Parties, any Party may, within sixty (60) days after the effective date of the decision or order of the CPUC relating to the approval of this Agreement, give written notice to the other Parties that the Agreement will terminate ten (10) days after receipt of such notice. Those acts and obligations that are to be performed on or after the Execution Date shall be discharged and no Party shall thereafter be obligated to continue to perform this Agreement or any provision hereof. Whether this Agreement is approved by the CPUC in a manner acceptable to the Parties or not, those acts and obligations performed prior to the date of termination shall be final and no party shall have any claim to be restored to its pre-Execution Date status with regard to any of those acts or obligations.

28. Insurance.

The Agency and District will each obtain the applicable Required Insurance, as set forth in Exhibit D. If insurance proceeds fail to satisfy the obligations of the Agency or the District under this Agreement, the District and the Agency will utilize their own resources, including Prop 218 revenue raising capacity, to the extent allowable by law, to satisfy their obligations.

29. No Waiver.

Failure by a Party to insist upon the strict performance of any of the provisions of this Agreement by another Party, irrespective of the length of time for which such failure continues, shall not constitute a waiver of such Party's right to demand strict compliance by such other Party in the future. No waiver by a Party of any default or breach shall affect or alter this Agreement, and each and every covenant, term, and condition hereof shall continue in full force and effect to any existing or subsequent default or breach.

30. Successors in Interest, Transferees, and Assignees.

- (a) This Agreement and all the rights and obligations created by this Agreement shall be in full force and effect whether or not any of the Parties to this Agreement have been succeeded

by another entity, or had their interests transferred or assigned to another entity, and all rights and obligations created by this Agreement shall be vested and binding on any Party's successor in interest, transferee, or assignee. If the Company, the Agency or the District is succeeded by another entity, it shall assign this Agreement to its successor. If the District ceases to exist, the Agency and the Company shall continue their obligations hereunder in a manner that will substantively comply with the intent of this Agreement. Except as provided in subsection (b) of this Section 30, no succession, assignment or transfer of this Agreement, or any part hereof or interest herein, by a Party shall be valid without the prior written consent of the other Parties, such consent not to be unreasonably withheld.

- (b) In the event of the creation of a local governmental agency duly established for the sole purpose of succeeding to, assuming, and performing all obligations and rights of Agency or District created by this Agreement, Agency or District may assign this Agreement and all those obligations and rights to such local governmental agency without consent, written or otherwise, of any other Party.

### 31. Covenants and Conditions.

All provisions of this Agreement expressed either as covenants or conditions on the part of the District, Agency, or the Company shall be deemed to be both covenants and conditions.

### 32. Governing Law.

This Agreement and the rights and obligations of the Parties shall be governed, controlled and interpreted in accordance with the laws of the State of California.

### 33. Headings.

All headings are for convenience only and shall not affect the interpretation of this Agreement.

### 34. Construction of Agreement Language.

The provisions of this Agreement shall be construed as a whole according to its common meaning and purpose of providing a public benefit and not strictly for or against any Party. The Agreement shall be construed consistent with the provisions hereof, in order to achieve the objectives and purposes of the Parties. Wherever required by the context, the singular shall include the plural and vice versa, and the masculine gender shall include the feminine or neutral genders or vice versa.

### 35. Drafting Ambiguities.

This Agreement is the product of negotiation and preparation between the Parties. The Parties and their counsel have had the opportunity to review and revise this Agreement. The Parties waive the provisions of Section 1654 of the Civil Code of California and any other rule of construction

to the effect that ambiguities are to be resolved against the drafting Party, and the Parties warrant and agree that the language of this Agreement shall neither be construed against nor in favor of any Party unless otherwise specifically indicated.

36. Partial Invalidity; Severability.

If any provision of this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions will nevertheless continue in full force without being impaired or invalidated in any way.

37. No Third Party Beneficiaries.

Nothing in this Agreement is intended to create any third Party beneficiaries to the Agreement, and no person or entity other than the Parties and the permitted successors, transferees and assignees of either of them shall be authorized to enforce the provisions of this Agreement.

38. Relationship of the Parties.

The relationship of the Parties to this Agreement shall be that of independent contractors. Each Party shall be solely responsible for any workers compensation, withholding taxes, unemployment insurance, and any other employer obligations associated with the described work or obligations assigned to them under this Agreement.

39. Signing Authority.

The representative of each Party signing this Agreement hereby declares that authority has been obtained to sign on behalf of the Party such person is representing.

40. Further Acts and Assurances.

The Parties agree to execute, acknowledge and deliver any and all additional papers, documents and other assurances, and shall perform any and all acts and things reasonably necessary in connection with the performance of the obligations hereunder and to carry out the intent of the Parties.

41. Opinions and Determinations.

Where the terms of this Agreement provide for action to be based upon opinion, judgment, approval, review or determination of any Party hereto, such terms are not intended to be and shall never be construed as permitting such opinion, judgment, approval, review or determination to be arbitrary, capricious or unreasonable.

42. Interpretation of Conflicting Provisions.

If there is any conflict, discrepancy or inconsistency between the provisions of this Agreement



and the provisions of any exhibit or attachment to this Agreement, the provisions of this Agreement shall prevail and control.

43. Integration.

This Agreement, including the exhibits, represent the entire Agreement between the Parties with respect to the subject matter of this Agreement and shall supersede all prior negotiations, representations, or agreements, either written or oral, between the Parties as of the Effective Date.

44. Counterparts.

All signatures need not appear on the same counterpart of this Agreement and all counterparts of this Agreement shall constitute one and the same instrument.

45. Notices.

All notices to a Party required or permitted under this Agreement shall be in writing and shall be deemed delivered (i) when delivered in person; (ii) on the third day after mailing, if mailed, postage prepaid, by registered or certified mail (return receipt requested); or (iii) on the day after mailing if sent by a nationally recognized overnight delivery service which maintains records of the time, place, and recipient of delivery. Notices to the Parties shall be sent to the following addresses or to other such addresses as may be furnished in writing by one Party to the other Parties:

Monterey Peninsula Water Management District  
5 Harris Court, Building G  
Monterey, CA 93940  
Attention: General Manager

Monterey One Water  
5 Harris Court, Building D  
Monterey, CA 93940  
Attention: General Manager

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

**SIGNATURE PAGE FOLLOWS**

**IN WITNESS WHEREOF**, the Parties hereto have executed this Agreement as of the date first above written.

**MONTEREY ONE WATER,**

By: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Board Chair, Agency Board of Directors

**MONTEREY PENINSULA WATER MANAGEMENT DISTRICT,**

By: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Chair, District Board of Directors

**CALIFORNIA-AMERICAN WATER COMPANY,**

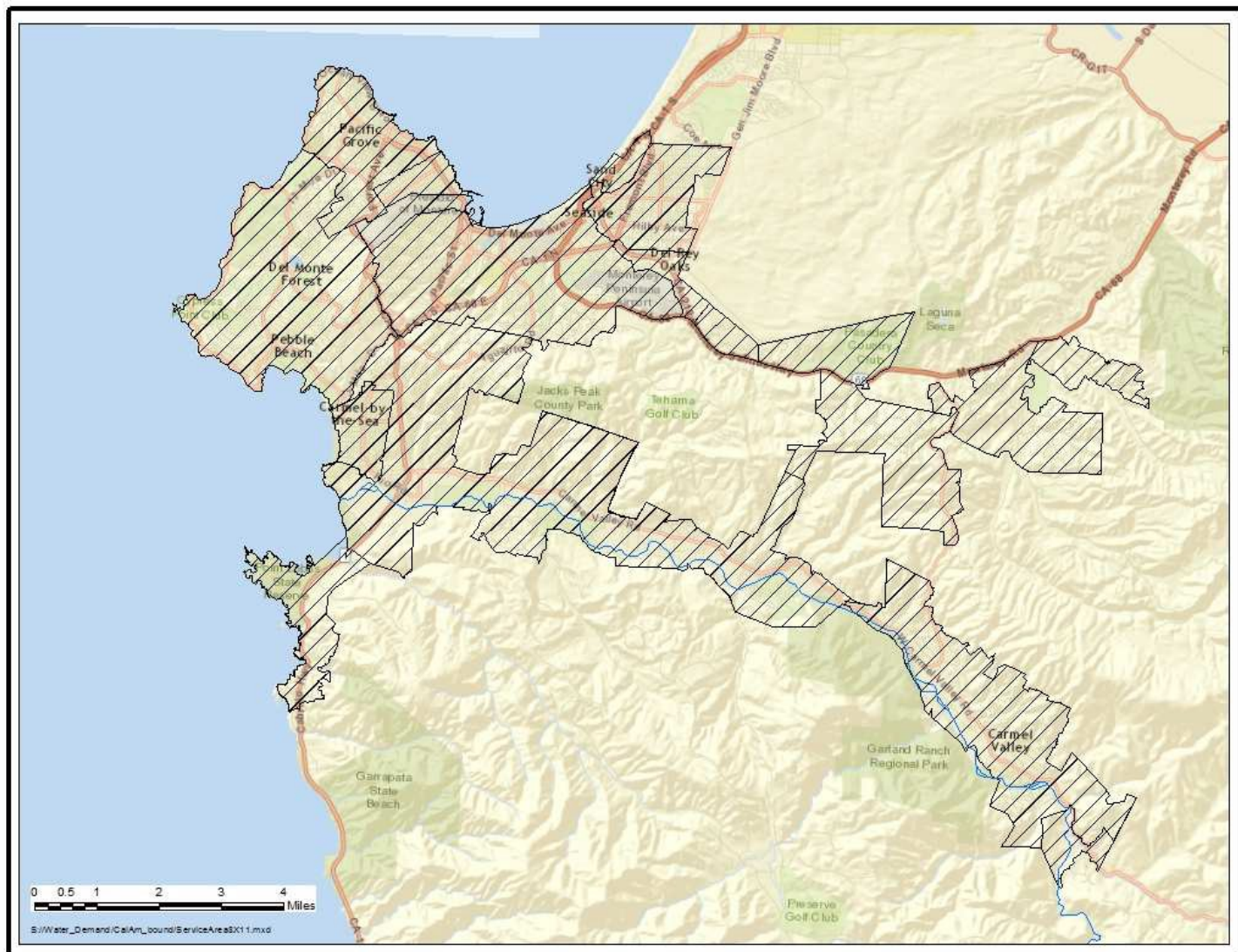
By: \_\_\_\_\_

Printed Name: \_\_\_\_\_

President

# EXHIBIT A

## Service Area



## EXHIBIT B

### Description of Project

**Source Water Facilities** – facilities to enable diversion of new source waters to the existing municipal wastewater collection system and conveyance of those waters as municipal wastewater to the Regional Treatment Plant to increase availability of wastewater for recycling. Modifications would also be made to the existing Salinas Industrial Wastewater Treatment Facility to allow the use of the existing treatment ponds for storage of excess winter source water flows and later delivery to the Regional Treatment Plant for recycling.

**AWT Facilities** – use of existing primary and secondary treatment facilities at the Regional Treatment Plant, as well as new pre-treatment, advanced water treatment (AWT), product water stabilization, product water pump station, and concentrate disposal facilities.

**Product Water Facilities** – new pipelines, pipeline capacity rights, booster pump station(s), appurtenant facilities along one of two optional pipeline alignments to move the product water from the Regional Treatment Plant to the Seaside Groundwater Basin injection well facilities.

**Injection Facilities** – new deep and vadose zone wells to inject Proposed Project product water into the Seaside Groundwater Basin, along with associated back-flush facilities, pipelines, electricity/ power distribution facilities, and electrical/motor control buildings.

### Description of Expansion

“Expansion” means the Pure Water Monterey groundwater replenishment project expansion, including (a) expansion to AWT Facilities, (b) additional Product Water Facilities, and (c) additional Injection Facilities. The proposed expansion to AWT Facilities will include additions of equipment, pipelines, and appurtenances to the approved and existing buildings and concrete/asphalt areas at the Advanced Water Purification Facility (also referred to herein as AWT Facilities).

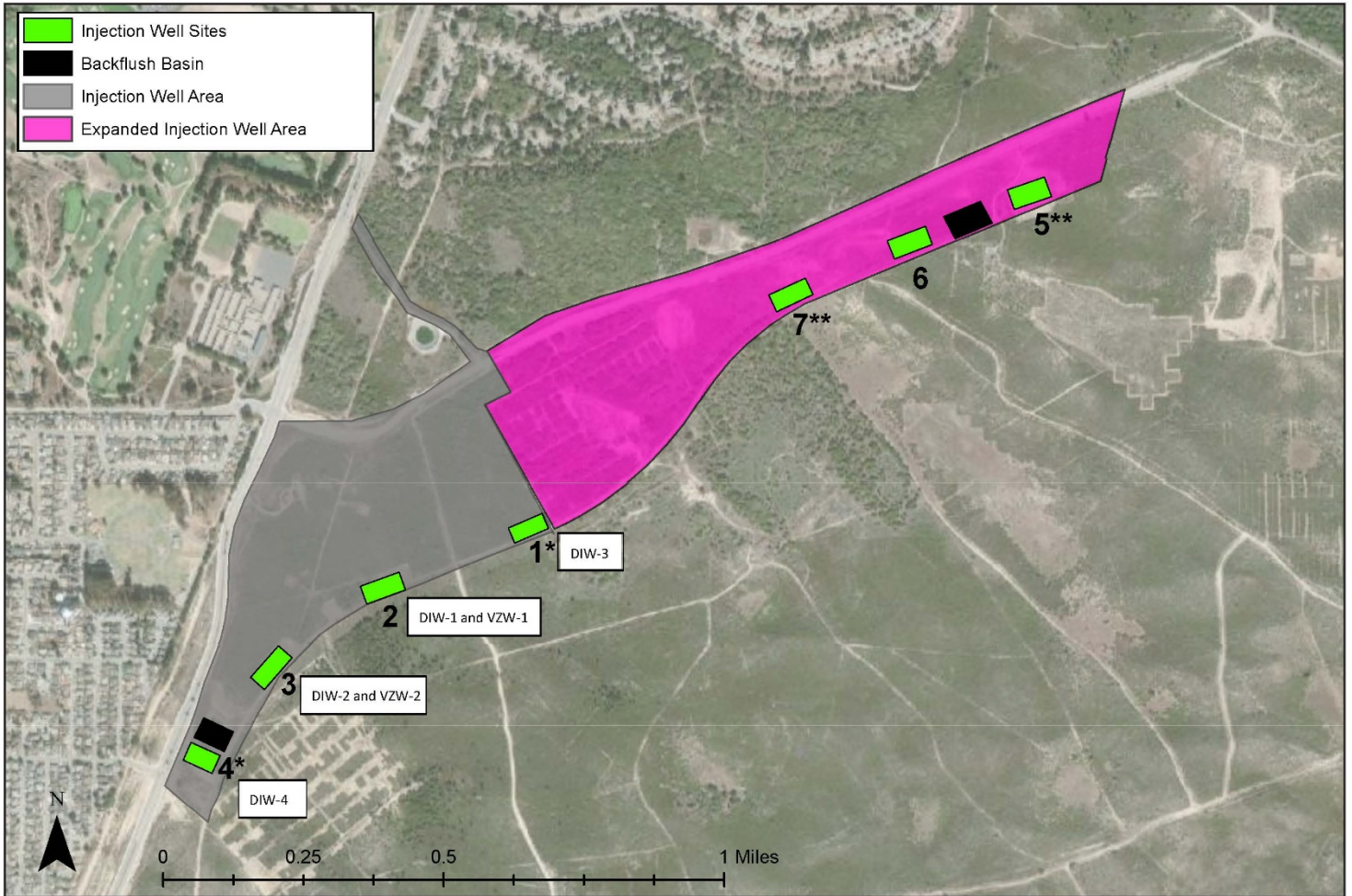
### Description of Company Facilities

“Company Facilities” means the necessary facilities funded and constructed by the Company for purposes of supporting water deliveries from the Project and other Company water supplies, including (a) injection/extraction wells and related appurtenances, (b) pipelines and transmission mains, and (c) real property, including up to two extraction wells near Fitch Park on Presidio of Monterey property and two extraction wells just north of the Seaside Middle School, in the City of Seaside, conveyance pipelines serving the extraction wells and interconnecting with the Company distribution system in General Jim Moore Boulevard, and potential treatment facilities.

### EXHIBIT C

#### Delivery Point

AWT Water will be injected into the Seaside Groundwater Basin using existing and new injection wells. The proposed Injection Well Facilities will be located east of General Jim Moore Boulevard, south of Eucalyptus Road in the City of Seaside, including injection wells (deep injection wells, vadose zone wells, as identified in the figure below), plus monitoring wells, and back-flush facilities.



Well sites 1-4 have been approved and constructed. Well site 6 is the primary site for expansion, but sites 5 and 7 may be made available for redundancy or future replacement.



## EXHIBIT D

### Required Insurance

As provided in Section 28 of this Agreement, Agency and District shall, to the extent it continues to be available and applicable to the insured risk, obtain and keep in force during the term of this Agreement the following minimum insurance limits and coverage (or greater where required by Applicable Law). Such coverage will be in place not later than the inception of the covered activity, or such time as the Agency's and the District's insurable interest exists.

The cost of Project insurance obtained pursuant to this Exhibit is a Project Operation and Maintenance Expense as defined in Section 2 of this Agreement.

Upon request, Agency and District will provide Company with a certificate of insurance or memorandum of coverage as to any Project insurance and/or complete copies of policies.

Company shall be provided at least 30 days' written notification of cancellation, material reduction in coverage or reduction in limits.

Project insurance may be issued by a public agency Joint Powers Authority Program or insurance companies authorized to do business in California with a current A. M. Best rating of A or better.

All commercial general liability insurance, including completed operations-products liability, automobile liability, and pollution liability insurance obtained pursuant to this Agreement shall designate Company, its parent and affiliates, their respective directors, officers, employees and agents, as additional covered parties. All such insurance should be primary and non-contributory, and is required to respond and pay prior to any other insurance or self-insurance available to Company. In addition to the liability limits available, such insurance will pay on behalf or will indemnify Company for defense costs. Any other coverage available to Company applies on a contingent and excess basis. All such insurance shall include appropriate clauses pursuant to which the insurance companies shall waive their rights of subrogation against Company, its parent and affiliates, their respective directors, officers, employees and agents.

Agency shall require that the contractors and subcontractors of all tiers as appropriate provide insurance during the pre-construction and construction (as covered activities begin) of the AWT Facilities as described in "Pure Water Monterey – Insurance Requirements for Construction and Design Professional Contracts," attached to this Exhibit D as Attachment 1. Approval of any deviation or exception from these insurance requirements resides solely with the Agency.

**Coverages:**

i. The Agency will provide coverage as follows:

(a) General liability insurance, including coverage for auto, errors and omissions and employment practices, and for the Water Delivery Guarantee, Water Availability Guarantee, and Water Treatment Guarantee at Sections 12, 13, and 14, respectively, of this Agreement. Total general and excess liability coverage limits shall be no less than \$15,000,000 per occurrence.

(b) “All Risk” Property Insurance (including coverage for Builders’ Risk, with additional coverage for loss or damage by water, earthquake, flood, collapse, and subsidence) with a total insured value equal to replacement cost of the AWT Facilities during the term of this Agreement

(c) Cyber Liability Insurance with \$2,000,000 coverage limits for first and third party limits.

(d) (1) Public Entity Pollution Liability (claims made and reported) with coverage limits in the amounts of \$25,000,000 policy aggregate and \$2,000,000 per pollution condition with a \$75,000 per pollution condition retention; (2) Pollution & Remediation Legal Liability with coverage limits in the amounts of \$1,000,000 each pollution condition and \$5,000,000 aggregate liability limits including a self-insured retention not to exceed \$25,000 each pollution condition; and (3) TankAdvantage Pollution Liability with coverage limits in the amounts of \$1,000,000 each claim and \$2,000,000 aggregate.

(e) Workers’ Compensation/Employers’ Liability. Workers' Compensation and Employer's Liability insurance and excess insurance policy(s) shall be written on a policy form providing workers’ compensation statutory benefits as required by California law. Employers’ liability limits shall be no less than one million dollars (\$1,000,000) per accident or disease.

ii. The District will provide coverage as follows:

(a) General Liability Coverage: \$10,000,000 per Occurrence  
Personal injury and Property Damage Coverage

(b) Automobile Liability Coverage: \$10,000,000 per Occurrence  
Personal Injury and Property Damage Coverage

(c) Workers’ Compensation Coverage  
A. Statutory Workers Compensation Coverage;  
B. Employers’ Liability Coverage: \$5,000,000 each Occurrence

(d) Public Officials’ and Employees Errors and Omissions: \$10,000,000 per Occurrence

(e) Property Coverage: \$1,000,000,000 (pooled limit)

Includes Fire, Theft and Flood Coverage with property replacement values

(f) Public Entity Pollution Liability with coverage limits in the amounts of \$10,000,000 per occurrence with a not-to-exceed \$75,000 per-pollution-condition retention; and (2) Pollution & Remediation Legal Liability with coverage limits in the amounts of \$10,000,000 per occurrence including a self-insured retention not to exceed \$25,000 each pollution condition.



## Attachment 1

### Pure Water Monterey Proposed Insurance Requirements for Construction and Design Professional Contracts

Contractors and design professionals (as that term is used in California Civil Code §2782.8) shall procure and maintain for the duration of the contract, and for twelve (12) years thereafter, insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder by the contractor or design professional, his/her agents, representatives, employees, or subcontractors.<sup>1</sup>

#### MINIMUM SCOPE AND LIMIT OF INSURANCE

Coverage shall be at least as broad as:

- 1. Commercial General Liability (CGL):** Insurance Services Office Form CG 00 01 covering CGL on an “occurrence” basis, including products and completed operations, property damage, bodily injury and personal & advertising injury with limits no less than \$5,000,000 per occurrence. If a general aggregate limit applies, either the general aggregate limit shall apply separately to this project/location or the general aggregate limit shall be twice the required occurrence limit.
- 2. Automobile Liability:** Insurance Services Office Form Number CA 0001 covering Code 1 (any auto), with limits no less than \$5,000,000 per accident for bodily injury and property damage.
- 3. Workers’ Compensation** insurance as required by the State of California, with Statutory Limits, and Employers’ Liability insurance with a limit of no less than \$1,000,000 per accident for bodily injury or disease.
- 4. Builder’s Risk (Course of Construction)** insurance utilizing an “All Risk” (Special Perils) coverage form, with limits equal to the completed value of the project and no coinsurance penalty provisions.
- 5. Surety Bonds** as described below.

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<sup>1</sup> The coverages herein are understood to be representative only and the Agency and District retain the right to modify the insurance and indemnity requirements based upon the scope of services for any engagement.

6. **Professional Liability** (for all design professionals and contractors for design/build projects), with limits no less than \$2,000,000 per occurrence or claim, and \$4,000,000 policy aggregate.
7. **Contractors' Pollution Legal Liability and Errors and Omissions** (if project involves environmental hazards) with limits no less than \$2,000,000 per occurrence or claim, and \$4,000,000 policy aggregate.

If the contractor or design professional maintains higher limits than the minimums shown above, the Entity<sup>2</sup> requires and shall be entitled to coverage for the higher limits maintained by the contractor or design professional. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to the Entity.

#### ***Deductibles and Self-Insured Retentions***

Any deductibles or self-insured retentions must be declared to and approved by the Entity. At the option of the Entity, either: the contractor shall cause the insurer to reduce or eliminate such deductibles or self-insured retentions as respects the Entity, its officers, officials, employees, and volunteers; or the contractor or design professional shall provide a financial guarantee satisfactory to the Entity guaranteeing payment of losses and related investigations, claim administration, and defense expenses.

The insurance policies are to contain, or be endorsed to contain, the following provisions<sup>3</sup>:

1. The Entity, its officers, officials, employees, and volunteers are to be covered as additional insureds on the CGL policy with respect to liability arising out of with respect to liability arising out of work or operations performed by or on behalf of the Contractor including materials, parts, or equipment furnished in connection with such work or operations and automobiles owned, leased, hired, or borrowed by or on behalf of the Contractor. General liability coverage can be provided in the form of an endorsement to the Contractor's insurance (at least as broad as ISO Form CG 20 10 10 93, CG 00 01 11 85 or both CG 20 10 10 01 and CG 20 37 10 01 forms if later revisions used).
2. For any claims related to this project, the Contractor's insurance coverage shall be primary insurance as respects the Entity, its officers, officials, employees, and volunteers. Any insurance or self-insurance maintained by the Entity, its officers, officials, employees, or volunteers shall be excess of the Contractor's insurance and shall not contribute with it.

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<sup>2</sup> The term "Entity" as used herein means the Agency or the District.

<sup>3</sup> The term "Contractor" as used herein also means Design Professional in context of an agreement for services by a design professional as that term is used in CA CC 2782.8.

3. Each insurance policy required by this clause shall provide at least thirty (30) days' written notification of cancellation, material reduction in coverage or reduction in available limits.

### ***Builder's Risk (Course of Construction) Insurance***

Contractor may submit evidence of Builder's Risk insurance in the form of Course of Construction coverage. Such coverage shall name the Entity as a loss payee as their interest may appear.

If the project does not involve new or major reconstruction, at the option of the Entity, an Installation Floater may be acceptable. For such projects, a Property Installation Floater shall be obtained that provides for the improvement, remodel, modification, alteration, conversion or adjustment to existing buildings, structures, processes, machinery and equipment. The Property Installation Floater shall provide property damage coverage for any building, structure, machinery or equipment damaged, impaired, broken, or destroyed during the performance of the Work, including during transit, installation, and testing at the Entity's site.

### ***Claims Made Policies***

If any coverage required is written on a claims-made coverage form:

1. The retroactive date must be shown, and this date must be before the execution date of the contract or the beginning of contract work.
2. Insurance must be maintained and evidence of insurance must be provided for at least twelve (12) years after completion of contract work.
3. If coverage is canceled or non-renewed, and not replaced with another claims-made policy form with a retroactive date prior to the contract effective, or start of work date, the Contractor must purchase extended reporting period coverage for a minimum of five (5) years after completion of contract work.
4. A copy of the claims reporting requirements must be submitted to the Entity for review.
5. If the services involve lead-based paint or asbestos identification/remediation, the Contractors Pollution Liability policy shall not contain lead-based paint or asbestos exclusions. If the services involve mold identification/remediation, the Contractors Pollution Liability policy shall not contain a mold exclusion, and the definition of Pollution shall include microbial matter, including mold.

### ***Acceptability of Insurers***

Insurance is to be placed with insurers authorized to do business in California with a current A.M. Best rating of no less than A: VII, unless otherwise acceptable to the Entity.

***Waiver of Subrogation***

Contractor hereby agrees to waive rights of subrogation which any insurer of Contractor may acquire from Contractor by virtue of the payment of any loss. Contractor agrees to obtain any endorsement that may be necessary to affect this waiver of subrogation. The Workers' Compensation policy shall be endorsed with a waiver of subrogation in favor of the Entity for all work performed by the Contractor, its employees, agents and subcontractors.

***Verification of Coverage***

Contractor shall furnish the Entity with original certificates and amendatory endorsements, or copies of the applicable insurance language, effecting coverage required by this contract. All certificates and endorsements are to be received and approved by the Entity before work commences. However, failure to obtain the required documents prior to the work beginning shall not waive the Contractor's obligation to provide them. The Entity reserves the right to require complete, certified copies of all required insurance policies, including endorsements, required by these specifications, at any time.

***Subcontractors***

Contractor shall require and verify that all subcontractors maintain insurance meeting all the requirements stated herein, and Contractor shall ensure that Entity is an additional insured on insurance required from subcontractors. For CGL coverage subcontractors shall provide coverage with a format least as broad as CG 20 38 04 13.

***Surety Bonds***

Contractor shall provide the following Surety Bonds:

1. Bid bond
2. Performance bond
3. Payment bond
4. Maintenance bond

The Payment Bond and the Performance Bond shall be in a sum equal to the contract price. If the Performance Bond provides for a one-year warranty a separate Maintenance Bond is not necessary. If the warranty period specified in the contract is for longer than one year a Maintenance Bond equal to 10% of the contract price is required. Bonds shall be duly executed by a responsible corporate surety, authorized to issue such bonds in the State of California and secured through an authorized agent with an office in California.

***Special Risks or Circumstances***

Entity reserves the right to modify these requirements, including limits, based on the nature of the risk, prior experience, insurer, coverage, or other circumstances.

***Hold Harmless - Contractor***

To the fullest extent permitted by law, Contractor shall hold harmless, immediately defend, and indemnify Entity and its officers, officials, employees, and volunteers from and against all claims, damages, losses, and expenses including attorney fees arising out of the performance of the work described herein, caused in whole or in part by any negligent act or omission of the Contractor, any subcontractor, anyone directly or indirectly employed by any of them, or anyone for whose acts any of them may be liable, except to the extent caused by the active negligence, sole negligence, or willful misconduct of the Entity.

***Hold Harmless – Design Professional***

To the fullest extent permitted by law, Design Professional shall hold harmless, immediately defend, and indemnify Entity and its officers, officials, employees, and volunteers from and against all claims, damages, losses, and expenses including attorney fees that arise out of, pertain to, or relate to the negligence, recklessness, or willful misconduct of the Design Professional, or its employees, agents or subcontractors, except to the extent caused by the active negligence, sole negligence, or willful misconduct of the Entity.

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**ITEM: ACTION ITEM****9. CONSIDER EXPENDITURE OF FUNDS FOR CONSULTANT SERVICES RELATED TO ANNUAL PERFORMANCE EVALUATION OF GENERAL MANAGER**

<b>Meeting Date:</b>	<b>August 16, 2021</b>	<b>Budgeted:</b>	<b>No</b>
<b>From:</b>	<b>David J. Stoldt, General Manager</b>	<b>Program/ Line Item No.:</b>	
<b>Prepared By:</b>	<b>David J. Stoldt</b>	<b>Cost Estimate:</b>	<b>\$18,000</b>

**General Counsel Approval: N/A****Committee Recommendation: None****CEQA Compliance: This action does not constitute a project as defined by the California Environmental Quality Act Guidelines Section 15378.**

**SUMMARY:** In 2020 the District Board established a subcommittee to look at the process for evaluation of its General Manager. The subcommittee recommended to depart from past practice and have an outside third-party facilitate the review and appraisal process. The subcommittee also created a simplified performance appraisal form for use by each Director which was adopted by the Board. On July 20, 2020 the Board authorized the hiring of RJA Management Services to conduct the review, which was completed by October 19, 2020.

That process resulted in four recommendations related to the annual appraisal process: (i) improve the subcommittee's appraisal form to reflect industry best practices; (ii) tie the General Manager's review to the District Strategic Plan's "objectives"; (iii) shift the term of appraisal to the calendar year to coincide with the Chair/Vice Chair/Board configuration; and (iv) continue with an outside third-party as facilitator for such an appraisal process.

RJA Management Services has submitted a proposed scope of work and fee attached hereto as **Exhibit 9-A**. The fee proposal is \$17,027.50 inclusive of out-of-pocket expenses. The General Manager recommends authorization of up to \$18,000 to include contingency.

Action taken at this August Board meeting would allow the process to conclude with the December 2021 Board meeting.

**RECOMMENDATION:** It is recommended that the Board authorize, and enter into, a contract with RJA Management Services to facilitate the annual performance appraisal of the General Manager.

**EXHIBIT****9-A Proposal of RJA Management Services**





**RJA Management Services**

August 5, 2021

Mr. David Stoldt  
General Manager

**MONTEREY PENINSULA WATER MANAGEMENT DISTRICT**  
5 Harris Court Building G  
Monterey, CA 93940

Dear Mr. Stoldt,

RJA Management Services would like to express interest in assisting the Monterey Peninsula Water Management District Board of Directors in conducting a *Performance Evaluation* of the General Manager.

Over the years, I have assisted elected and appointed officials in establishing goals and objectives for top management and have facilitated chief executive officer performance evaluations for the cities of Imperial Beach, Pasadena, Pittsburg, San Pablo, Soledad and Solana Beach, and the Burbank, Glendale, Pasadena Airport Authority and Monterey County. At Monterey County, I am currently assisting the Board of Supervisors in evaluating six direct reports: the County Administrative Officer, County Council, Civil Rights Officer, Public Defender, Natividad Medical Center Chief Executive Officer, and the Water Resources Agency General Manager. In addition, I have provided management consulting services to East Bay MUD, the Santa Clara Valley Water District, San Francisco PUD, MWD of Southern California, Upper San Gabriel Valley Municipal Water District and the San Luis Rey Indian Water Authority, among others. The evaluation of city managers at the cities of Pittsburg, San Pablo and Solana Beach involved gathering performance data from both the City Council and those who report directly to the city manager.

To begin with I will review and build upon past Board of Director's General Manager Performance Evaluation processes. I then will meet with the Board of Directors to discuss performance evaluation criteria the Directors want to utilize prior to revising the current Performance Evaluation Instrument or drafting a new Instrument. Although RJA has Performance Evaluation Instruments on file, oftentimes Instruments need to be modified to ensure that what is being measured is relevant and meaningful to each organization. Wherever possible, I recommend that job related factors already evaluated should continue to be evaluated as benchmarks for demonstrating progress and/or professional growth. The Board of Directors will have the opportunity to review, edit and approve the Performance Evaluation Form. The approved Evaluation Form will allow the Board of Directors to rate various job related performance factors/competencies and submit written comments to support ratings, suggest areas for improvement, and recommend performance goals and objectives. RJA will develop, distribute, collect completed forms, and analyze and report findings. If so desired, this process could afford the General Manager an opportunity to complete a self-evaluation. All evaluators will have the opportunity to complete the Evaluation Form on line or email a hard copy directly to me for analysis and reporting.

A Confidential report will be prepared for the Board of Director's review, discussion and editing prior to presentation to the General Manager. The results will be aggregated to ensure confidentiality of the evaluators. Once the report is approved by the Board of Directors, I will facilitate a Closed Session discussion with the Board of Directors and the General Manager to review the report, discuss areas for improvement, and establish future goals and objectives. An assumption underpinning this process is that the Board of Directors clearly understand expectations and how both parties will work together to achieve the Board's ambitious goals. It has been our experience that, after discussing the Performance Evaluation Report with the employee, changes agreed upon by the evaluators and employee may need to be made to the Report. I will make whatever agreed upon revisions are required and submit a final Performance Evaluation Report for the District and employee's files.

The RJA proposal does not include individual meetings with each Board Member to gather performance information. However, it does include time to meet with the Board of Directors to present and discuss evaluation criteria and the evaluation instrument, process, timeline and final report. I may have to contact the Directors to clarify information submitted. Total cost for the engagement as proposed is \$17,027.50, including travel and clerical expenses. Attached is a Performance Evaluation task, cost and expense breakdown for your review. The estimated cost is based on no more than three trips to the Monterey Peninsula Water Management District. I do not anticipate the engagement exceeding 97.5 consultant and support staff hours. Tasks required beyond what is proposed would be billed at the hourly consulting rate of \$185. RJA is prepared to work with the Monterey Peninsula Water Management District in negotiating cost savings wherever possible.

I welcome the opportunity to be of assistance to the Board of Directors. My prior work facilitating performance evaluations, working knowledge of Monterey County, and recognized expertise in human resource management should be of value to the Board of Directors in this important endeavor. Please feel free to call me if you have any questions or need additional information.

Sincerely,



Dr. Richard L. Garcia  
President

RLG:SB;jg

Attachment

**Attachment**  
**Monterey Peninsula Water Management District**  
**General Manager Performance Evaluation Development and Administration**  
**Task/Hours/Expenses**

<b>Task</b>	<b>Consultant Hours</b>	<b>Consultant Cost</b>	<b>Clerical Hours</b>	<b>Clerical Cost</b>
1. Review previous performance evaluation forms and process.	1.5	\$277.50		\$0.00
2. Meet with Board Members to develop an improved performance evaluation form and approve the District's Evaluation process. (Includes 4 hrs. for travel)	8	\$1,480.00		\$0.00
3. Develop and administer evaluation forms, gather completed forms, enter responses, type written comments.	4	\$740.00	16	\$720.00
4. Analyze data, contact evaluators for clarification of the information, update information.	16	\$2,960.00	8	\$360.00
5. Develop draft report.	16	\$2,960.00	8	\$360.00
6. Meet with Board Members to discuss and revise report and recommendations. (Includes 4 hrs. for travel)	8	\$1,480.00		\$0.00
8. Meet with Board Members and General Manager to review the evaluation and facilitate a discussion about future goals and objectives. (Includes 4 hrs. for travel)	8	\$1,480.00		\$0.00
9. Finalize report for submittal to the Board of Directors and General Manager.	2	\$370.00	2	\$90.00
<b>Total Hours</b>	<b>63.5</b>		<b>34</b>	
<b>Total Cost for Consultant Hours (\$185.00 per hour) and Clerical Hours (\$45.00 per hour)</b>	<b>\$11,747.50</b>		<b>\$1,530.00</b>	
<b>Plus Estimated Travel and Other Expenses for Task 1 through 9</b>	<b>\$3,750.00</b>			
<b>Total Estimated Combined Performance Evaluation Development and Administration Cost plus Expenses</b>	<b>\$17,027.50</b>			



**ITEM: ACTION ITEM****10. CONSIDER EXPENDITURE OF FUNDS FOR PREPAYMENT OF A PORTION OF MECHANICS BANK LOAN**

<b>Meeting Date:</b>	<b>August 16, 2021</b>	<b>Budgeted:</b>	<b>\$500,000</b>
<b>From:</b>	<b>David J. Stoldt, General Manager</b>	<b>Program/ Line Item No.:</b>	
<b>Prepared By:</b>	<b>David J. Stoldt</b>	<b>Cost Estimate:</b>	<b>\$500,000</b>

**General Counsel Approval: N/A****Committee Recommendation: None****CEQA Compliance: This action does not constitute a project as defined by the California Environmental Quality Act Guidelines Section 15378.**

**SUMMARY:** At its October 19, 2020 meeting the District Board approved a policy for the use of surplus annual User Fee revenues, if any. The policy stated that if collections in a fiscal year exceed the budgeted amount the surplus would be applied in the following manner: (1) First to prepay the principal balance of the Mechanics Bank loan which was used to fund the Aquifer Storage & Recovery water supply project; (2) repay internal District borrowing from reserves used for water supply projects for which the District's Water Supply Charge was insufficient; and (3) to accumulate funds to offset or sunset the Water Supply Charge.

The Board adopted a mid-year budget March 15, 2021 which anticipated \$5,000,000 in User Fee receipts. As of the close of the fiscal year on June 30, 2021 User Fee revenues received were \$5,777,158.

The surplus of \$777,158 is recommended to be allocated to the \$500,000 loan prepayment and an allocation of \$277,158 to District general reserves for repayment of internal borrowing.

Such payment will reduce the outstanding loan balance from \$3,271,639 to \$2,771,639. There is a balloon payment and/or refinancing due June 30, 2023.

**RECOMMENDATION:** The General Manager recommends that the Board authorize its CFO to prepay the Mechanics Bank loan in the amount of \$500,000.

**EXHIBITS**

None



**ITEM: INFORMATIONAL ITEM/STAFF REPORT****11. LETTERS RECEIVED****Meeting Date: August 16, 2021** **Budgeted: N/A****From: David J. Stoldt,  
General Manager** **Program/  
Line Item No.: N/A****Prepared By: Joel G. Pablo** **Cost Estimate: N/A****General Counsel Review: N/A****Committee Recommendation: N/A****CEQA Compliance: This action does not constitute a project as defined by the California Environmental Quality Act Guidelines Section 15378.**

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A list of letters submitted to the Board of Directors or General Manager and received between July 15, 2021 and August 10, 2021 is shown below. The purpose of including a list of these letters in the Board packet is to inform the Board and interested citizens. Copies of the letters are available for public review at the District office. If a member of the public would like to receive a copy of any letter listed, please contact the District office. Reproduction costs will be charged. The letters can also be downloaded from the District's web site at [www.mpwmd.net](http://www.mpwmd.net).

<b>Author</b>	<b>Addressee</b>	<b>Date</b>	<b>Topic</b>
Melodie Chrislock	MPWMD Board of Directors	July 15, 2021	LAFCO Comment: Why is LAFCO Stalling the Cal-Am Buyout?





**ITEM: INFORMATIONAL ITEM/STAFF REPORT****12. COMMITTEE REPORTS**

**Meeting Date:** August 16, 2021                      **Budgeted:** N/A

**From:** David J. Stoldt,  
General Manager                      **Program/  
Line Item No.:** N/A

**Prepared By:** Joel G. Pablo                      **Cost Estimate:** N/A

**General Counsel Review:** N/A

**Committee Recommendation:** N/A

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

Attached for your review as **Exhibits 12-A through 12-C** are the final minutes of the committee meetings listed below.

**EXHIBITS**

**12-A**      May 3, 2021: MPWMD Water Supply Planning Committee

**12-B**      June 28, 2021: MPWMD Public Outreach Committee

**12-C**      July 12, 2021: MPWMD Administrative Committee





**EXHIBIT 12-A**

**FINAL MINUTES**

**Water Supply Planning Committee of the  
Monterey Peninsula Water Management District  
*Monday, May 3, 2021***

**Call to Order:** The Zoom virtual meeting was called to order at 4:00 pm.

**Committee members present:** George Riley, Chair  
Mary L. Adams  
Karen Paull

**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, Executive Assistant / Board Clerk

**District Counsel present:** David Laredo, Esq. De Lay & Laredo

**Comments from the Public:** No Comments

**Action Items**

1. **Consider Adoption of April 5, 2021 Committee Meeting Minutes**  
Public Comment: None

A motion was made by Adams and second by Paull, to approve the committee meeting minutes of April 5, 2021. The motion passes unanimously on a vote of 3-Ayes (Riley, Adams and Paull), 0-Noes, and 0-Absent.

**Discussion Items**

2. **Update on Pure Water Monterey Project**  
David J. Stoldt, General Manager (GM) and Maureen Hamilton, Senior Water Resources Engineer provided an update on Pure Water Monterey Project and responded to committee member questions. Stoldt reported PWM ended the month of April, 2021 with 308 Acre Feet (AF) injected. Hamilton informed the committee that Deep Injection Well (DIW) 3 has been constructed and installation of and pump-testing for DIW3 will more than likely occur on the same day. She reported the current target date for completing DIW3 is November, 2021 and DIW 4 is February, 2022. Stoldt stated that he has routine bi-weekly calls with Monterey One Water on Pure Water Monterey and reports operations are running smoothly. Stoldt informed the committee Cal-Am will prepare an Advice Letter filing for a new rate within the coming weeks.

*Public Comment:* (1) Melodie Chrislock with Public Water Now asked how much a Cal-Am gets charged monthly and sought clarification on new rates set by water companies.

Stoldt responded and informed Chrislock that the typical monthly bill is approximately \$700,000. He provided context as to why water companies set adjusted water rates and discussed tracking mechanisms employed by the district to ensure what sold is on-par with water being delivered to customers via Cal-Am.

**3. Discuss Issues Related to Seaside Groundwater Basin Replenishment Assessments**

GM Stoldt provided an overview of his staff report and exhibits as it relates to issues related to the Seaside Groundwater Basin Replenishment Assessments and responded to committee questions. Jonathan Lear, Water Resources Manager responded to Paull explaining that the court decision provides the context as to how the blended costs are to be calculated. Stoldt responded to Paull and discussion ensued on the weighting of various proxy projects in the calculation of replenishment assessments. Stoldt responded to committee comments and stated the district can suggest to the Watermaster that calculations to be calculated differently and would need to be considered by their board. In addition, he explained that Aquifer and Storage Recovery are meant to provide protective water levels in response to a five- or six-year drought and not to be used as replenishments. The committee seeks further clarification on this topic and Director Adams suggested that if a Workshop were to be conducted that the District should invite Robert S. Jaques, Technical Program Manager who does a lot of the calculations.

*Public Comment:* None

**4. Discuss Funding Concepts for Pure Water Monterey Expansion**

David J. Stoldt, General Manager (GM) summarized the staff note and responded to questions from the committee. An overview of the five (5) financing concepts and discussion ensued on pertaining to potential financing options with Cal-Am, MCWD, the Watermaster and the District itself.

*Public Comment:* None

**Suggest Items to be Placed on Future Agendas**

- Director Riley: Discuss Funding Concepts for Pure Water Monterey Expansion
- Director Adams: Presentation on Monterey Sub-basin Groundwater Sustainability Planning Work within the Corral De Tierra Management Area

**Adjournment**

Chair George Riley adjourned the meeting at 5:15 PM.



## **EXHIBIT 12-B**

### **FINAL MINUTES**

#### **Monterey Peninsula Water Management District**

#### **Public Outreach Committee**

Monday, June 28, 2021 *Virtual Meeting*

#### **Call to Order / Roll Call**

The virtual meeting was called to order by Chair Adams at 3:00 PM via Zoom.

Committee members present: Mary Adams - Chair  
Amy Anderson  
Safwat Malek

Committee members absent: None

District staff members present: David J. Stoldt, General Manager  
Stephanie Locke, Water Demand Manager  
Joel G. Pablo, Executive Assistant / Board Clerk

District Counsel present: None

TMD Consulting: Athena Morris with TMD Creative

Comments from the Public: None

#### **Action Items**

1. **Consider Adoption of May 7, 2021 Committee Meeting Minutes**  
**Public Comment: None**

A motion was made by Anderson and second by Malek to approve the revised committee meeting minutes of May 7, 2021. The motion passed unanimously on a vote of 3-Ayes (Adams, Anderson and Paull), 0-Noes and 0-Absent.

#### **Discussion**

2. **Discuss Public Outreach Design Services for the Santa Margarita Aquifer Storage and Recovery Site**

David J. Stoldt, General Manager provided introductory remarks.

Maureen Hamilton, Senior Water Resources Engineer expressed the need for providing local public outreach and education to pedestrians who pass by the Santa Margarita Aquifer Storage and Recovery Site. She explained the steps leading towards recommending Ecological Concerns Incorporated as the firm charged with providing landscaping and outreach design services. She mentioned additional coordination needed to take place with the City of Seaside, ECI and MPWMD's Water Demand Division to provide three potential design concepts to present before the City and the District. Stoldt explained funding for the project is in the budget, however, would like staff to look for a potential grant.

**Public Comments: None**

**3. Receive Proposal from the Marketing Department for Services for Fiscal Year 2021-2022 and Provide Direction to Outreach Consultant**

Stephanie Locke, Water Demand Manager summarized her staff report and asked the committee to receive the report along with TMD’s proposal for services for Fiscal Year 2021-2022. Stoldt, Locke and committee members agreed that a summer newsletter should be released in July, 2021 to include the following topics: Measure J Updates, Drought, Seawater Intrusion, Steelhead Rescues and Rebates. Locke stated that TMD is currently working on hospitality cards to provide to local hotels. She mentioned and discussion ensued among committee members pertaining to the district’s effort for a revamped webpage. Stoldt and Locke noted work on a new webpage will more than likely occur in the Fall or Winter of 2021. Athena Morris with TMD Creative responded to Anderson’s question on the idea of blogging to serve as an educational outlet for the district and the site may allow for comments from members of the public. Locke mentioned that the backend or maintenance of the district’s current webpage current setup could be better maintained and organized. Stoldt touched on the board/committee agenda production process as handled by district staff and noted the process will remain in place.

**Public Comment:** None

**Suggest Items to be Placed on a Future Agenda**

None

**Adjournment**

Chair Adams adjourned the meeting at 3:49 PM.

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**EXHIBIT 12-C**

**FINAL MINUTES**  
**Monterey Peninsula Water Management District**  
**Administrative Committee**  
*July 12, 2021*

**Call to Order**

The virtual meeting was called to order at 2:00 PM via Zoom.

Committee members present: Karen Paull, Chair  
 Amy Anderson  
 Safwat Malek

Committee members absent: None

District staff members present: David Stoldt, General Manager  
 Suresh Prasad, Administrative Services Manager/Chief Financial Officer  
 Thomas Christensen, Environmental Resources Manager  
 Larry Hampson, District Engineer  
 Jonathan Lear, Water Resources Manager  
 Maureen Hamilton, Water Resources Engineer  
 Stephanie Locke, Water Demand Manager  
 Sara Reyes, Sr. Office Specialist

District Counsel present: David Laredo, Esq. with De Lay and Laredo

**Additions / Corrections to Agenda:** Suresh Prasad reported Item 3 - Consider Expenditure of Funds for Consultant Services for Upgrades at the Sleepy Hollow Steelhead Rearing Facility will be rescheduled for the August Administrative Committee and Board meetings.

**Comments from the Public:** None

**Items on Board Agenda for July 12, 2021**

1. **Consider Adoption of June 14, 2021 Administrative Committee Meeting Minutes**  
On a motion by Paull and second by Anderson, the minutes of the June 14, 2021, meeting were approved on a roll call vote of 3 – 0 by Malek, Anderson and Paull.
  
2. **Consider Expenditure of Funds for Consultant Services for Sleepy Hollow Steelhead Rearing Facility Monitoring and Control Systems**  
On a motion by Paull and second by Anderson, the committee voted to recommend that the Board authorize the General Manager to enter into an agreement with Telemetrix, Inc. for consultant services in an amount not-to-exceed \$17940. The motion was approved by a roll call vote of 3 – 0 by Malek, Paull and Anderson.

3. **Consider Expenditure of Funds for Consultant Services for Upgrades at the Sleepy Hollow Steelhead Rearing Facility**  
Suresh Prasad reported this item will be presented in August 2021 to the Administrative Committee and Board.
4. **Consider Recommending Authorization of a Contract for Landscape Design Services at the Santa Margarita Facility**  
On a motion by Paull and second by Malek, the committee voted to recommend that the Board authorize the General Manager to enter into a contract with Ecological Concerns Incorporated in the amount of \$19,120 with a 15% contingency for a total not-to-exceed amount of \$21,988. The motion was approved by a roll call vote of 3 – 0 by Anderson, Malek and Paull.
5. **Consider Converting the Hydrology Technician Position to an Assistant Hydrologist Position**  
On a motion by Paull and second by Anderson, the committee voted to recommend the Board authorize the General Manager to convert the Hydrology Technician Position to a Hydrologist Position at Range 30. The motion was approved by a roll call vote of 3 – 0 by Malek, Paull and Anderson.  
  
Public Comment: John Tilley cautioned staff to not refer to age and health of current employees when asking for internal staffing changes.
6. **Consider Expenditure of Budgeted Funds for Water Conservation Outreach Supplies**  
On a motion by Paull and second by Anderson, the committee voted to recommend that the Board approve the expenditure of budgeted funds to renew supplies of conservation items for outreach events. The motion was approved by a roll call vote of 3 – 0 by Malek, Paull and Anderson.
7. **Consider Adoption of Treasurer’s Report for May 2021**  
On a motion by Paull and second by Anderson, the committee voted to recommend that the Board adopt the May 2021 Treasurer’s Report and financial statements, and ratification of the disbursements made during the month. The motion was approved by a roll call vote of 3 – 0 by Malek, Paull and Anderson.
8. **Report on Activity/Progress on Contracts Over \$25,000**  
This item was presented as information to the committee. No action was required or taken by the committee.
9. **Status Report on Measure J/Rule 19.8 Phase II Spending**  
This item was presented as information to the committee. No action was required or taken by the committee.
10. **Semi-Annual Financial Report on the CAWD/PBCSD Wastewater Reclamation Project**  
This item was presented as information to the committee. No action was required or taken by the committee.
11. **Review Draft July 19, 2021 Board Meeting Agenda**  
General Manager Stoldt reported that an additional item will be added to the Consent Calendar titled *Consider Approval of 2021 Annual Memorandum of Agreement for Releases from Los Padres Reservoir Among California American Water, California Department of Fish and Wildlife, and Monterey Peninsula Water Management District*. No changes were made by the committee.



**Suggest Items to be Placed on Future Agendas**

No items were presented.

**Adjournment**

The meeting adjourned at 3:04 PM.

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**ITEM: INFORMATIONAL ITEM/STAFF REPORT****13. MONTHLY ALLOCATION REPORT**

<b>Meeting Date:</b>	<b>August 16, 2021</b>	<b>Budgeted:</b>	<b>N/A</b>
<b>From:</b>	<b>David J. Stoldt, General Manager</b>	<b>Program:</b>	<b>N/A</b>
		<b>Line Item No.:</b>	
<b>Prepared By:</b>	<b>Gabriela Bravo</b>	<b>Cost Estimate:</b>	<b>N/A</b>

**General Counsel Review: N/A****Committee Recommendation: N/A****CEQA Compliance: This action does not constitute a project as defined by the California Environmental Quality Act Guidelines section 15378.**

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**SUMMARY:** As of July 31, 2021, a total of **26.419** acre-feet (**7.7%**) of the Paralta Well Allocation remained available for use by the Jurisdictions. Pre-Paralta water in the amount of **33.601** acre-feet is available to the Jurisdictions, and **28.990** acre-feet is available as public water credits.

**Exhibit 13-A** shows the amount of water allocated to each Jurisdiction from the Paralta Well Allocation, the quantities permitted in July 2021 (“changes”), and the quantities remaining. The Paralta Allocation had no debits in July 2021.

**Exhibit 13-A** also shows additional water available to each of the Jurisdictions. Additional water from expired or canceled permits that were issued before January 1991 are shown under “PRE-Paralta.” Water credits used from a Jurisdiction’s “public credit” account are also listed. Transfers of Non-Residential Water Use Credits into a Jurisdiction’s Allocation are included as “public credits.” **Exhibit 13-B** shows water available to Pebble Beach Company and Del Monte Forest Benefited Properties, including Macomber Estates, Griffin Trust. Another table in this exhibit shows the status of Sand City Water Entitlement and the Malpaso Water Entitlement.

**BACKGROUND:** The District’s Water Allocation Program, associated resource system supply limits, and Jurisdictional Allocations have been modified by a number of key ordinances. These key ordinances are listed in **Exhibit 13-C**.

**EXHIBITS****13-A** Monthly Allocation Report**13-B** Monthly Entitlement Report**13-C** District’s Water Allocation Program Ordinances



**EXHIBIT 13-A**  
**MONTHLY ALLOCATION REPORT**  
 Reported in Acre-Feet  
 For the month of July 2021

Jurisdiction	Paralta Allocation*	Changes	Remaining	PRE-Paralta Credits	Changes	Remaining	Public Credits	Changes	Remaining	Total Available
<b>Airport District</b>	8.100	0.000	5.197	0.000	0.000	0.000	0.000	0.000	0.000	5.197
<b>Carmel-by-the-Sea</b>	19.410	0.000	1.398	1.081	0.000	1.081	0.910	0.000	0.182	2.661
<b>Del Rey Oaks</b>	8.100	0.000	0.000	0.440	0.000	0.000	0.000	0.000	0.000	0.000
<b>Monterey</b>	76.320	0.000	0.245	50.659	0.000	0.181	38.121	0.000	2.451	2.877
<b>Monterey County</b>	87.710	0.000	10.579	13.080	0.000	0.352	7.827	0.000	1.775	12.706
<b>Pacific Grove</b>	25.770	0.000	0.000	1.410	0.000	0.014	15.874	0.000	0.065	0.079
<b>Sand City</b>	51.860	0.000	0.000	0.838	0.000	0.000	24.717	0.000	23.373	23.373
<b>Seaside</b>	65.450	0.000	0.000	34.438	0.069	31.973	2.693	0.000	1.144	33.117
<b>District Reserve</b>	9.000	0.000	9.000	N/A			N/A			9.000
<b>TOTALS</b>	<b>342.720</b>	<b>0.000</b>	<b>26.419</b>	<b>101.946</b>	<b>0.069</b>	<b>33.601</b>	<b>90.142</b>	<b>0.000</b>	<b>28.990</b>	<b>89.010</b>

Allocation Holder	Water Available	Changes this Month	Total Demand from Water Permits Issued	Remaining Water Available
<b>Quail Meadows</b>	33.000	0.000	32.320	0.680
<b>Water West</b>	12.760	0.000	9.639	3.121

\* Does not include 15.280 Acre-Feet from the District Reserve prior to adoption of Ordinance No. 73.



**EXHIBIT 13-B**  
**MONTHLY ALLOCATION REPORT**  
**ENTITLEMENTS**  
**Reported in Acre-Feet**  
**For the month of July 2021**

**Recycled Water Project Entitlements**

Entitlement Holder	Entitlement	Changes this Month	Total Demand from Water Permits Issued	Remaining Entitlement/and Water Use Permits Available
<b>Pebble Beach Co. <sup>1</sup></b>	216.920	0.110	32.261	184.659
<b>Del Monte Forest Benefited Properties <sup>2</sup> (Pursuant to Ord No. 109)</b>	148.080	0.293	61.902	86.178
<b>Macomber Estates</b>	10.000	0.000	10.000	0.000
<b>Griffin Trust</b>	5.000	0.000	4.829	0.171
<b>CAWD/PBCSD Project Totals</b>	<b>380.000</b>	<b>0.403</b>	<b>108.992</b>	<b>271.008</b>

Entitlement Holder	Entitlement	Changes this Month	Total Demand from Water Permits Issued	Remaining Entitlement/and Water Use Permits Available
<b>City of Sand City</b>	206.000	0.000	7.115	198.885
<b>Malpaso Water Company</b>	80.000	0.298	19.451	60.549
<b>D.B.O. Development No. 30</b>	13.950	0.000	3.784	10.166
<b>City of Pacific Grove</b>	38.390	0.280	6.218	32.172
<b>Cypress Pacific</b>	3.170	0.000	3.170	0.000

Increases in the Del Monte Forest Benefited Properties Entitlement will result in reductions in the Pebble Beach Co. Entitlement.





## EXHIBIT 13-C

### **District's Water Allocation Program Ordinances**

**Ordinance No. 1** was adopted in September 1980 to establish interim municipal water allocations based on existing water use by the jurisdictions. Resolution 81-7 was adopted in April 1981 to modify the interim allocations and incorporate projected water demands through the year 2000. Under the 1981 allocation, Cal-Am's annual production limit was set at 20,000 acre-feet.

**Ordinance No. 52** was adopted in December 1990 to implement the District's water allocation program, modify the resource system supply limit, and to temporarily limit new uses of water. As a result of Ordinance No. 52, a moratorium on the issuance of most water permits within the District was established. Adoption of Ordinance No. 52 reduced Cal-Am's annual production limit to 16,744 acre-feet.

**Ordinance No. 70** was adopted in June 1993 to modify the resource system supply limit, establish a water allocation for each of the jurisdictions within the District, and end the moratorium on the issuance of water permits. Adoption of Ordinance No. 70 was based on development of the Paralta Well in the Seaside Groundwater Basin and increased Cal-Am's annual production limit to **17,619** acre-feet. More specifically, Ordinance No. 70 allocated 308 acre-feet of water to the jurisdictions and 50 acre-feet to a District Reserve for regional projects with public benefit.

**Ordinance No. 73** was adopted in February 1995 to eliminate the District Reserve and allocate the remaining water equally among the eight jurisdictions. Of the original 50 acre-feet that was allocated to the District Reserve, 34.72 acre-feet remained and was distributed equally (4.34 acre-feet) among the jurisdictions.

**Ordinance No. 74** was adopted in March 1995 to allow the reinvestment of toilet retrofit water savings on single-family residential properties. The reinvested retrofit credits must be repaid by the jurisdiction from the next available water allocation and are limited to a maximum of 10 acre-feet. This ordinance sunset in July 1998.

**Ordinance No. 75** was adopted in March 1995 to allow the reinvestment of water saved through toilet retrofits and other permanent water savings methods at publicly owned and operated facilities. Fifteen percent of the savings are set aside to meet the District's long-term water conservation goal and the remainder of the savings are credited to the jurisdictions allocation. This ordinance sunset in July 1998.

**Ordinance No. 83** was adopted in April 1996 and set Cal-Am's annual production limit at **17,621** acre-feet and the non-Cal-Am annual production limit at **3,046** acre-feet. The modifications to the production limit were made based on the agreement by non-Cal-Am water users to permanently reduce annual water production from the Carmel Valley Alluvial Aquifer in exchange for water service from Cal-Am. As part of the agreement, fifteen percent of the historical non-Cal-Am production was set aside to meet the District's long-term water conservation goal.

**Ordinance No. 87** was adopted in February 1997 as an urgency ordinance establishing a community benefit allocation for the planned expansion of the Community Hospital of the Monterey Peninsula (CHOMP). Specifically, a special reserve allocation of 19.60 acre-feet of production was created exclusively for the benefit of CHOMP. With this new allocation, Cal-Am's annual production limit was increased to **17,641** acre-feet and the non-Cal-Am annual production limit remained at **3,046** acre-feet.

**Ordinance No. 90** was adopted in June 1998 to continue the program allowing the reinvestment of toilet retrofit water savings on single-family residential properties for 90-days following the expiration of Ordinance No. 74. This ordinance sunset in September 1998.

**Ordinance No. 91** was adopted in June 1998 to continue the program allowing the reinvestment of water saved through toilet retrofits and other permanent water savings methods at publicly owned and operated facilities.

**Ordinance No. 90 and No. 91** were challenged for compliance with CEQA and nullified by the Monterey Superior Court in December 1998.

**Ordinance No. 109** was adopted on May 27, 2004, revised Rule 23.5 and adopted additional provisions to facilitate the financing and expansion of the CAWD/PBCSD Recycled Water Project.

**Ordinance No. 132** was adopted on January 24, 2008, established a Water Entitlement for Sand City and amended the rules to reflect the process for issuing Water Use Permits.

**Ordinance No. 165** was adopted on August 17, 2015, established a Water Entitlement for Malpas Water Company and amended the rules to reflect the process for issuing Water Use Permits.

**Ordinance No. 166** was adopted on December 15, 2015, established a Water Entitlement for D.B.O. Development No. 30.

**Ordinance No. 168** was adopted on January 27, 2016, established a Water Entitlement for the City of Pacific Grove.

**ITEM: INFORMATIONAL ITEM/STAFF REPORT****14. WATER CONSERVATION PROGRAM REPORT**

<b>Meeting Date:</b>	<b>August 16, 2021</b>	<b>Budgeted:</b>	<b>N/A</b>
<b>From:</b>	<b>David J. Stoldt, General Manager</b>	<b>Program/ Line Item No.</b>	<b>N/A</b>
<b>Prepared By:</b>	<b>Chris Timmer</b>	<b>Cost Estimate:</b>	<b>N/A</b>

**Committee Recommendation: N/A****CEQA Compliance: This action does not constitute a project as defined by the California Environmental Quality Act Guidelines section 15378.**

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**I. MANDATORY WATER CONSERVATION RETROFIT PROGRAM**

District Regulation XIV requires the retrofit of water fixtures upon Change of Ownership or Use with High Efficiency Toilets (HET) (1.28 gallons-per-flush), 2.0 gallons-per-minute (gpm) Showerheads, 1.2 gpm Washbasin faucets, 1.8 gpm Kitchen, Utility, and Bar Sink faucets, and Rain Sensors on all automatic Irrigation Systems. Property owners must certify the Site meets the District's water efficiency standards by submitting a Water Conservation Certification Form (WCC), and a Site inspection is occasionally conducted to verify compliance. Properties that do not require an inspection are issued a Conservation Certification document.

**A. Changes of Ownership**

Information is obtained monthly from *Realquest.com* on properties transferring ownership within the District. The information is compared against the properties that have submitted WCCs. Details on **119** property transfers that occurred between July 1, 2021, and July 31, 2021, were added to the database.

**B. Certification**

The District received **66** WCCs between July 1, 2021, and July 31, 2021. Data on ownership, transfer date, and status of water efficiency standard compliance were entered into the database.

**C. Verification**

From July 1, 2021, and July 31, 2021, **40** properties were verified compliant with Rule 144 (Retrofit Upon Change of Ownership or Use). Of the **40** verifications, **28** properties verified compliance by submitting certification forms and/or receipts. District staff completed **27** Site inspections. Of the **27** properties verified, **12 (44%)** passed.

**D. CII Compliance with Water Efficiency Standards**

Effective January 1, 2014, all Non-Residential properties were required to meet Rule 143, Water Efficiency Standards for Existing Non-Residential Uses. To verify compliance with these requirements, property owners and businesses are sent notification of the requirements

and a date that inspectors will be on Site to check the property. In July, District inspectors performed **four** verification inspection.

MPWMD is forwarding its CII inspection findings to California American Water (Cal-Am) for their verification with the Rate Best Management Practices (Rate BMPs) that are used to determine the appropriate Non-Residential rate division. Compliance with MPWMD's Rule 143 achieves Rate BMPs for indoor water uses. Properties with landscaping must also comply with Cal-Am's outdoor Rate BMPs to avoid Division 4 (Non-Rate BMP Compliant) rates. In addition to sharing information about indoor Rate BMP compliance, MPWMD notifies Cal-Am of properties with landscaping. Cal-Am then conducts an outdoor audit to verify compliance with the Rate BMPs. During July 2021, MPWMD referred **four** properties to Cal-Am for verification of outdoor Rate BMPs.

E. Water Waste Enforcement

The District has a Water Waste Hotline 831-658-5653 or an online form to report Water Waster occurrences at [www.mpwmd.net](http://www.mpwmd.net) or [www.montereywaterinfo.org](http://www.montereywaterinfo.org). There were **no** Water Waste responses during the past month. There were **no** repeated incidents that resulted in a fine.

## II. WATER DEMAND MANAGEMENT

A. Permit Processing

As of July 6, 2021, the District has been processing both electronic and in person applications for Water Permits. Information can be found at <https://www.mpwmd.net/regulations/water-permits>.

District Rule 23 requires a Water Permit application for all properties that propose to expand or modify water use on a Site, including New Construction and Remodels. District staff processed and issued **59** Water Permits from July 1, 2021, and July 31, 2021. **Eleven** Water Permits were issued using Water Entitlements (Pebble Beach Company, Malpas Water, etc.). **No** Water Permits involved a debit to a Public Water Credit Account. In addition to those Water Permits issued in July, **six** Meter Permits and **no** Hydrant Meter Permits were issued. All Water Permits have a disclaimer informing applicants of the Cease-and-Desist Order against California American Water and that MPWMD reports Water Permit details to California American Water.

District Rule 24-3-A allows the addition of a second Bathroom in an existing Dwelling Unit. Of the **59** Water Permits issued from July 1, 2021, and July 31, 2021, **five** were issued under this provision.

B. Permit Compliance

District staff completed **no** conditional Water Permit finals during July 2021. Staff completed **45** site inspections. **Thirty-two** properties passed and **eleven** failed due to unpermitted fixtures.

C. Deed Restrictions

District staff prepares deed restrictions that are recorded on the property title to provide notice of District Rules and Regulations, enforce Water Permit conditions, and provide notice of public access to water records. In April 2001, the District Board of Directors adopted a policy

regarding the processing of deed restrictions. District staff provided Notary services for 11 Water Permits with deed restrictions.

#### D. Rebates

The full list of available rebates can be found in Rule 141:

<https://www.mpwmd.net/rules/Rule141-TableXIV-1.pdf>. Below is the rebate information for July 2021.

REBATE PROGRAM SUMMARY		July-2021			2021 YTD		1997 -Present	
I.	<b>Application Summary</b>							
A.	Applications Received		131			735		29,078
B.	Applications Approved		107			601		22,706
C.	Single Family Applications		99			570		25,722
D.	Multi-Family Applications		8			31		1,554
E.	Non-Residential Applications		0			0		358
II.	<b>Type of Devices Rebated</b>	Number of devices	Rebate Paid	Estimated AF	Gallons Saved	Year to Date Number	Year to Date Paid	Year to Date Estimated AF
A.	High Efficiency Toilet (HET)	21	\$1,575.00	0.105000	34,214	169	\$12,604.00	0.84500
B.	Ultra HET	3	\$275.00	0.030000	9,776	26	\$3,166.00	0.26000
C.	Toilet Flapper	0	\$0.00	0.000000	0	0	\$0.00	0.00000
D.	High Efficiency Dishwasher	13	\$1,625.00	0.039000	12,708	87	\$10,875.00	0.26100
E.	High Efficiency Clothes Washer - Res	65	\$32,500.00	1.046500	341,003	321	\$149,425.00	5.16810
F.	High Efficiency Clothes Washer - Com	0	\$0.00	0.000000	0	0	\$0.00	0.00000
G.	Instant-Access Hot Water System	4	\$600.00	0.020000	6,517	15	\$2,698.00	0.07500
H.	Zero Use Urinals	0	\$0.00	0.000000	0	0	\$0.00	0.00000
I.	Pint Urinals	0	\$0.00	0.000000	0	0	\$0.00	0.00000
J.	Cisterns	1	\$200.00	0.000000	0	15	\$15,075.00	0.00000
K.	Smart Controllers	3	\$282.99	0.000000	0	11	\$1,045.98	0.00000
L.	Rotating Sprinkler Nozzles	65	\$260.00	0.000000	0	65	\$260.00	0.00000
M.	Moisture Sensors	0	\$0.00	0.000000	0	2	\$47.05	0.00000
N.	Lawn Removal & Replacement	2	\$5,000.00	0.000000	0	2	\$5,350.00	0.00000
O.	Graywater	0	\$0.00	0.000000	0	0	\$0.00	0.00000
R.	Other			0.000000	0	0	\$0.00	0.00000
III.	<b>TOTALS</b>	177	\$42,317.99	1.240500	404,218	713	\$200,546.03	6.60910
IV.	<b>TOTALS Since 1997</b>					Paid Since 1997: \$	6,559,301	585.2 Acre-Feet Per Year Saved Since 1997 (from quantifiable retrofits)



**ITEM: INFORMATIONAL ITEM/STAFF REPORT****15. CARMEL RIVER FISHERY REPORT FOR JULY 2021****Meeting Date: August 16, 2021 Budgeted: N/A****From: David J. Stoldt, General Manager Program/ Line Item No.: N/A****Prepared By: Beverly Chaney Cost Estimate: N/A****General Counsel Review: N/A****Committee Recommendation: N/A****CEQA Compliance: This action does not constitute a project as defined by the California Environmental Quality Act Guidelines Section 15378.**

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**AQUATIC HABITAT AND FLOW CONDITIONS:** In July flow releases from Los Padres Reservoir were reduced to 5 cubic-feet-per-second (cfs). By month's end, much of the lower valley was dry or had isolated pools resulting in poor rearing conditions for juvenile steelhead throughout the watershed.

July's mean daily streamflow at the Sleepy Hollow Weir fell from 5.5 to 3.1 cfs (monthly mean 4.24 cfs) resulting in 261 acre-feet (AF) of runoff, while flow at the Highway 1 gage fell from 0.27 to 0 cfs (on July 27) (monthly mean 0.10 cfs) resulting in 6.4 AF of runoff.

There were 0.00 inches of rainfall in July as recorded at the San Clemente gauge. Since January there have only been 1.41 inches of rain. The rainfall total for WY 2021 (which started on October 1, 2020) is 10.85 inches, or 52% of the long-term year-to-date average of 20.96 inches.

**CARMEL RIVER LAGOON:** During July, the lagoon mouth remained closed. The water surface elevation (WSE) continued to drop from approximately 8.2 to 6.5 feet (North American Vertical Datum of 1988; NAVD 88) (See graph below).

Water quality depth-profiles were conducted at five sites on July 23, 2021, while the lagoon mouth was closed, water surface elevation was 7.0 feet, and river inflow was 0.25 cfs. Steelhead rearing conditions were generally "fair to good", especially in the upper 1.5 meters of the water column. Salinity was low, ranging from 1 - 10 ppt, dissolved oxygen (DO) levels were variable, ranging from 0 - 13 mg/l, while water temperatures ranged from 64 - 75 degrees F.

**CARMEL RIVER MAINSTEM STEELHEAD RESCUES:** Mainstem rescues began on May 27, 2021. In July, Staff completed 19 days of fish rescues in the lower river, primarily in the Schulte and River Meadows reaches, plus isolated pools throughout the river. By the end of July, a total of 7,121 steelhead had been rescued including: 6,127 young-of-the-year (yoy), 957 age 1+ fish, 10 kelts, with 27 mortalities (0.4%). Most juvenile fish were transported to the Sleepy Hollow Steelhead Rearing Facility while the adult kelts were released in the ocean at Stewart's Cove.

**SLEEPY HOLLOW STEELHEAD REARING FACILITY:** The first rescued fish were brought to the facility on May 27, 2021. Due to the very small size of many of the fish, fry/yoy are being quarantined and held in the rectangular “rearing troughs” until they are large and healthy enough to be transferred to the rearing channel.

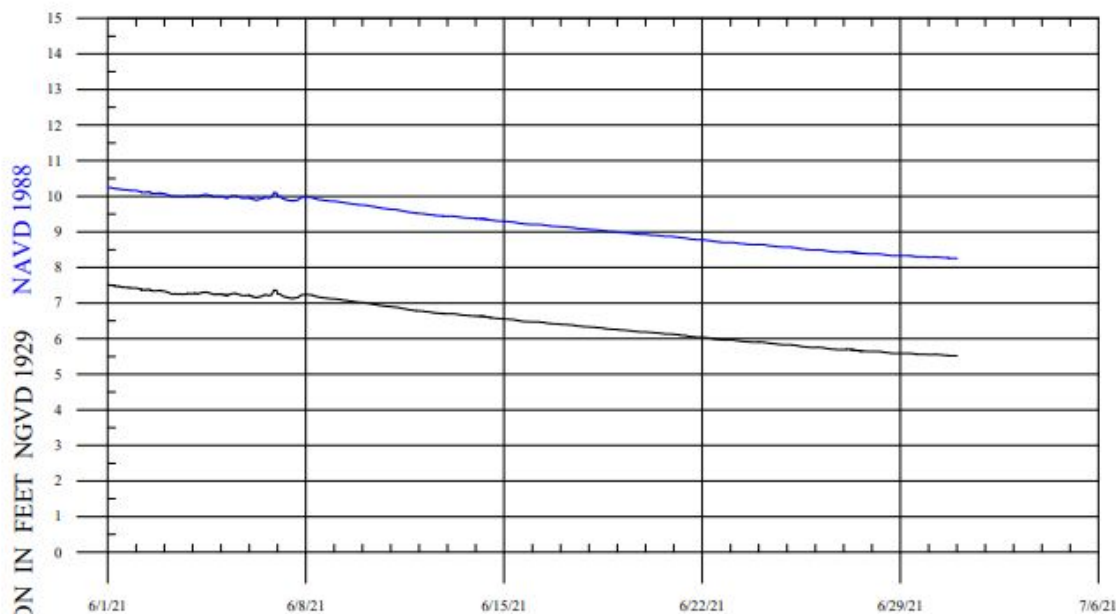
By the end of July 5,386 fish had been stocked in the rearing channel, including 4,453 yoy fish (small/medium size) and 933 age 1+ fish. The survival rate has remained high at 96%, indicating the new upgrades to the Facility, along with the modified stocking and handling protocols are working.

Carmel River Lagoon Plot:

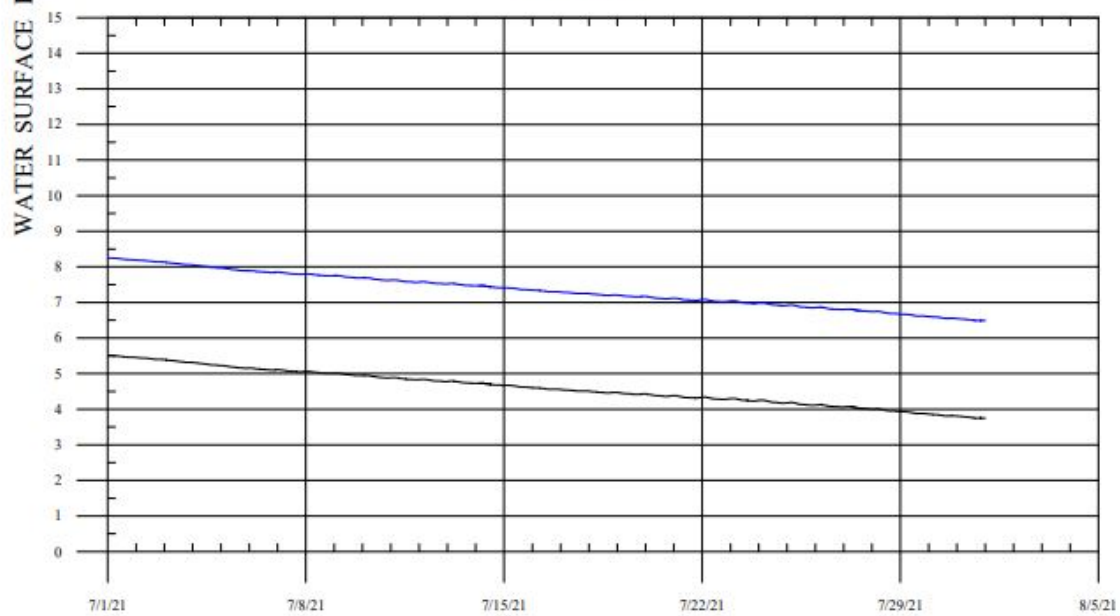


## CARMEL RIVER LAGOON

### JUNE 2021



### JULY 2021





**ITEM: INFORMATIONAL ITEM/STAFF REPORT****16. MONTHLY WATER SUPPLY AND CALIFORNIA AMERICAN WATER PRODUCTION REPORT**

<b>Meeting Date:</b>	<b>August 16, 2021</b>	<b>Budgeted:</b>	<b>N/A</b>
<b>From:</b>	<b>David J. Stoldt, General Manager</b>	<b>Program/ Line Item No.:</b>	<b>N/A</b>
<b>Prepared By:</b>	<b>Jonathan Lear</b>	<b>Cost Estimate:</b>	<b>N/A</b>

**General Counsel Review: N/A****Committee Recommendation: N/A**

**CEQA Compliance: Exempt from environmental review per SWRCB Order Nos. 95-10 and 2016-0016, and the Seaside Basin Groundwater Basin adjudication decision, as amended and Section 15268 of the California Environmental Quality Act (CEQA) Guidelines, as a ministerial project; Exempt from Section 15307, Actions by Regulatory Agencies for Protection of Natural Resources.**

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**Exhibit 16-A** shows the water supply status for the Monterey Peninsula Water Resources System (MPWRS) as of **August 1, 2021**. This system includes the surface water resources in the Carmel River Basin, the groundwater resources in the Carmel Valley Alluvial Aquifer and the Seaside Groundwater Basin. **Exhibit 16-A** is for Water Year (WY) 2021 and focuses on four factors: rainfall, runoff, and storage. The rainfall and Streamflow values are based on measurements in the upper Carmel River Basin at Sleepy Hollow Weir.

**Water Supply Status:** Rainfall through **July** 2021 totaled **0.00 inches** and brings the cumulative rainfall total for WY 2021 to **10.85 inches**, which is **52%** of the long-term average through **July**. Estimated unimpaired runoff through **June** totaled **58 acre-feet (AF)** and brings the cumulative runoff total for WY 2021 to **16,193 AF**, which is **24%** of the long-term average through **June**. Usable storage for the MRWPRS was **26,530 acre-feet**, which is **91%** of average through **June**, and equates to **80%** percent of system capacity.

**Production Compliance:** Under State Water Resources Control Board (SWRCB) Cease and Desist Order No. 2016-0016 (CDO), California American Water (Cal-Am) is allowed to produce no more than 7,310 AF of water from the Carmel River in WY 2021. Through **June**, using the CDO accounting method, Cal-Am has produced **3,947 AF** from the Carmel River (including ASR capped at 600 AF, Table 13, and Mal Paso.) In addition, under the Seaside Basin Decision, Cal-Am is allowed to produce 1,474 AF of water from the Coastal Subareas and 0 AF from the Laguna Seca Subarea of the Seaside Basin in WY 2021. Through **July**, Cal-Am has produced **1,346 AF** from the Seaside Groundwater Basin. Through **July**, **66 AF** of Carmel River Basin groundwater have been diverted for Seaside Basin injection; **0 AF** have been recovered for customer use, **17 AF** have been diverted under Table 13 water rights, and **2,472 AF** of Pure Water Monterey recovered. Cal-Am has produced **7,791 AF** for customer use from all sources through **July**. **Exhibit 16-B** shows production by source. Some of the values in this report may be revised in the future as Cal-Am finalizes their production values and monitoring data.

**EXHIBITS****16-A** Water Supply Status: **August 1, 2021****16-B** Monthly Cal-Am production by source: WY 2021



**EXHIBIT 16-A**

**Monterey Peninsula Water Management District  
Water Supply Status  
August 1, 2021**

<b>Factor</b>	<b>Oct – Jul 2021</b>	<b>Average To Date</b>	<b>Percent of Average</b>	<b>Oct - Jul 2020</b>
<b>Rainfall</b> (Inches)	10.85	20.96	52%	17.57
<b>Runoff</b> (Acre-Feet)	16,193	67,685	24%	45,578
<b>Storage</b> <sup>5</sup> (Acre-Feet)	26,530	29,990	89%	28,190

**Notes:**

1. Rainfall and runoff estimates are based on measurements at San Clemente Dam. Annual rainfall and runoff at Sleepy Hollow Weir average 21.22 inches and 67,246 acre-feet, respectively. Annual values are based on the water year that runs from October 1 to September 30 of the following calendar year. The rainfall and runoff averages at the Sleepy Hollow Weir site are based on records for the 1922-2020 and 1902-2020 periods respectively.
2. The rainfall and runoff totals are based on measurements through the dates referenced in the table.
3. Storage estimates refer to usable storage in the Monterey Peninsula Water Resources System (MPWRS) that includes surface water in Los Padres and San Clemente Reservoirs and ground water in the Carmel Valley Alluvial Aquifer and in the Coastal Subareas of the Seaside Groundwater Basin. The storage averages are end-of-month values and are based on records for the 1989-2020 period. The storage estimates are end-of-month values for the dates referenced in the table.
4. The maximum storage capacity for the MPWRS is currently 33,130 acre-feet.



### Production vs. CDO and Adjudication to Date: WY 2021

(All values in Acre-Feet)

Year-to-Date Values	MPWRS					Water Projects and Rights				Water Projects and Rights Total
	Carmel River Basin <sup>2,6</sup>	Seaside Groundwater Basin		MPWRS Total	ASR Recovery	Table 13 <sup>7</sup>	Pure Water Monterey	Sand City <sup>3</sup>		
		Coastal	Laguna Seca						Ajudication Compliance	
Target	4,387	1,047	0	1,047	5,434	0	114	2,176	250	2,540
Actual <sup>4</sup>	3,947	1,195	151	1,346	5,293	0	17	2,472	111	2,600
Difference	440	-148	-151	-299	141	0	97	-296	139	-60
WY 2020 Actual	6,134	1,882	261	2,143	8,277	0	218	0	148	366

1. This table is current through the date of this report.
2. For CDO compliance, ASR, Mal Paso, and Table 13 diversions are included in River production per State Board.
3. Sand City Desal, Table 13, and ASR recovery are also tracked as water resources projects.
4. To date, 66 AF and 17 AF have been produced from the River for ASR and Table 13 respectively.
5. All values are rounded to the nearest Acre-Foot.
6. For CDO Tracking Purposes, ASR production for injection is capped at 600 AFY.
7. Table 13 diversions are reported under water rights but counted as production from the River for CDO tracking.

### Monthly Production from all Sources for Customer Service: WY 2021

(All values in Acre-Feet)

	Carmel River Basin	Seaside Basin	ASR Recovery	Table 13	Sand City	Mal Paso	Pure Water Monterey	Total
Oct-20	293	266	0	0	10	5	300	874
Nov-20	233	219	0	0	0	5	300	757
Dec-20	314	276	0	0	7	6	100	703
Jan-21	343	130	0	13	12	5	150	652
Feb-21	531	26	0	4	20	5	32	617
Mar-21	464	29	0	0	15	5	195	708
Apr-21	351	43	0	0	0	5	389	787
May-21	371	42	0	0	9	5	440	868
Jun-21	400	50	0	0	28	5	424	906
Jul-21	494	266	0	0	10	5	142	918
Aug-21								
Sep-21								
<b>Total</b>	<b>3,794</b>	<b>1,346</b>	<b>0</b>	<b>17</b>	<b>111</b>	<b>51</b>	<b>2,472</b>	<b>7,791</b>
<b>WY 2020</b>	<b>5,263</b>	<b>2,143</b>	<b>0</b>	<b>218</b>	<b>145</b>	<b>53</b>	<b>0</b>	<b>7,825</b>

1. This table is produced as a proxy for customer demand.
2. Numbers are provisional and are subject to correction.







# Supplement to 8/16/2021 MPWMD Board Packet

Attached are copies of letters received between July 15, 2021 and August 10, 2021. These letters are listed in the August 16, 2021 Board packet under Letters Received.

<b>Author</b>	<b>Addressee</b>	<b>Date</b>	<b>Topic</b>
Melodie Chrislock	MPWMD Board of Directors	July 15, 2021	LAFCO Comment: Why is LAFCO Stalling the Cal-Am Buyout?

U:\Joel\2021\Board Meeting\Staff Notes\July 19\Letters Received\Item No. 38 Supplemental Packet.docx

**From:** [mwchrislock@redshift.com](mailto:mwchrislock@redshift.com)  
**To:** [Joel Pablo](#)  
**Subject:** LAFCO Comment  
**Date:** Thursday, July 15, 2021 1:01:11 PM

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MPWMD Board of Directors,

I'm submitting this letter for the record.

I am puzzled by why LAFCO thinks it's their responsibility to ensure the District can provide water service?

Are LAFCO's guidelines on this clear?

Melodie Chrislock  
Managing Director  
**PUBLIC WATER NOW**  
<http://www.publicwater.org>  
[mwchrislock@redshift.com](mailto:mwchrislock@redshift.com)  
831 624-2282

<https://www.montereyherald.com/2021/07/12/guest-commentary-why-is-lafco-stalling-the-cal-am-buyout/>

Monterey Herald • July 12, 2021

## **Guest Commentary: Why Is LAFCO stalling the Cal Am buyout?**

By **MELODIE CHRISLOCK**

In November 2018, voters passed Measure J by 56%. It required that the Monterey Peninsula Water Management District do a study to determine if a public buyout of Cal Am was feasible and if so, to proceed.

The feasibility study was completed in 2019. Outside consultants who are experts in their field concluded that the buyout was affordable and

would lower the cost of water, even in the worst-case scenario at \$513 million.

Now, MPWMD is ready to make Cal Am an offer, but LAFCO is standing in the way. LAFCO must activate MPWMD's latent powers and approve the annexation of 58 parcels before MPWMD can proceed.

On June 28, against their staff's recommendation, five of the seven LAFCO members voted to require another study to be paid for by MPWMD before they would consider approval. But Cal Am customers would actually pay for this.

What is LAFCO, and why are they stalling the buyout?

LAFCO stands for Local Agency Formation Commission. This agency is tasked with approving changes in local government services and boundaries.

Monterey County LAFCO board members are Supervisors Luis Alejo and Chris Lopez, Seaside Mayor Ian Oglesby and Salinas Mayor Kimbley Craig, Fire District representative Warren Poitras, Airport District representative Mary Ann Leffel and public representative Matt Gourley. Members are appointed, not elected. LAFCO is independent of the county.

A LAFCO board is supposed to be neutral, independent, and provide balanced representation. Unfortunately, the Peninsula is not well represented on the LAFCO board, with only one mayor from the Peninsula and no supervisors. Most LAFCO members are not Cal Am customers, yet they could block the voter-mandated buyout of Cal Am.

The true cost of Cal Am is the question LAFCO seeks to answer to determine if MPWMD can afford this. Cal Am says it's worth over a billion dollars. That appraisal includes a desal plant that is nowhere in sight. MPWMD spent nine months and \$625,000 on a feasibility study that estimated the cost of Cal Am's local system at \$513 million, including desal.

The problem is no study or valuation can determine the final price because Cal Am will not open its books. Therefore, no final value can be known until this case goes through the eminent domain process. At the end of that process, a jury will decide what Cal Am is worth.

No one on the LAFCO board or staff has the expertise to evaluate the extensive feasibility analysis and financial conclusions in the MPWMD study, yet they dismissed it as biased. In the public hearing, it appeared they had not even read it. They had no questions for GM Dave Stoldt.

This case is very unusual for LAFCO because it's headed to court in an eminent domain proceeding. Many have questioned whether this is an overreach on LAFCO's part. It should be left to the court to determine if this is in the public interest.

What is LAFCO trying to achieve? Is this board honestly neutral on the issue of a Cal Am buyout? Are they ignoring the mandate of the voters?

Cal Am attorney, George Soneff, has been instructing LAFCO on what they should require from MPWMD. Supervisor Alejo led the charge to require another study. According to his financial records, Alejo received \$500 from Cal Am VP Kevin Tilden in his 2018 campaign.

LAFCO has the power to block the buyout. Its decisions can only be challenged in the courts. That would mean another long and expensive delay. Of course, Cal Am is hoping for that.

The simple solution to the problem is for LAFCO to grant MPWMD conditional approval based on the court's decision. It's not in the public interest to draw this out and charge Cal Am customers for more studies.

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