

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, February. The meetings begin at 6:00 PM.



AGENDA
Regular Meeting
Board of Directors
Monterey Peninsula Water Management District

Monday, August 17, 2020, 6:00 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 WebEx.

Join the meeting at this link:

<https://mpwmd.webex.com/mpwmd/onstage/g.php?MTID=e0e49c030a93ce242ef9b81f441232676>

Or join at mpwmd.webex.com.

Event number: 126 769 3685

Meeting password: BrdMtnG

Participate by phone: 1-877-668-4493

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 PM on Thursday, August 13, 2020

CALL TO ORDER/ROLL CALL

PLEDGE OF ALLEGIANCE

ADDITIONS AND CORRECTIONS TO AGENDA - The Clerk of the Board 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.

Board of Directors

Alvin Edwards, Chair – Division 1
Jeanne Byrne, Vice Chair - Division 4
George Riley – Division 2
Molly Evans – Division 3
Gary D. Hoffmann, P.E. – Division 5
Mary Adams, Monterey County Board of
Supervisors Representative
David Potter – Mayoral Representative

General Manager

David J. Stoldt

This agenda was posted at the District office at 5 Harris Court, Bldg. G Monterey on Thursday, August 13. Staff reports regarding these agenda items will be available for public review on August 13 at the District office and at the Carmel, Carmel Valley, Monterey, Pacific Grove and Seaside libraries. After staff reports have been 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 available at the District office during normal business hours, and posted on the District website at www.mpwmd.net/who-we-are/board-of-directors/bod-meeting-agendas-calendar/. Documents distributed at the meeting will be made available in the same manner. The next Regular meeting of the Board is set for on September 21, 2020 at 6 pm.

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 of the July 20, 2020 Regular Board Meeting and July 31, 2020 Special Meeting of the Board
2. Consider Expenditure to Contract for Construction and Related Services to Complete the Carmel River Steelhead Resistance Board Weir Project
3. Consider Authorizing the General Manager to Contract with Martin Feeney to Perform Project Management for the Final Commissioning of the Pure Water Monterey Injection Well Field
4. Consider Approval of 2020 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

5. Status Report on California American Water Compliance with State Water Resources Control Board Order 2016-0016 and Seaside Groundwater Basin Adjudication Decision
6. Update on Measure J Activities
7. Report on CSDA Transparency Certificate

REPORT FROM DISTRICT COUNSEL ON JULY 31, 2020 AND AUGUST 13, 2020 BOARD CLOSED SESSIONS

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

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

PUBLIC HEARINGS – Public comment will be received. Please limit your comment to three (3) minutes per item

9. Consider Ratification of Resolution 2020-12, A Resolution of the Board of Directors of the Monterey Peninsula Water Management District Seeking Authorization to Activate Latent District Powers and to Adopt A Sphere of Influence Amendment and Annexation
Action: The Board will consider ratification of Resolution 2020-12 that would authorize the District to file an application with LAFCO for authorization to activate its latent powers for operation of the Monterey Water System, and to obtain a boundary adjustment.

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

10. Approve Strategy to Address Water for Near-Term Housing Needs
Action: The Board will consider approval of a strategy to begin discussions with the state and build a coalition of support to seek relief from the CDO in order to allocate a small amount of water for housing on the Monterey Peninsula.
11. Provide Direction Regarding Pure Water Monterey Expansion Final SEIR
Action: The Board will consider whether it wants to submit a letter to Monterey One Water stating intent to seek lead agency status for the expansion project.

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.

12. Monthly Progress Report – Santa Margarita Water Treatment Facility

13. Letters Received Supplemental Letter Packet
14. Committee Reports
15. Monthly Allocation Report
16. Water Conservation Program Report
17. Carmel River Fishery Report for August 2020
18. Monthly Water Supply and California American Water Production Report

ADJOURNMENT

Board Meeting Schedule			
Thursday, September 10, 2020	Board Strategic Planning Session	9:00 am	Location to be Determined
Monday, September 21, 2020	Regular Board Meeting	6:00 pm	Location to be Determined
Monday, October 19, 2020	Regular Board Meeting	6:00 pm	Location to be Determined

Board Meeting Television and On-Line Broadcast Schedule View Live Webcast at https://accessmediaproductions.org/ 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 7 pm and Saturdays 9 am	Throughout the Monterey County Government Television viewing area.
For Xfinity subscribers, go to https://www.xfinity.com/support/local-channel-lineup/ or https://www.xfinity.com/stream/listings - enter your address for the listings and channels specific to your city.	Pacific Grove, Pebble Beach, Sand City, Seaside, Monterey
Internet Broadcast	
Replays – Mondays, 4 pm to midnight at https://accessmediaproductions.org/ scroll to Peninsula Channel	
Replays – Mondays, 7 pm and Saturdays, 9 am www.mgtvonline.com	
On demand – three days following meeting date https://videoplayer.telvue.com/player/m_3HX6961GRMsvkqSCdwmGeJ8rwpRZrR/playlists/6023/media/514239?sequenceNumber=1&autostart=true&showtabssearch=true	
YouTube – available five days following meeting date - https://www.youtube.com/channel/UCg-2VgzLBmgV8AaSK67BBRg	

See next page of agenda for instructions on connecting to WebEx meeting

Instructions for Connecting to the WebEx Meeting

Note: If you have not used WebEx 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://mpwmd.webex.com/mpwmd/onstage/g.php?MTID=e0e49c030a93ce242ef9b81f441232676> or past the link into your browser or go to: mpwmd.webex.com.

Under “Join a Meeting” enter the event number 126 769 3685, hit the enter key and when prompted enter the meeting password BrdMtnng, click “Next” and see the dropdown menu at the bottom of the screen “Use computer for audio” and select the method you will use to hear the meeting – see below.

1) Audio and video connection from computer with WebEx app – view participants/materials on your screen

Click on the “Use computer for audio” drop down list

Click “Join Meeting”

Once in the meeting, mute your microphone.

Turn your microphone on when it is your turn to speak.

2) View material on your computer screen and listen to audio on your phone

From the “Use computer for Audio” drop down list select “Call In”

Click on “Join Meeting” / You will see a toll-free telephone number, access code, and attendee ID # -- enter these numbers on your phone.

Mute the microphone on your computer.

Disable computer speakers using the Settings menu.

3) Join by phone only (no computer) dial 1-877-668-4493 and use the meeting number above.

Presenting Public Comment

- 1) The Chair will call the meeting to order.
- 2) Receipt of Public Comment – the Chair will ask for comments from the public on all items. Limit your comment to 3 minutes.
 - (a) Computer Audio Connection: Select the “raised hand” icon. When you are called on to speak, please identify yourself.
 - (b) Phone audio connection: Press *9. Wait for the clerk to unmute your phone and then identify yourself and provide your comment. Press *9 to end the call.
- 3) For Action and Discussion Items the Chair will receive a presentation from staff and the Directors may ask questions. Following the question and answer period, the Chair will ask for comments from the public.

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 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 Monday, August 17, 2020. Comments submitted by noon will be provided to the Board of Directors and compiled as part of the record of the meeting.

ITEM: CONSENT CALENDAR

1. CONSIDER ADOPTION OF MINUTES OF THE JULY 20, 2020 REGULAR BOARD MEETING AND JULY 31, 2020 SPECIAL MEETING OF THE BOARD

Meeting Date: August 17, 2020

Budgeted: N/A

From: David J. Stoldt,
General Manager

Program/ N/A
Line Item No.:

Prepared By: Arlene Tavani

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 **Exhibit 1-A** and 1-B, respectively, are draft minutes of the July 20, 2020 Regular meeting, and the July 31, 2020 Special meeting of the Board of Directors.

RECOMMENDATION: District staff recommends approval of the minutes with adoption of the Consent Calendar.

EXHIBITS

1-A Draft Minutes of the July 20, 2020 Regular Meeting of the Board of Directors

1-B Draft Minutes of the July 31, 2020 Special Meeting of the Board of Directors



EXHIBIT 1-A

DRAFT MINUTES
Regular Meeting
Board of Directors
Monterey Peninsula Water Management District
July 20, 2020

The meeting was called to order at 6:00 pm. Pursuant to Governor Newsom's Executive Orders N-29-20 and N-33-20, the meeting was conducted with virtual participation via WebEx.

CALL TO ORDER/ROLL CALL

Directors Present via WebEx:

Alvin Edwards, – Chair, Division 1
 Jeanne Byrne – Vice Chair, Division 4
 George Riley, Division 2
 Molly Evans, Division 3
 Gary D. Hoffmann, P.E. – Division 5
 Mary Adams – Monterey County Board of Supervisors Rep.
 David Potter – Mayoral Representative

Directors Absent: None

General Manager present: David J. Stoldt

District Counsel present: David Laredo

The assembly recited the Pledge of Allegiance.

PLEDGE OF ALLEGIANCE

The assembly observed a minute of silence in remembrance of Ralph Rubio former Mayor City of Seaside, deceased July 19, 2020; and Joe Gunter, Mayor City of Salinas, deceased June 29, 2020

MOMENT OF SILENCE IN REMEMBRENCE OF RALPH RUBIO AND JOE GUNTER

On a motion by Byrne and second of Riley, the agenda was accepted with no corrections on a unanimous vote of 7 – 0 by Byrne, Riley, Evans, Hoffmann, Adams, Potter and Edwards.

ADDITIONS AND CORRECTIONS TO AGENDA

No comments were directed to the Board during Oral Communications.

ORAL COMMUNICATIONS

Evans offered a motion that was seconded by Adams to approve the Consent Calendar except for Item 3 that was pulled for separate consideration. The motion to approve included revised minutes of the June 15, 2020 Board meeting that were submitted after the Board packet had been distributed. The motion was approved on a vote of 7 – 0 by Evans, Adams, Edwards, Byrne, Hoffmann, Potter and Riley.

CONSENT CALENDAR

Revised minutes adopted.

Approved a contract in the amount of \$11,000 and a 10% contingency.

On a motion by Edwards and second of Riley, a contract in the amount of \$25,000 was approved on a vote of 5 – 2 by Riley, Edwards, Adams, Evans and Potter. Voting in opposition were Byrne and Hoffmann.

Public Comment: Jeff Davi expressed opposition to ratification of the contract for CEQA legal services, noting that he did not support an expenditure for the Pure Water Monterey Expansion project.

In response to a question from the Board. District Counsel Laredo noted that the summary in the staff note was slightly misworded in stating that at the Closed Session of June 15, 2020 the Board “directed” the General Manager to secure legal services. At that meeting, the General Manager stated his intent to do so. The Board did not take direct action on the matter. Nevertheless, the Board could consider ratification of the agreement as recommended by the Administrative Committee.

Adopted.

Adopted.

A summary of General Manager Stoldt’s presentation can be viewed on the District’s website. He reported that for the period of October 1, 2019 through June 30, 2020 water production within the Monterey Peninsula Water Resources System was 118 acre-feet below the target of 7,452 acre-feet. Rainfall was measured at 84% of long-term average, and unimpaired flow was a 68% of long-term average which equated to normal-year conditions.

Stoldt reported that to date, the Pure Water Monterey Project produced 825 acre-feet of water for injection into the Seaside Basin. By late August, 1,000 acre-feet of water should be injected to complete the operating reserve. Delivery of water for customer service should begin in early September.

Stoldt reported the following changes to the report: (a) Goal 1, second bullet “commencement of the Cal-Am Desalination project” was checked as accomplished. Stoldt stated that the District did nothing to commence the project.

1. **Consider Adoption of Minutes of the June 15, 2020 Regular Board Meetings**
2. **Consider Authorization to Contract with RJA Management Services for General Manager Annual Performance Evaluation**
3. **Consider Approval of Contract with Shute, Mihaly & Weinberger LLP for Strategic CEQA Legal Services**
4. **Consider Adoption of Revisions to District Investment Policy**
5. **Consider Adoption of Treasurer's Report for May 2020**

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**
7. **Update on Development of Water Supply Projects**
8. **Report on Progress on Strategic Goals Adopted on May 20, 2019**

The notation was related to the second part of that item “develop Financing Order and timing for the “Ratepayer Relief Bonds;” and (b) Goal 1, fifth bullet, “Address rule changes to create additional supplies in short term....” Stoldt stated that all items mentioned had been completed except for “easing transfers.”

Counsel Laredo reported that the full report on the closed session was provided in the revised minutes of the June 15, 2020 Board meeting. He summarized the action by stating that a motion was made by Director Evans, on the second of Director Edwards, to initiate the dispute resolution process specified in Section G 16 of the May 20, 2013 Cost Sharing Agreement between MPWMD and Monterey One Water. The motion was approved on a 6 – 1 vote, with Director Hoffmann dissenting.

Chair Edwards thanked District staff for providing the Directors with iPads to enable efficient connection to virtual Board and committee meetings. He urged all Directors to take advantage of the equipment provided by the District.

Adams offered a motion that was seconded by Evans to approve the variance and adopt the Findings of Approval. The Conditions of Approval were also adopted with revisions to be made by staff based on new ownership of the property. Development of a three-party indemnification agreement with the new owner and the City of Seaside would be required. The motion was approved on a unanimous vote of 7 – 0 by Adam, Evans, Byrne, Edwards, Hoffmann, Potter and Riley.

Public Comment: Susan Schiavone expressed concern that low-income persons in sub-metered buildings would not qualify for reduced California-American water rates because their water use was not associated with an account in the water user’s name.

On a motion by Potter and second of Evans, Resolution 2020-12 was adopted on a unanimous vote of 7 – 0 by Potter, Evans, Adams, Byrne, Edwards, Hoffmann and Riley.

Public Comment: Wayne Kelly expressed support for adoption of Resolution No. 2020-12.

REPORT FROM DISTRICT COUNSEL ON JUNE 15, 2020 BOARD CLOSED SESSION

- 1. Anticipated Initiation of Litigation by MPWMD - CA Government Code Sec. 54956.9(g) – One Case**

DIRECTORS REPORTS (INCLUDING ab 1234 REPORTSS ON TRIPS, CONVERENCE ATTENDANCE AND MEETINGS)

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

PUBLIC HEARINGS

- 10. Consider Application for Variance from Separate Water Meter Requirement for Multi-Family Housing Project at 1193 Broadway, Seaside (APNS: 012-191-001, 002, 003, 004, 013, 016, 017, 021, 022, 023, 024, 025, 028, and 029)**

- 11. Consider Adoption of Resolution 2020-12, A Resolution of the Board of Directors of the Monterey Peninsula Water Management District Seeking Authorization to Activate Latent District Powers and to Adopt A Sphere of Influence Amendment and Annexation**

Motion #1 – Byrne offered a motion to adopt the Addendum.

Motion #2 – Riley offered a substitute motion that the item be continued for one month so that staff could confirm the project cost, confer with MCWD on their concerns, and develop a recommendation to the Board. The motion was seconded by Adams.

Motion #3 – Edwards offered a motion to amend Motion #2 to continue Board consideration of this item for two weeks to July 31, 2020 at 3 pm. Directors Riley and Adams agreed to the amendment. The amended motion was approved on a unanimous vote of 7 – 0 by Riley, Edwards, Adams, Byrne, Evans, Hoffmann and Potter.

Public Comment: **(a) Howard Wilkins**, District Council for the Marina Coast Water District (MCWD), referenced a letter he submitted to the District at 6:45 pm that had not been viewed by staff or the Board. He expressed support for the District’s ASR project but noted concerns with the pipeline as it appeared to be sized and planned for the same location as the pipeline for the proposed Pure Water Monterey Expansion project. He requested that the District delay a decision on this item and meet with MCWD to resolve the perceived conflicts between the proposed pipeline and MCWD’s pipeline. **(b) Melodie Chrislock** requested that the Board delay a decision on this item and meet with the MCWD to resolve their concerns.

Byrne offered a motion to approve the letter with additional language suggested by the General Manager which was to describe the administrative delays that were beyond the applicant’s control as: (a) Superior Court issuing a stay related to permits issued by the County of Monterey, and (b) the California Coastal Commission delay in consideration of the local coastal development permit. The motion was seconded by Evans and approved on a unanimous vote of 7 – 0 by Byrne, Evans, Adams, Edwards, Hoffmann, Potter and Riley. There was no public comment.

There was no discussion of these items.

ACTION ITEMS

12. **Consider Adoption of an Addendum to the District’s Prior ASR Environmental Impact Report for Construction of a Bypass Pipeline to Allow Simultaneous Pure Water Monterey Recovery and ASR Injection (Subject to CEQA Review per CEQA Guideline Sections 15162 and 15164)**
13. **Consider Sending the State Water Resources Control Board Correspondence Addressing Timelines and Penalties Under the Cease and Desist Order WR2016-0016**

INFORMATIONAL ITEMS/STAFF REPORTS

14. **Report on Activity/Progress on Contracts Over \$25,000**
15. **Status Report on Measure J/Rule 19.8 Phase II Spending**
16. **Monthly Progress Report – Santa Margarita Water Treatment Facility**
17. **Legislation Advocacy Committee’s State and Federal Bill Tracking**
18. **Letters Received**
19. **Committee Reports**
20. **Monthly Allocation Report**
21. **Water Conservation Program Report**

- 22. **Quarterly Water Use Credit Transfer Status Report**
- 23. **Carmel River Fishery Report for July 2020**
- 24. **Quarterly Carmel River Riparian Corridor Management Program Report**
- 25. **Monthly Water Supply and California American Water Production Report**
- 26. **Draft Water Year 2019 Aquifer Storage and Recovery Project Summary of Operations Report**

The meeting was adjourned in memory of former Mayor of the City of Seaside, Ralph Rubio; and Mayor of the City of Salinas, Joe Gunter.

ADJOURNMENT

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Arlene M. Tavani, Deputy District Secretary



EXHIBIT 1-B

DRAFT MINUTES
Special Meeting
Board of Directors
Monterey Peninsula Water Management District
July 31, 2020

The meeting was called to order at 3:00 pm. Pursuant to Governor Newsom's Executive Orders N-29-20 and N-33-20, the meeting was conducted with virtual participation via WebEx.

CALL TO ORDER/ROLL CALL

Directors Present via WebEx:

Alvin Edwards, – Chair, Division 1
 Jeanne Byrne – Vice Chair, Division 4
 George Riley, Division 2
 Molly Evans, Division 3
 Gary D. Hoffmann, P.E. – Division 5
 Mary Adams – Monterey County Board of Supervisors Rep.
 David Potter – Mayoral Representative

Directors Absent: None

General Manager present: David J. Stoldt

District Counsel present: David Laredo

The assembly recited the Pledge of Allegiance.

PLEDGE OF ALLEGIANCE

On a motion by Evans and second of Byrne the Board agreed to consider agenda item 2 prior to agenda item 1. The motion was approved on a unanimous vote of 7 – 0 by Evans, Byrne, Adams, Edwards, Hoffmann, Potter and Riley. No public comment was presented.

ADDITIONS AND CORRECTIONS TO AGENDA

No comments.

ORAL COMMUNICATIONS

Byrne offered a motion that was seconded by Hoffmann to adopt Resolution No. 2020-13 adopting the Construction of a Bypass Pipeline Modification Addendum as Addendum 6 to the ASR EIR/EA.

ACTION ITEMS

- 1. Consider Adoption of an Addendum to the District's Prior ASR Environmental Impact Report for Construction of a Bypass Pipeline to Allow Simultaneous Pure Water Monterey Recovery and ASR Injection (Subject to CEQA Review per CEQA Guideline Sections 15162 and 15164)**

Evans offered a substitute motion to delay action on the issue until the MPWMD could explore questions regarding the CEQA process: (a) the assertion that installation of a new pipeline was a "minor technical change", and (b) modification to the water right as an alternative to the pipeline. The motion was seconded by Edwards and approved on a vote of 4 – 3 by Evans, Edwards, Adams and Riley. Opposed were Byrne, Hoffmann and Potter.

Public comment: **(a) Keith Van Der Maaten**, General Manager of the Marina Coast Water District (MCWD), requested that the Board of Directors defer a decision on the Addendum until the MCWD and the MPWMD had an opportunity to discuss issues raised by MCWD and ensure that any proposed changes would not impact their ability to use the pipeline for their use. **(b) Chip Wilkins**, Counsel for MCWD, asserted that the proposed pipeline was intended to support the California American Water (Cal-Am) desalination project and that the Addendum was inadequate. He requested that a decision on this issue be delayed until the MCWD and MPWMD could develop a solution that would benefit the MPWMD and the region. **(c) Chris Cook**, Director of Operations, Cal-Am, stated that the parallel pipeline was critical to functioning of the Aquifer Storage and Recovery (ASR) project. In addition, it was important to illustrate to the State Water Resources Control Board (SWRCB) that the region was optimizing use of its water supplies, as the area faced severe water cutbacks mandated by the Cease and Desist Order (CDO) in 2021. Without the pipeline the only option would be water rationing. **(d) Melodie Chrislock** suggested that a cost benefit analysis be conducted prior to approval of the pipeline. She recommended that the Board take no action on the Addendum until the California Coastal Commission rendered a decision on Cal-Am's desalination project. **(e) Michael Baer** stated that the proposed pipeline represented a piecemeal approach to water supply planning and lack of a plan for a regional water supply. He urged the Board to meet with MCWD and ensure that the pipeline, if needed, was sized appropriately. **(f) Susan Schiavone** stated that the pipeline was not needed as it would only be used a few months out of the year. She urged the Board to not approve the Addendum and instead to consider alternatives such as petitioning the SWRCB to amend Permit No. 21330. **(g) John Tilley** encouraged the Board to approve the Addendum. **(h) Tom Moore** recommended that the Board seek an amendment to Permit No. 21330 and alleviate the need for the proposed pipeline. **(i) Anna Thompson** requested that the Board defer consideration of the Addendum until a cost benefit analysis of the proposed pipeline had been completed. **(j) Rick Heuer**, resident of Monterey, expressed support for adoption of the Addendum in order to maximize production from ASR. **(k) Marc Kelley** spoke in support of the staff recommendation to approve the Addendum. **(l) Wayne Kelly** expressed opposition to approval of the Addendum, and construction of a pipeline for which there was no immediate need.

Potter offered a motion that was seconded by Hoffmann to refer this item to an ad-hoc committee of the Board.

Public Comment: John Tilley expressed support for the motion to refer this issue to an ad-hoc committee of the Board.

2. Consider Selection of a Public Outreach Consultant

Adams offered a substitute motion to consider agenda item 2 at the present session of the Board. Director Potter withdrew his motion.

Evans offered a motion to refer the item to an ad-hoc committee of the Board that would not include members of the Public Outreach Committee. The motion was seconded by Director Byrne. Following Board discussion, Director Byrne withdrew her second.

On a motion by Evans and second of Hoffmann, the Board referred the item to the Public Outreach Committee for action on a vote of 7 – 0 by Evans, Hoffmann, Adams, Byrne, Edwards, Potter and Riley.

Public Comment: **(a) Gary Cursio** recommended that this item be referred to an ad-hoc committee for further investigation, or the request for qualifications should be reopened. **(b) Michael Baer** requested that the issue be referred to an ad-hoc committee of the Board. **(c) John Tilley** requested that WellmanAd be removed from the list of firms under consideration that evening, or the Board should refer the item to an ad-hoc committee. **(d) Susan Schiavone** stated that the Board should select the firm that was most qualified and conformed to budgetary constraints.

Director Byrne and Director Potter left the meeting at 5:30 pm.

On a motion by Evans and second of Adams, agenda items 3 and 4 were deferred to the August 17, 2020 Board meeting. The motion was approved on a vote of 5 – 0 by Evans, Adams, Edwards, Hoffmann and Riley. Potter and Byrne were absent for the vote.

Deferred to August 17, 2020.

The meeting was adjourned at 5:40 pm.

DISCUSSION ITEMS

3. **Discuss Options Related to Pure Water Monterey Final SEIR**

ADJOURN TO CLOSED SESSION

4. **Anticipated Initiation of Litigation by MPWMD – CA Government Code Sec. 54956.9(g) – One Case**

ADJOURNMENT

ITEM: CONSENT CALENDAR

2. CONSIDER EXPENDITURE TO CONTRACT FOR CONSTRUCTION AND RELATED SERVICES TO COMPLETE THE CARMEL RIVER STEELHEAD RESISTANCE BOARD WEIR PROJECT

Meeting Date:	August 17, 2020	Budgeted:	Yes
From:	David J. Stoldt, General Manager	Program/	Protect Environmental Quality
		Line Item No.:	2-3-4-B
Prepared By:	Thomas Christensen	Cost Estimate:	Up to \$130,000

General Counsel Review: N/A

Committee Recommendation: The Administrative Committee reviewed this item on August 11, 2020 and recommended approval.

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

SUMMARY: Staff proposes to construct the Carmel River Steelhead Resistance Board Weir Project across from the Carmel Area Wastewater District downstream of Highway One Bridge. This project involves the construction of a 75-foot-wide resistance board weir and a trap (**Figure 1**) for anadromous adult steelhead, which will enable the District to estimate the annual run size of steelhead. The District advertised for bids for two weeks starting on July 24, 2020. The bid was placed on multiple bid boards including Sacramento area San Luis Obispo County Monterey County and San Jose area.



Figure 1. Example Weir in Stanislaus River

RECOMMENDATION: The Administrative Committee recommends the Board:

1. Authorize the General Manager to enter into a contract with the lowest bidder for construction of the Carmel River Steelhead Resistance Board Weir Project at bid cost plus 10% contingency (Not-to-Exceed \$130,000).

DISCUSSION: The Carmel River has a known run of South-Central California Coast (S-CCC) steelhead (*Oncorhynchus mykiss irideus*). S-CCC steelhead were listed as a threatened species under the Endangered Species Act (ESA) by the National Marine Fisheries Service (NMFS) in 1997 and most of the streams in the Carmel River watershed have been designated as critical habitat for S-CCC steelhead. Data needs to be collected to inform management of the species as well as comply with the National Marine Fisheries Service (NOAA) requirement that Monterey Peninsula Water Management District (MPWMD) estimate the annual run size of SH as part of their Section 10(A)(1)(a) permit to continue the fish rescue and rearing program until at least when California American Water (Cal-Am) will have ceased any unauthorized diversions and be in compliance with SWRCB WRO 95-10 and 2016-0016. Cal-Am has been recording counts of passing South Central California Coast, Distinct Population Segment Steelhead (S-CCC) at San Clemente Dam (SCD) and Los Padres Dams since the 1950's. MPWMD has assisted them since 1994. MPWMD ran a DIDSON hydro-acoustic camera for three years in the lower river to replace the historic counts at SCD, which was removed in 2015, ending that historic data source. That method became infeasible due to the expansion of invasive Striped Bass expanding their use of the Carmel River, which cannot be distinguished hydro-acoustically from S-CCC. The purpose of this project is to install a weir (array of panels that spans the river) to collect the needed S-CCC data to comply with NOAA requirements and inform management of the species on the Carmel River.

IMPACTS ON STAFF AND RESOURCES: Several District staff will be involved in the project assisting with project management, inspections and permit compliance. The work will be performed under the direction of the Environmental Resources Manager with possible assistance from Larry Hampson.

EXHIBIT

None

ITEM: CONSENT CALENDAR**3. CONSIDER AUTHORIZING THE GENERAL MANAGER TO CONTRACT WITH MARTIN FEENEY TO PERFORM PROJECT MANAGEMENT FOR THE FINAL COMMISSIONING OF THE PURE WATER MONTEREY INJECTION WELL FIELD**

Meeting Date:	August 17, 2020	Budgeted:	No
From:	David J. Stoldt General Manager	Program/ Line Item No.:	Water Supply Projects 1-2-1
Prepared By:	Jonathan Lear	Cost Estimate:	\$53,820

General Counsel Review: N/A**Committee Recommendation: The Administrative Committee reviewed this item on August 11, 2020 and recommended approval.****CEQA Compliance: This action does not constitute a project as defined by the California Environmental Quality Act Guidelines section 15378.**

SUMMARY: Pure Water Monterey (PWM) began injecting water in March 2020 and will reach the operating reserve of 1,000 AF injected in August. After the operating reserve is obtained, the wells will move into the final commissioning stage. This stage will involve chemical treatment, brushing and swabbing of the well screens. The final commissioning is a step that has been performed on all injection wells in the Santa Margarita Sandstone to restore the injection well capacity after a preliminary decline following initial injection. It is the District's experience that all injection wells in the geologic formation experience an initial decline of injection capacity and the final commissioning step returns the wells to their initial performance. Final commissioning is currently scheduled to begin in mid-August.

DISCUSSION: The District and Monterey One Water (M1W) have partnered to construct and commission the PWM project. MPWMD has provided project management for the installation of the injection well field and the associated facilities. It has been determined that an additional 3rd injection well will be added to the well field to add firm injection capacity. M1W has decided to move forward with the final well commissioning and bidding and contracting for the 3rd injection well during the month of August. Currently MPWMD has 1 dedicated position supporting the role of project management for the PWM project while simultaneously overseeing the ASR project construction. Because both the bidding and commissioning processes are moving forward simultaneously, the District needs to contract with an experienced hydrogeologist to manage the commissioning process. District staff reached out to three geologic firms with the experience to project manage the well commissioning. Both Pueblo Water Resources and Bierman Hydrologic indicated there were interested, but they did not have time in August to complete the work. Martin Feeney was able to accommodate the schedule and has over 30 years of experience working on wells in the Seaside Basin. The proposal and cost breakdown of Martin's services is included as **EXHIBIT 3-A**.

RECOMMENDATION: The Administrative Committee recommends that the Board authorize the General Manager to enter into an agreement with Martin Feeney, not to exceed \$53,820 to project manage the final commissioning of the Pure Water Monterey Well Field.

BACKGROUND: The District has been investigating and operating ASR wells in the Santa Margarita Sandstone since 2001. There are now 6 wells including the Carmel River ASR and PWM projects. All 6 wells have experienced an initial drop off in performance following startup. In the Carmel River ASR wells, the commissioning step has proved to restore the wells to near their post development performance.

IMPACT TO STAFF/RESOURCES: Funds for this project were not included in the FY 2020-21, which was adopted on June 15, 2020. This expenditure will come from the District's general reserve and will be included in the District's mid-year budget.

EXHIBIT

3-A Scope of Services and Cost

Martin B. Feeney
Consulting Hydrogeologist

P.G. 4634
C.E.G. 1454
C.Hg 145

August 7, 2020

Monterey Peninsula Water Management District
P.O. Box 85
Monterey, CA
93942-0085

Attn: Jon Lear, PG, CHG

Dear Jon:

Following up on our conversations, I am happy to present this proposal to assist the Monterey Peninsula Water Management District (District), with the final commissioning of the injection wells operated by Monterey One Water. I understand that after a period of initial operation, the two wells have shown a decline in performance. This is not uncommon in injection well start up. As a result, the District is moving forward with some work to restore original performance. This work will include both mechanical and chemical treatments to the well.

I understand that the specifications for the work have been prepared by Todd Engineers and Maggiora Bros. Drilling Co. will be performing the work. The District has asked me provide project management and field observation services for the work to be performed. It is understood that Todd Engineers may also provide project oversight.

The services I propose to offer are limited to provision of experienced field staff to observe the work being performed and assure that the work is being conducted in accordance with the specifications. He will take detailed notes and they will be distributed daily. I will provide oversight to field staff and be in telephone communication with the same. Should issues develop during performance of the work, I will coordinate with the District and Todd so that these parties can make a decision as to the best approach to move forward. Because I neither designed the well, wrote the specifications, nor am the geologist of record, my contributions will be limited to advising the District and Todd.

It is anticipated that work on each well will likely take 3 weeks of effort and multiple travel trips to and from site from Ventura. I have prepared a budget for services for a both wells. The budget assumes that activities such as removing and replacing the pump and associated appurtenances, video surveys, and installation of development tools will not need to be observed. We will attempt to limit field time, but break-downs and such can make this problematic for crew based in Ventura. An estimated budget is presented in Table 1. This budget is an estimate as we have no control over the diligence or competency of the contractor, break downs, or delays in schedule. If the project is performed in a short period or longer period, the project cost will be adjusted according to our fee schedule.

I appreciate the opportunity to provide service. Please call if you have any questions.

Sincerely,



Martin Feeney

P.O. Box 23240, Ventura, CA 93002 ♦ Phone: 831/915-1115 ♦ e-mail mfeeney@ix.netcom.com

ITEM: CONSENT CALENDAR**4. CONSIDER APPROVAL OF 2020 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**

Meeting Date:	August 17, 2020	Budgeted:	N/A
From:	David J. Stoldt, General Manager	Program/ Line Item No.:	Aquatic Resources and Hydrologic Monitoring 2
Prepared By:	Thomas Christensen and Jon Lear	Cost Estimate:	N/A

General Counsel Review: N/A**Committee Recommendation: N/A****CEQA Compliance: Consistent with SWRCB WR Order Nos. 95-10, 98-04, 2002-0002, and 2016-0016.****ESA Compliance: Consistent with the September 2001 Conservation Agreement between the National Marine Fisheries Service and California American Water to minimize take of listed steelhead in the Carmel River.**

SUMMARY: Representatives from the Monterey Peninsula Water Management District (MPWMD), California American Water (Cal-Am), the California Department of Fish and Wildlife (CDFW), and National Marine Fisheries Service (NMFS) met on July 17, 2020 to negotiate the terms and conditions for the 2020 Memorandum of Agreement (MOA) for releases and diversions from Los Padres Reservoir to the Carmel River. As has been the case annually since 2010, concurrence was provided only on the minimum low-flow targets for 2020.

Based on current storage conditions and expected reservoir inflows, it was agreed that Cal-Am will maintain minimum flows in the Carmel River below Los Padres Dam (LPD) of 10.0 cubic feet per second (cfs) through July. Then on August 1 Cal-Am will step down the release to 9.0 cfs and then on November 1st step down to 8.0 cfs. It is anticipated that this release will be held until Los Padres Reservoir fills and spills during the winter season.

Cal-Am ceased diversions from its wells upstream of the Narrows by June 28th, 2020 when Carmel River flow at the District's Don Juan Bridge gaging station in Garland Park had dropped below 20 cfs for the prior five consecutive days. These actions conform to State Water Resources Control Board (SWRCB) Order 2002-0002 and the 2001 NMFS Conservation Agreement with Cal-Am. The Draft 2020 MOA is included as **Exhibit 4-A**.

RECOMMENDATION: Staff recommends that the Board approve the 2020 MOA and direct the General Manager to sign the agreement.

BACKGROUND: Past MOAs determined minimum flow releases to the Carmel River below San Clemente Dam during the low-flow period (i.e., generally May through December), and the District entered annually into an agreement with Cal-Am and CDFW. Historically, the MOA specified the minimum release that must be maintained from San Clemente Reservoir to the Carmel River and the maximum diversion that was allowed from San Clemente Reservoir to Cal-Am's Carmel Valley Filter Plant (CVFP).

Cal-Am's ability to divert surface flow at San Clemente Dam or control outflow at that point is precluded forevermore by the removal of San Clemente Dam completed in 2015. Absent a flow control structure at River Mile 18.61, the MOA must now be managed based on releases from Los Padres Dam at River Mile 24.80.

Based on current reservoir storage and the projected inflow conditions for most of the remainder of Calendar Year 2020, it was agreed by all parties at the July 17, 2020 meeting that Cal-Am would:

- a) follow the natural pattern of LPR inflow recession in June, then
- b) maintain a minimum flow of 10.0 cfs for July, stepping down to 9.0 cfs for August and September, and then in November step down to 8.0 cfs from LPD to the Carmel River (as measured at MPWMD's Below Los Padres Gage), and
- c) rely on the natural recovery of river base flows from above LPR and the surrounding watershed below Los Padres to sustain higher river flows as the rainy season begins.

The projected monthly inflows are derived from many years of above Los Padres Reservoir streamflow measurements. These inflows are then incorporated into a spreadsheet that uses the continuity equation to track stage, evaporation, and release. The parties will continue to monitor reservoir stage and release throughout the year and may meet either in August or September to reconsider whether or not any further modifications are needed.

To maximize the instream flow benefits from the proposed releases, the MOA also includes a condition that limits the amount of water pumped from Cal-Am's production wells in the Upper Carmel Valley (i.e., above the Narrows) to levels required for maintenance of the wells (**Exhibit 4-B**). This limitation and schedule also applies to the former Water West wells that are now owned and operated by Cal-Am. Similarly, the MOA includes a provision that Cal-Am will make all reasonable efforts to operate its Lower Carmel Valley production wells beginning with the most downstream well and moving to upstream wells as needed to meet system demand. This provision is consistent with Condition No. 5 of SWRCB Order 95-10.

The proposed MOA may be modified by mutual consent of all the parties and will be monitored weekly by representatives of the three parties. If approved, the 2019 MOA becomes effective August 17, 2020, and extends through December 31, 2020.

IMPACT ON STAFF AND FISCAL RESOURCES: Due to the current "normal" inflows to Los Padres Reservoir, the lower river is slowly losing surface flow and has dried in just a few

sections. It is anticipated that the river will continue drying in lower sections during the next couple of months. Roving steelhead rescue efforts in the mainstem began on July 7, 2020. District staff are currently releasing rescued steelhead to the District's Sleepy Hollow Steelhead Rearing Facility (SHSRF).

EXHIBITS

- 4-A** Draft 2020 Memorandum of Agreement between the State of California Department of Fish and Wildlife, California American Water, and the Monterey Peninsula Water Management District to Release Water into the Carmel River from Los Padres Reservoir
- 4-B** Maintenance and Water Quality Pumping Schedule

EXHIBIT 4-A

**2020 MEMORANDUM OF AGREEMENT
AMONG THE CALIFORNIA DEPARTMENT OF FISH AND WILDLIFE,
CALIFORNIA AMERICAN WATER, AND MONTEREY PENINSULA WATER
MANAGEMENT DISTRICT TO RELEASE WATER INTO THE CARMEL RIVER
FROM LOS PADRES RESERVOIR**

THIS AGREEMENT is made this 17th day of July, 2020, among the California Department of Fish and Wildlife, ("Department"), California American Water, ("Cal-Am"), and the Monterey Peninsula Water Management District, (the "District"), with respect to the following.

RECITALS

A. The Department is required to conserve and protect the fish and wildlife resources of this state, and it is the Department's objective to maximize surface flows in the Carmel River below Los Padres Dam;

B. Cal-Am supplies water to the citizens of the communities of the Monterey Peninsula, Monterey County in accordance with SWRCB Order No. 95-10, as amended.

C. The District, through its rules and regulations, establishes a quarterly water supply strategy and budget for the Monterey Peninsula.

NOW THEREFORE, IT IS HEREBY AGREED:

DEFINITIONS

1. "Minimum pool at Los Padres Reservoir" means a surface water elevation of 980 feet above mean sea level, or 89 acre feet of storage.

2. "Water Release by Cal-Am at Los Padres Dam" into the Carmel River may occur from seepage through the dam, direct release from any discharge port, spillage over the crest of the dam, releases through the fish ladder or smolt emigration facility, releases from the lowest outlet at 980 feet NGVD, or any combination thereof.

DESIGNATION OF RESPONSIBILITIES

3. Cal-Am shall make water releases into the Carmel River channel below Los Padres Reservoir beginning July 2020 as follows: Cal-Am shall maintain 10.0 cubic feet per second (cfs) for July and then 9.0 cfs for August through October and then 8.0 cfs in November 2020 below Los Padres Reservoir, as measured at the District's Below Los Padres Gage, relying on the natural recovery of river base flows from above the reservoir to sustain flows thereafter.

4. The Russell Wells shall be limited to a combined total instantaneous diversion rate of not more than 0.5 cfs during low-flow periods as set forth in ordering Paragraph No. 4 of SWRCB Order WRO-2002-0002 (**Attachment A** hereto).

5. In the event that a significant change in projected runoff occurs in the basin during the duration of this Agreement, the parties will meet to discuss modifications to the scheduled reservoir releases and diversion.

6. Cal-Am shall limit operation of its wells in the Carmel Valley above the Narrows during low-flow periods as set forth in ordering Paragraph No. 2 of SWRCB Order WRO 2002-0002 (**Attachment A** hereto). Cal-Am shall notify the District and the Department of its maintenance pumping schedule in advance.

7. Cal-Am shall make reasonable efforts to operate the Lower Carmel Valley production wells in the sequence from the most downstream well and progress upstream as wells are needed and available for production. Cal-Am shall notify the District and the Department before operating its Scarlett No. 8 Well.

8. Cal-Am shall notify the District and the Department when the water elevation reaches 990 feet NGVD at Los Padres Reservoir, and Cal-Am shall not draw Los Padres Reservoir below minimum-pool elevation without obtaining specific written approval from the Department.

9. In the event that Cal-Am has not exceeded its annual production limit from both the Coastal Subareas of the Seaside Groundwater Basin and Carmel River sources, Cal-Am shall make every reasonable effort to produce water from the Coastal Subareas of the Seaside Basin before producing water from its Carmel River sources to preserve streamflow and instream habitat in the Carmel River for listed species, consistent with the production amounts specified in the Quarterly Water Supply Strategy and Budget for Cal-Am's main distribution system.

DISTRICT

10. The District shall take direct measurements of inflow to Los Padres Reservoir on a monthly basis through the duration of this Agreement.

ALL PARTIES

11. This Agreement is revocable upon ten days' written notice to all parties signatory to this Agreement.

12. This Agreement is entered into without prejudice to the rights and remedies of any party to the Agreement.

EFFECTIVE DATE AND TERM OF AGREEMENT

13. This Agreement is effective July 17, 2020 and shall remain in force until December 31, 2020. This Agreement may be modified or extended by mutual consent of all the parties.

EXECUTION

IN WITNESS WHEREOF, each party hereto has caused this Memorandum of Agreement to be executed by an authorized official on the day and year set forth opposite their signature.

California American Water

By: _____
511 Forest Lodge Road
Pacific Grove, CA 93950

Date

Monterey Peninsula Water Management
District

By: _____
P.O. Box 85
Monterey, CA 93942-0085

Date

California Department of Fish and
Wildlife

By: _____
1234 East Shaw Avenue
Fresno, CA 93710

Date

ATTACHMENT A

STATE OF CALIFORNIA STATE WATER RESOURCES CONTROL BOARD

ORDER WRO 2002 – 0002

In the Matter of Reconsideration of WR Order 2001-04-DWR
Implementing Condition 6 of Order WR 95-10 as Modified by
Order WR 98-04 Regarding Diversions by
California-American Water Company

SOURCE: Carmel River

COUNTY: Monterey

ORDER RECONSIDERING WR ORDER 2001-04-DWR

IT IS FURTHER ORDERED that Cal-Am shall comply with Condition 6 of Order WR 95-10, as modified by Order WR 98-04 as follows:

1. Cal-Am shall immediately upon issuance of this order cease withdrawal of water from the San Clemente Dam during low flow periods except during an emergency. “Emergency” means a system failure such as a pump failure, main breaks or fires, that jeopardizes the public health and safety. Hot weather demand alone shall not *per se* be an “emergency,” but it is recognized that after taking appropriate conservation measures, if levels in the Clear Well fall below nine feet from the bottom of the tank, an emergency may exist and diversions at San Clemente or the utilization of other facilities may be necessary. Nine feet from the bottom of the tank is a minimum requirement established by California Department of Health Services regulations. In all cases, diversions at San Clemente Dam or the utilization of other facilities shall be undertaken in a manner that is least damaging to the fishery resources, and these emergency operations shall be for the shortest practicable time. Cal-Am shall notify and consult with NMFS, FWS, DFG, and the District prior to implementation of emergency operations. If there is no time for consultation, Cal-Am shall notify NMFS, FWS, DFG, and the District of its emergency operation as early as practicable within eight (8) hours after Cal-Am first becomes aware of the emergency. Cal-Am shall notify, by telephone or telefax, the Chief of the Division of Water Rights within 24 hours of the emergency or by noon of the first business day following the incident. For the purpose of this Order, “low flow periods” are defined as times when stream flow in the Carmel River at the Don Juan Bridge (RM 10.8) gage is less than 20 cfs for five consecutive days. Pursuant to its continuing authority over the public trust, the SWRCB may amend this order to modify the definition of “low flow periods” or to add additional flow requirements to protect steelhead in the Carmel River. The Chief of the Division of Water Rights (Chief) is delegated the authority to modify the definition of “low flow periods” and the authority to add flow requirements based on new information, after finding that any proposed change to the order would better protect steelhead in the Carmel River. The Chief is also delegated the authority to modify the flow requirements of this order, in response to any changes in the requirements imposed under the Endangered Species Act, as necessary to prevent this order from being in violation of the Endangered Species Act or unreasonably interfering with efforts to comply with the Endangered Species Act. Prior to making the finding and prior to making any change to the order, the Chief shall provide notice to the parties to this hearing and give them an opportunity to comment on the proposed change.

EXHIBIT 4-B

Anticipated Maintenance & Water Quality Pumping Schedule 2020												
Wells	January	February	March	April	May	June	July	Aug	September	October	November	December
Scarlett Well No. 8	Inactive	Inactive	Inactive	Inactive	Inactive	Inactive	Inactive	Inactive	Inactive	Inactive	Inactive	Inactive
Los Laureles Well No. 5	14	11	10	14	12	9	14	11	15	13	10	15
Los Laureles Well No. 6	15	12	11	15	13	10	15	12	16	14	11	16
Garzas Well No. 3	6 & 7	3 & 4	2 & 3	6 & 7	4 & 5	1 & 2	6 & 7	3 & 4	7 & 8	5 & 6	2 & 3	7 & 8
Garzas Well No. 4	8 & 9	5 & 6	4 & 5	8 & 9	6 & 7	3 & 4	8 & 9	5 & 6	9 & 10	7 & 8	4 & 5	9 & 10
Panetta Well No. 1	6 & 7	3 & 4	2 & 3	6 & 7	4 & 5	1 & 2	6 & 7	3 & 4	7 & 8	5 & 6	2 & 3	7 & 8
Panetta Well No. 2	8 & 9	5 & 6	4 & 5	8 & 9	6 & 7	3 & 4	8 & 9	5 & 6	9 & 10	7 & 8	4 & 5	9 & 10
Robles Well No. 3	Inactive	Inactive	Inactive	Inactive	Inactive	Inactive	Inactive	Inactive	Inactive	Inactive	Inactive	Inactive
Scarlett Well No. 8, Los Laureles Well No. 5 and Well No. 6 will be pumped one day per month for 8 hours												
Garzas Wells No. 3 and No. 4 and Panetta Wells No. 1 and No. 2 will be pumped 2 days per week, one week per month for 8 hours per day.												
Robles Well No. 3 will be pumped two (2) hours per day, one (1) day per week, four (4) weeks per month.												
Well sampling for Water Quality purposes may be in addition to above schedules and will be conducted after 10:30 a.m. and before 2:00 p.m. on a quarterly basis.												
The wells need to run for approximately 20 min for this sampling.												
(< 20 cfs for 5 consecutive days at the Don Juan gauging station) or non-usage, the above schedule will be utilized.												
NOTE: The dates marked in RED are Holidays or days that Holidays are observed by the company. In these cases, the maintenance pump schedule will be performed on the nearest feasible regular workday schedule. (ie. If a Monday is a holiday and a well is scheduled for a maintenance run, the nearest feasible day would be Tuesday.)												

ITEM: PUBLIC HEARING**9. CONSIDER RATIFICATION OF RESOLUTION 2020-12, A RESOLUTION OF THE BOARD OF DIRECTORS OF THE MONTEREY PENINSULA WATER MANAGEMENT DISTRICT SEEKING AUTHORIZATION TO ACTIVATE LATENT DISTRICT POWERS AND TO ADOPT A SPHERE OF INFLUENCE AMENDMENT AND ANNEXATION****Meeting Date: August 17, 2020 Budgeted: N/A****From: David J. Stoldt, General Manager Program/ Line Item No.: N/A****Prepared By: David J. Stoldt Cost Estimate: N/A****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 order to prepare the Board to consider in the future a Resolution of Public Necessity for the potential acquisition of California American Water (Cal-Am) Company's Monterey Water System the Monterey County Local Agency Formation Commission (LAFCO) must allow the District to activate certain latent powers authorized by its legislation, as well as consider annexation of approximately 56 parcels to the District. At its July 20, 2020 meeting the Board adopted Resolution 2020-12 attached as **Exhibit 9-A** authorizing the District to file an application with LAFCO. That Public Hearing was improperly noticed, but has now been corrected. The proposed action simply ratifies the Resolution after proper notice was advertised.

RECOMMENDATION: The General Manager recommends the Board ratify Resolution 2020-12.

EXHIBIT**9-A Proposed Resolution 2020-12**

EXHIBIT 9-A**RESOLUTION 2020-12**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE
MONTEREY PENINSULA WATER MANAGEMENT DISTRICT
SEEKING AUTHORIZATION TO ACTIVATE LATENT DISTRICT POWERS
AND TO ADOPT A SPHERE OF INFLUENCE AMENDMENT AND ANNEXATION**

WHEREAS, The Monterey Peninsula Water Management District (“District”) is organized and exists under the Monterey Peninsula Water Management District Law (Chapter 527 of the Statutes of 1977, and published at Water Code Appendix, Section 118-1, et seq.) (“District Law”).

WHEREAS, Pursuant to Section 325 of the District Law, and except as otherwise limited by the District Law, the District has the power to do any and every lawful act necessary in order that sufficient water may be available for any present or future beneficial use or uses of the lands or inhabitants within the District, including, but not limited to, irrigation, domestic, fire protection, municipal, commercial, industrial, recreational, and all other beneficial uses and purposes.

WHEREAS, Pursuant to Section 328 of the District Law, the District has the power, among other things, (a) to acquire public or private water systems necessary or proper to carry out the purposes of the District Law; (b) to store water in surface or underground reservoirs within or outside of the District for the common benefit of the District; (c) To conserve and reclaim water for present and future use within the District; (d) To appropriate and acquire water and water rights, and import water into the District and to conserve and utilize, within or outside of the District, water for any purpose useful to the District.

WHEREAS, Section 326 of the District Law authorizes the District to fix, revise, and collect rates and charges for the services, facilities, or water furnished by it, and authorizes the District to collect its rates and charges via the tax roll or other billing methods. Section 308 of the District Law authorizes the District, by resolution or ordinance, to fix and collect rates and charges for the providing of any service it is authorized to provide.

WHEREAS, The District engages in a variety of activities that supply water to properties within the District via a distribution system owned by California American Water (CAW), including water supplied by the Aquifer Storage and Recovery project and the Pure Water Monterey project.

WHEREAS, Since 1994 the District has provided highly treated recycled water for sale to properties within the Del Monte Forest.

WHEREAS, On November 6, 2018, voters within the Water Management District passed initiative Measure J by 56% (23,757 voted yes) to 44% (18,810 voted no). Measure J directed that the following Rule 19.8 be added to the District Rules and Regulations, Regulation I, General Provisions:

Rule 19.8. Policy of Pursuing Public Ownership of Monterey Peninsula Water Systems

- A. It shall be the policy of the District, if and when feasible, to secure and maintain public ownership of all water production, storage and delivery system assets and infrastructure providing services within its territory.
- B. The District shall acquire through negotiation, or through eminent domain if necessary, all assets of California American Water, or any successor in interest to California American Water, for the benefit of the District as a whole.
- C. The General Manager shall, within nine (9) months of the effective date of this Rule 19.8, complete and submit to the Board of Directors a written plan as to the means to adopt and implement the policy set forth in paragraph A, above. The plan shall address acquisition, ownership, and management of all water facilities and services within and outside the District, including water purchase agreements as appropriate. The plan may differentiate treatment of non-potable water services.

WHEREAS, District boundaries include almost all, but not all, the properties served within the California American Water Main, Bishop, Hidden Hills, and Ryan Ranch service areas. In order to serve approximately 43 connections presently served by California American Water, but not presently within the District's boundaries, the District seeks to annex 58 parcels in the Hidden Hills and Yankee Point locales. The proposed annexation, in and of itself, would have no impact on the environment with respect to future development, as the District, should it proceed with an acquisition of California American Water assets, would be obligated to provide water service to the area regardless of whether those areas were annexed.

WHEREAS, the District exercises no land use authority within or for the areas to be annexed, therefore the boundary modification cannot make any change whatsoever in the uses to which the affected area may be put.

WHEREAS, the District is deemed to be a "district" within the provisions of the District Reorganization Act of 1965 (Division 1 (commencing with *Section 56000*) of Title 6 of the *Government Code*), and all proceedings for the annexation or detachment of territory to or from the District are required to be conducted in the manner therein provided and all the provisions of such Act apply to the District.

WHEREAS, the District has circulated a "Potential Acquisition of Monterey Water System and District Boundary Adjustment Draft Environmental Impact Report" and intends to certify that Final Report later this year.

WHEREAS, the District has held a duly noticed public hearing with respect to this Resolution Seeking Authorization to Activate Latent District Powers and to Adopt a Sphere of Influence Amendment and Annexation this day as required by California Government Code §56824.12(c) and considered all testimony, if any, presented at that hearing.

NOW, THEREFORE, BE IT RESOLVED, as follows:

This Resolution Seeking Authorization to Activate Latent District Powers and to Adopt a Sphere of Influence Amendment and Annexation is hereby adopted and approved by the Board of

Directors of the Monterey Peninsula Water Management District. The District requests the Local Agency Formation Commission (LAFCO) of Monterey County act pursuant to Sections 56824.10 *et seq.* of the Cortese Knox Hertzberg Act to authorize the District to activate its latent powers to provide water production and distribution services for retail customers and to authorize the District to amend its sphere of influence and annex affected parcels.

On motion of Director _____, and second by Director _____, the foregoing resolution is duly adopted this 17th day of August 2020 by the following votes:

AYES:

NAYS:

ABSENT:

I, David J. Stoldt, Secretary to the Board of Directors of the Monterey Peninsula Water Management District, hereby certify that the foregoing is a resolution duly adopted on the 17th day of August 2020.

Witness my hand and seal of the Board of Directors this ____ day of August 2020.

David J. Stoldt,
Secretary to the Board

ITEM: ACTION ITEM**10. APPROVE STRATEGY TO ADDRESS WATER FOR NEAR-TERM HOUSING NEEDS****Meeting Date:** August 17, 2020 **Budgeted:** N/A**From:** David J. Stoldt,
General Manager **Program/** N/A
Line Item No.: N/A**Prepared By:** Stephanie Locke **Cost Estimate:** N/A**General Counsel Review:** N/A**Committee Recommendation:** This item was discussed on July 2, 2020 by the Technical Advisory and Water Demand Committees and on August 4, 2020 by the Policy Advisory Committee.**CEQA Compliance:** This action does not constitute a project as defined by the California Environmental Quality Act Guidelines section 15378

SUMMARY: In February 2020, the District requested that each of the jurisdictions submit responses to the District about potential near-term housing water needs in the Cal-Am system for the next 3-4 years (if water was made available). One of the primary cautions the District advised was that the jurisdictions should focus on metered properties, given the moratorium on setting new meters. Based on discussions with the jurisdictions, that may need to be revisited in this process. Five of seven jurisdictions submitted responses to the District. The individual responses are summarized below:

Carmel-by-the-Sea	10 Acre-Feet (AF)
Del Rey Oaks	No response
Monterey	16-23 AF
Pacific Grove	31 AF
Sand City	10 AF
Seaside	21 AF
Unincorporated County	No response

This effort produces a need of 88-95 AF, but it does not include several jurisdictions (as discussed below) that may also merit inclusion. As a result, the District will likely need to recommend an alternative allocation strategy. The process and methods of allocation were discussed at the Technical Advisory Committee and Water Demand Committee on July 2, 2020 and with the Policy Advisory Committee (PAC) on August 4th. As a result of the PAC meeting, District staff revisited the information provided by the cities of Carmel, Pacific Grove, and Del Rey Oaks. On August 7th, those cities were advised that (a) we are not trying to satisfy a total 10-year RHNA need; (b) we are not trying to satisfy a Cycle 4 remainder plus Cycle 5 total RHNA need; (c) we cannot rely on an 8-year housing needs assessment from 2015; and (d) we cannot overly allocate water to a jurisdiction that states they have no immediate needs.

RECOMENDATION: It is recommended by the Water Demand Committee that staff be directed to begin discussions with the state, build a coalition of support among housing advocates, and make a request for 75 AF of relief from the CDO, and if granted, allocations be made initially at one-half as shown in the table below.

Jurisdiction	RHNA Goal	Allocation (AF)
Carmel-by-the-Sea	31	4
Del Rey Oaks	27	4
Monterey	650	19
Pacific Grove	115	8
Sand City	55	4
Seaside	393	17
Unincorporated County	125	6
NPS		2
POM		5
School Districts		1
District Reserve		5
Total	1,396	75

BACKGROUND AND DISCUSSION:

Initial Feedback: In February 2020, District staff provided the following information to the Technical Advisory Committee (TAC). The purpose of the Technical Advisory Committee is to review, discuss and if necessary, vote on potential agenda items related to the technical aspects associated with the operation of the District. Recent calls for water for housing, and the impact of a lack of water has on the ability to meet local housing needs, prompted the action.

The desalination component of the Monterey Peninsula Water Supply Project is expected to require 30 months to construct and start-up following issuance of a permit from the California Coastal Commission (CCC). The hearing on the appeal for a Coastal Development Permit is scheduled for September 17, 2020. Additionally, it is unclear whether the State Water Board will lift the Cease and Desist Order (CDO) immediately upon operations or require the project to demonstrate a year of operations first. Hence, it could be 3 or 4 years before the CDO is lifted, and there is always the specter of additional delays.

In order for local jurisdictions to meet their desire for housing starts in the interim period, the District is considering measures to make water available to the jurisdictions. As a predicate to this, the District requested information from each jurisdiction as to their immediate short-term water needs for housing starts. The TAC members were asked to:

1. Determine the realistic number of units that can be permitted and built in the next 4-year period;
2. Determine the amount of water needed using the District's factors for each type of unit;
3. Determine the total amount of water needed for housing during interim 4-year period.
4. Send a letter to the District stating that if the District can make an allocation of water supply available, the jurisdiction would like XX acre-feet for use on housing during the next 4-year period. The request should include an attachment with the breakdown of anticipated units and water required.

The District was specific that this request should only include water needed for housing projects that could be under construction within 3-4 years (between now and the lifting of the CDO) if water becomes available. Initially, it was thought that any water allocated for housing needs would be subject to the water meter moratorium, which excludes vacant parcels, however, as stated earlier, at this time this aspect might also be included in a request to the State, if it remains a significant barrier to meeting local housing needs. The District must also weigh the needs of jurisdictions with access to an Entitlement, or that may have access to an existing allocation. The deadline for submittal was May 1, 2020.

The initial responses of the TAC member entities are discussed below.

City of Carmel-by-the-Sea: The City's initial response was that no housing projects had been identified that had a near-term need for water that had not taken advantage of the Malpasos Entitlement. However, subsequent email between District and City staff resulted in an amended request for between 5-10 AF for the next 3-4 years, primarily for Accessory Dwelling Units (ADUs) and mixed-use development. The City has 2.5 AF remaining in its Allocation.

City of Del Rey Oaks: The City of Del Rey Oaks did not respond to this request. The City presently has one vacant residential lot and potential for development of at least one open space area that was previously a golf driving range. Other developable areas are not within Cal-Am's service area, rather are on the former Fort Ord, which is Marina Coast Water District's service area. Del Rey Oaks has no water in its Allocation.

City of Monterey: The City of Monterey has requested 16 to 23 AF for its near-term needs for housing. It has only 2.5 AF in its Allocation at this time. Two apartment projects were approved to receive water from the District Reserve Allocation at the May District Board meeting. The City is actively seeking developers for several City-owned sites and has a small amount of water credit available for future development.

City of Pacific Grove: The City of Pacific Grove requested approximately 31 AF of water. The City currently has 37.5 AF remaining in its Entitlement and 0.079 AF in its Allocation.

City of Sand City: The City of Sand City requested 10 AF. There are 198 AF in the Sand City Entitlement from the desalination project and 23 AF of water in its Allocation.

City of Seaside: Seaside requested 21AF, mentioning the Campus Town and Ascent projects as near-term needs. The Campus Town project will not be served by Cal-Am, which would reduce the amount requested by the City. Staff is aware that the Ascent project will need approximately 12 AF. The City has 34.7 AF remaining in its Allocation. Also available in the City of Seaside is the privately-held DBO Entitlement of 12 AF, however that Entitlement can only be used at the discretion of its owner and is not a publicly available source.

Unincorporated Monterey County in the MPWMD: Monterey County did not respond to the request for near-term water needs for housing. The County presently has 12.8 AF in its Allocation, and recently benefited from the Malpasos Water Entitlement. In addition, there are several small pockets of water still available in the former Water West system (3.3 AF), the Pebble Beach recycled water project Entitlements (277 AF), Quail Meadows (0.68 AF), and Malpasos Water Company (63 AF).

Naval Postgraduate School: The District did not ask for, and the Naval Postgraduate School (NPS) did not submit, a request for water for housing, but it should be considered during this process. The District is willing to set aside 2 AF for NPS as a placeholder.

Presidio of Monterey: The District did not ask for, and the Presidio of Monterey (POM) did not submit, a request for water for housing. However, the Board will be considering an appeal by the POM to reinstate expired water credits that were earmarked to offset construction of 264 dorm rooms (5.3 AF). Other uses planned by the POM include at least one dining hall and a large general instruction facility. The District is willing to set aside 5 AF for POM as a placeholder.

Carmel/Monterey Peninsula/Pacific Grove Unified School Districts: Staff met with MPUSD Superintendent P.K. Diffenbaugh last July to review possible locations for teacher housing. Two of the locations were not in areas served by Cal-Am. One location, which is served by Cal-Am, is the current location of an elementary school. Specific water needs were not identified, but teacher housing should be considered in this project. The District was initially willing to set aside 4 AF for the school districts as a placeholder, but then the school board decided not to place a housing bond measure on this November's ballot.

EXHIBIT

None

ITEM: ACTION ITEM**11. PROVIDE DIRECTION REGARDING PURE WATER MONTEREY EXPANSION FINAL SEIR****Meeting Date:** August 17, 2020 **Budgeted:** N/A**From:** David J. Stoldt,
General Manager **Program/
Line Item No.:** N/A**Prepared By:** David J. Stoldt **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: Monterey One Water (M1W) has not certified the Final Supplemental Environmental Impact Report (SEIR) for the Pure Water Monterey expansion and has set no timetable to do so. The District Board was apprised by its attorneys of several options for the District to ascend to lead agency status for purposes of certifying the Final SEIR. The draft letter attached as **Exhibit 11-A** is a possible step for the Board to consider.

RECOMENDATION: The Board should consider whether it wants to notify M1W of its intention to seek lead agency status as described in the attached letter.

EXHIBIT**11-A** Proposed Letter to M1W

EXHIBIT 11-A

August 17, 2020

Ron Stefani, Chair,
Board of Directors
Monterey One Water
5 Harris Court, Bldg D
Monterey, CA 93940

Re: Certification of Final Supplemental Environmental Impact Report (Final SEIR) for
Proposed Modifications to the Pure Water Monterey Groundwater Replenishment Project

Dear Chair Stefani:

The Monterey Peninsula Water Management District (MPWMD) and your agency have engaged in a lengthy and successful partnership to jointly conceive, execute and fund the Pure Water Monterey Project, including its potential expansion. Our collaboration has resulted in a series of contractual agreements, to include:

- 5/20/2013 MRWPCA-MPWMD Cost Sharing Agreement
- 7/25/2016 Amendment No. 1 to MRWPCA-MPWMD Cost Sharing Agreement
- 10/1/2017 Amendment No. 2 to MRWPCA-MPWMD Cost Sharing Agreement
- 6/13/2019 Amendment No. 3 to MRWPCA-MPWMD Cost Sharing Agreement

Our collaboration has recognized that your agency has assumed the role of lead agency under CEQA for this Project, and MPWMD has acted as a responsible agency.

Recently we expressed concern related to recent actions of your Board related to its review of the Pure Water Monterey Expansion Project Supplemental Environmental Impact Report (SEIR). Specifically, we stated our concern that your agency has not timely acted to certify the SEIR, and thus Monterey One Water cannot exercise its discretionary role as lead agency to formally consider the Pure Water Monterey Expansion Project.

Although CEQA Guidelines section 15052(a) describes circumstances by which a responsible agency “*shall* assume the role of the lead agency,” it does not contemplate or foreclose the possibility that a responsible agency such as MPWMD may assume a lead agency’s duties in other circumstances, such as those now extant, where Monterey One Water as lead agency ceases all activities with respect to the project.

MPWMD transmits this letter as your partner and co-sponsor of the Pure Water Monterey Expansion Project because your agency has refused to take definitive action to exercise discretion or finish its lead review of the SEIR; your agency thus is unable to make a decision to

Mr. Ron Stefani, Chair
Monterey One Water
Page 2 of 2
August 17, 2020

select or reject the project for which MPWMD has made considerable investments of time and public resources. MPWMD finds it has no alternative other than to assume the role of lead agency to continue discretionary review of the Pure Water Monterey Expansion Project, including consideration of the draft SEIR. In effect, this means MPWMD will step into Monterey One Water's shoes as lead agency, and that your agency shall assume the role of CEQA responsible agency.

MPWMD is mindful that at least one legal treatise raises the prospect of a change in lead agency, commenting "in certain situations the lead agency can change while the project is being considered. . . . Such a change in the lead agency's identity does not, in itself, require the successor lead agency to restart the CEQA review process."¹ Further, case law interpreting CEQA has recognized that the identity of the lead agency may change while the project is being considered.²

As lead agency, MPWMD intends to resume the CEQA review process on our joint Pure Water Monterey Expansion Project partnership. MPWMD will review and consider all prior certification efforts and will thereafter schedule a CEQA hearing for the SEIR in a reasonable timeframe. We will invite your agency to continue its review of the Pure Water Monterey Expansion Project as a responsible agency and intend to provide notices to you in that capacity.

We understand that your Board may take exception to our intended action, or even to formally dispute this circumstance. You are reminded CEQA authorizes the Governor's Office of Planning and Research (OPR) to designate the lead agency within 21 days of receiving a completed request for dispute resolution.³

Should your Board adopt a formal resolution to initiate the CEQA lead agency dispute process, MPWMD will defer action on the certification question until OPR can address this matter.

We look forward to your consideration of our intended action.

Sincerely,

Board of Directors
Monterey Peninsula Water Management District

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¹ Kostka & Zischke, Practice Under the Cal. Environmental Quality Act § 3.8(e)

² *Gentry v City of Murrieta* (1995) 36 Cal.App.4th 1359

³ See Pub. Resources Code § 21165; CEQA Guidelines § 15053.

ITEM: INFORMATIONAL ITEM/STAFF REPORT**12. MONTHLY PROGRESS REPORT – SANTA MARGARITA WATER TREATMENT FACILITY****Meeting Date: August 17, 2020 Budgeted: N/A****From: David J. Stoldt General Manager Program/ Line Item: N/A****Prepared By: Maureen Hamilton Cost Estimate: N/A****General Counsel Review: N/A****Committee Recommendation: The Administrative Committee reviewed this item on August 11, 2020.****CEQA Compliance: This action does not constitute a project as defined by the California Environmental Quality Act Guidelines Section 15378.**

SUMMARY: This progress report is provided for information only, no action is required.

Work conducted after the previous progress report:

- Most doors installed.
- Completed plaster and paint.
- Final grading prior to concrete and asphalt installation.
- Poured southern sidewalk.
- Installed on-site trench drains.
- Installing interior piping and pumps.
- Began work on HVAC, southern gate, curb and gutter.
- Ninety-nine submittals have been received; ninety-seven of those submittals have been closed.

Change orders for the following work were issued:

- Additional MCC Disconnect (\$8,979.00)
- Relocation of Lighting Panel (\$17,982.74)
- Deletion of Compressor (-\$8,500.00)
- Chemical Room Heater Control Addition to 3 rooms (\$20,000)

A no-cost change order extending substantial completion (date at which Cal Am can begin SCADA work) to August 26, 2020 was issued. The date will be further extended to accommodate a change to the MCC breaker requested by Cal Am.

EXPENDITURES:

Base Contract:	\$4,649,400.00
Change Orders:	<u>\$ 108,246.94 (2.3%)¹</u>
Total:	\$4,757,646.94

Paid:	\$2,370,988.50 (50%) ²
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EXHIBIT

None

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¹ Percent of base contract

² Percent of base contract plus change orders

ITEM: INFORMATIONAL ITEM/STAFF REPORT**13. LETTERS RECEIVED****Meeting Date: August 17, 2020****Budgeted: N/A****From: David J. Stoldt,
General Manager****Program/ N/A
Line Item No.:****Prepared By: Arlene Tavani****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.**

A list of letters submitted to the Board of Directors or General Manager and received between July 16, 2020 and August 12, 2020 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.

Author	Addressee	Date	Topic
Melodie Chrislock	MPWMD Board	7/30/20	Cal Am's Bypass Pipeline – 7/31/20 Agenda Item 1
Chip Wilkins	MPWMD Board	7/30/20	Marina Coast Water District's Comments on Resolution No. 2020-13 – Construction of a Bypass Pipeline
Keith Van Der Maaten	MPWMD Board	7/30/20	Proposed Bypass Pipeline and De-Chlorination Facility Modification
Margaret Ann Coppernoll	MPWMD Board	7/31/20	July 31, 2020 Board Meeting – Agenda items 1 – Addendum to ASR EIR, and 3 – Pure Water Monterey SEIR
David Aranda	MPWMD Board	7/27/20	District Transparency Certificate of Excellence Approval

ITEM: INFORMATIONAL ITEM/STAFF REPORT**14. COMMITTEE REPORTS**

Meeting Date: August 17, 2020 **Budgeted:** N/A

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

Prepared By: Arlene Tavani **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 14-A through 14-E**, are final minutes of the committee meetings listed below.

EXHIBITS

- 14-A** July 14, 2020 Administrative Committee Meeting Minutes
- 14-B** July 6, 2020 Water Supply Planning Committee Meeting Minutes
- 14-C** July 2, 2020 Water Demand Committee Meeting Minutes
- 14-D** June 3, 2020 Public Outreach Committee Meeting Minutes
- 14-E** January 21, 2020 Ordinance 152 Oversight Panel Minutes



EXHIBIT 14-A

FINAL MINUTES Monterey Peninsula Water Management District Administrative Committee July 14, 2020

Call to Order

The meeting was called to order at 4:00 PM via WebEx.

Committee members present: Jeanne Byrne – Chair
Alvin Edwards
Molly Evans

Staff present: David Stoldt, General Manager
Suresh Prasad, Administrative Services Manager/Chief Financial Officer
Jonathan Lear, Water Resources Manager
Maureen Hamilton, Water Resources Engineer
Arlene Tavani, Executive Assistant
Sara Reyes, Sr. Office Specialist

Comments from Public

None

Action Items

1. Consider Adoption of June 9, 2020 Administrative Committee Meeting

On a motion by Edwards and second by Evans, the minutes of the June 9, 2020 Committee meeting were approved 3 – 0 by a roll call vote.

Consent Calendar

On a motion by Evans and second by Edwards, the committee voted to (1) adopt Item 5 as a single Consent Item, and (2) to approve this item as recommended by staff. The motion was approved on a 3 – 0 roll call vote by Evans, Edwards and Byrne.

2. Consider Authorization to Contract with RJA Management Services for General Manager Annual Performance Evaluation

On a motion by Evans and second by Edwards, the committee voted to recommend the Board hire RJA Management Services to provide General Manager annual performance appraisal services and authorize entering into a contract not exceeding \$11,000 inclusive of out-of-pocket expenses and a 10% contingency. The motion was approved 3 – 0 by a roll call vote.

3. Consider Approval of Contract with Shute, Mihaly & Weinberger LLP for Strategic CEQA Legal Services

On a motion by Edwards and second by Evans, the committee voted to recommend the Board certify the engagement of Shute, Mihaly & Weinberger LLP by the General Manager, and authorize up to

an additional \$10,000 if, in the opinion of District Counsel, additional work up to a \$25,000 limit is warranted. The motion was approved 3 – 0 by a roll call vote.

4. Consider Adoption of Revisions to District Investment Policy

On a motion by Evans and second by Edwards, the committee voted to recommend the Board eliminate (a) Repurchase Agreements, (b) Securities Lending Agreement, and (c) Mortgage Pass-Through Securities from the District's permitted investments, as well as increase the allowable portion of the portfolio invested in Negotiable Certificates of Deposit to 75%. The motion was approved 3 – 0 by a roll call vote.

5. Consider Adoption of Treasurer's Report for May 2020

Approved.

Informational Items

6. 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.

7. 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.

8. Monthly Progress Report – Santa Margarita Water Treatment Facility

This item was presented as information to the committee. No action was required or taken by the committee.

9. Review Draft July 20, 2020 Regular Board Meeting Agenda

No changes were made by the committee.

10. Suggest Items to be Placed on Future Agendas

No items were presented.

Adjournment

The meeting adjourned at 4:21 PM.

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EXHIBIT 14-B

FINAL MINUTES

Water Supply Planning Committee of the Monterey Peninsula Water Management District July 6, 2020

Call to Order: The WebEx virtual meeting was called to order at 4:10 pm.

Committee members present: George Riley, Chair
Molly Evans
Mary Adams

Committee members absent: None

Staff members present: David J. Stoldt, General Manager
Jonathan Lear, Water Resources Division Manager
Thomas Christensen, Environmental Resources Div. Mgr.
Arlene Tavani, Executive Assistant

Comments from the Public:

Action Items

1. **Consider Adoption of May 4 and June 1, 2020 Committee Meeting Minutes**
Adams offered a motion that was seconded by Evans to adopt the minutes of May 4, 2020 and to adopt the minutes of June 1, 2020 with a correction to the last sentence of the motion listed under agenda item 1: "The motion was approved on a ~~unanimous~~ vote of 2 – 1 by....." The motion to adopt the minutes of May 4 and June 1, 2020 was approved on a unanimous vote of 3 – 0 by Adams, Evans and Riley.
2. **Consider Recommendation to the Board to Adopt an Addendum to the District's Prior ASR Environmental Impact Report for Construction of a Bypass Pipeline to Allow Simultaneous Pure Water Monterey Recovery and ASR Injection**
On a motion by Evans and second of Adams, the committee recommended that the item be presented to the Board of Directors for consideration. The motion was approved on a unanimous vote of 3 – 0 by Evans, Adams and Riley. No public comment was directed to the committee.

Discussion Items

3. **Discussion of MPWSP Cost of Water Calculation**
General Manager Stoldt responded to questions from the committee. Chair Riley suggested that the Board could consider making a formal request to California American Water that the denominator used in development of the cost of water

calculation be corrected or clarified.

Presentation

4. Review of Cease and Desist Order Milestones

Stoldt responded to questions from the committee. He stated that a request to the State Water Resources Control Board to delay implementation of enforcement action for missing Milestone 5 could come from other parties, not just Cal-Am. He also noted that the stay on physical construction of the desalination plant implemented by Monterey County Superior Court had been extended past the deadline of April 21, 2020 cited in the staff report.

Public Comment: Ian Crooks, California-American Water, stated that it may be difficult to work with the SWRCB on the milestones, and that the community should focus on the “cliff” at the end of 2021 that mandates reduction of withdrawals from the Carmel River to 3,376 acre-feet per year. He reported that the District and Cal-Am had scheduled monthly meetings beginning in July to coordinate on how to meet water supply needs until a project is developed.

5. Update on ASR Project

A summary of Ms. Hamilton’s presentation is on file at the District office and can be viewed on the agency website. She reported on the progress of construction of the water treatment facility at the Santa Margarita site.

6. Update on Pure Water Monterey Project

Stoldt presented a map that showed the location of ASR wells, Pure Water Monterey Wells and production wells in the Seaside Basin. The map is available for review on the District’s website.

Stoldt reported that the Pure Water Monterey Project was in operation. The first 1,000 acre-feet of water was being injected to create the operating reserve and it should be achieved by August 2020. He narrated a presentation that described improvements that were needed, including installation of an additional deep injection well that would increase production from 1,400 to 2,800 gallons per minute. The increased production level would meet the requirements for creation of a drought reserve and annual delivery requirements. The presentation also addressed how meeting production goals would affect the cost of water. The presentation can be viewed on the District’s website.

Suggest Items to be Placed on Future Agendas

There was no discussion of this item.

Adjournment: The meeting was adjourned at 5:40 pm.



EXHIBIT 14-C

FINAL MINUTES Water Demand Committee of the Monterey Peninsula Water Management District July 2, 2020

Call to Order

The meeting was called to order at 3:00 pm.

Committee members present:

Alvin Edwards, Chair
Gary Hoffmann
George Riley

Committee members absent:

None

Staff members present:

David Stoldt, General Manager
Stephanie Locke, Water Demand Division Manager
Arlene Tavani, Executive Assistant

District Counsel present:

David Laredo

Comments from the Public:

No comments.

Action Items

1. Consider Adoption of June 4, 2020 Committee Meeting Minutes

On a motion by Riley and second of Hoffmann, minutes of the June 4, 2020 committee meeting were adopted on a unanimous vote of 3 – 0 by Riley, Hoffmann and Edward.

Discussion Items

2. Discuss Responses from Jurisdictions on Near-Term Needs for Housing and Review Next Steps

General Manager Stoldt narrated a presentation that summarized information outlined in the staff report. The presentation can be viewed on the District's website. He stated that the Technical Advisory committee (TAC) reviewed a similar presentation in a meeting conducted earlier in the day and expressed no objections to the allocation plan outlined. District staff would follow-up with the TAC members to receive their comments, and to consider any housing numbers that Del Rey Oaks, Pacific Grove or Monterey County may ultimately submit. Note that the TAC meeting was also attended by Steve Westhoff of the State Water Resources Control Board.

Stoldt responded to questions. During the discussion he reported that the City of Pacific Grove may not be in agreement with the allocation proposal, as the City had requested that the District not consider the 30 acre-feet of its water allocation that had not been utilized. If the District were to be granted the ability to allocate 75 acre-feet of saved water, the Board would be responsible to determine if a percentage of the water would be immediately available or if all of it would be allocated. The Board should maintain flexibility. District staff would call a meeting of the Policy Advisory Committee soon to present the plan. It was important to build a coalition of support

before submitting the plan to the California Department of Housing and Community Development and the State Water Resources Control Board. A concern was expressed about indemnifying the District against challenges to allocating water from the reserve. Mr. Stoldt reported that Counsel and staff were working on development of an indemnification agreement with the City of Monterey related to the Garden Road project. Regarding the proposed allocation of 75 acre-feet of saved water District-wide, indemnification would likely not be needed because a negotiated agreement with the State to allow the allocation of water would be obtained. Stoldt noted that negotiations with the State would take into consideration an extension of the Cease and Desist Order and the scheduled water supply reductions. Counsel Laredo added that the proposed allocation of saved water was de minimis when compared to the total amount of water available to the District, and it should not be deducted from the water available to the community.

3. Suggest Items to be Placed on Future Agendas

The committee requested that staff report on efforts to locate a site for a new CIMIS station.

Adjournment: The meeting was adjourned at 3:55 pm.

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EXHIBIT 14-D

FINAL MINUTES

Monterey Peninsula Water Management District Public Outreach Committee June 3, 2020

Call to Order

The meeting was called to order at 3:30 pm in the Water Management District conference room.

Committee members present: Mary Adams - Chair
Alvin Edwards
George Riley

Committee members absent: None

District staff members present: David Stoldt, General Manager
Stephanie Locke, Water Demand Manager
Arlene Tavani, Executive Assistant

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

Action Items

1. **Consider Adoption of February 14, 2020 Committee Meeting Minutes**
On a motion by Edwards and second of Riley the minutes were adopted on a unanimous vote of 3 – 0 by Edwards, Riley and Adams.

Discussion

2. **Discuss Outreach Scope of Services**

Staff provided an overview of previous outreach programs coordinated by an on-staff outreach professional and later by a public outreach consultant. Staff also gave an overview of outreach efforts conducted by staff in the absence of a consultant. No objections were raised to the service needs outlined in the staff report. The committee members agreed that an RFP should be distributed to all firms listed in the staff report and only firms located within Monterey County. Upon review of the proposals, it could be determined if a conflict of interest or other criteria would remove the firm from consideration. It was also acknowledged that the role of the District as a leader in water issues was significant. It was important to be aggressive in producing timely and accurate information to the public on decisions made by the Board of Directors, especially in view of mission critical issues such as consideration of a Resolution of Necessity associated with Measure J and the controversy over Pure Water Monterey and California American Water's proposed desalination project.

3. **Discuss Phase 2 of Measure J Outreach Needs and Possibilities Under Covid-19**

General Manager Stoldt advised that he was scheduled to provide an update on the progress of Phase 2 of the Measure J process at the June 15, 2020 Board meeting. The committee proposed that a series of virtual public meetings, beginning in late June, should be conducted to keep the public apprised of progress on the Measure J process and to respond to questions. It was

suggested that the meetings could be conducted monthly through August. It would be important to determine the best timing for distribution of information to the public because campaigning for the November 3, 2020 general election would be in full force in September and October when the District Board could be making important decisions related to Measure J. It was suggested that a mailer should be sent throughout the District, but if sent during the busy campaign period it could be ignored by the recipients. Also proposed was the need for an in-person meeting conducted at a large venue, with the panel and audience observing social distancing.

Adjournment

Prior to adjournment the committee members suggested the following items for discussion at a future meeting: (a) review responses to the RFQ for public outreach consulting services; and (b) update on Phase 2 Measure J progress. It was agreed that the June 22, 2020 committee meeting may be cancelled and the July 27, 2020 committee meeting should be rescheduled to earlier in the month. The meeting was adjourned at 5 pm.

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EXHIBIT 14-E

FINAL MINUTES

Ordinance No. 152 Oversight Panel of the Monterey Peninsula Water Management District *January 21, 2020*

Call to Order The meeting was called to order at 1:30 pm in the conference room at the offices of the Monterey Peninsula Water Management District.

Committee members present:

John Bottomley
Paul Bruno
Jason Campbell
Birt Johnson, Jr.
Patie McCracken
Karen Paull
John Tilley
Susan Schiavone

MPWMD Staff members present:

David J. Stoldt, General Manager
Suresh Prasad, Water Demand Manager/CFO
Arlene Tavani, Executive Assistant

District Counsel Present:

David Laredo

Committee members absent:

Bill Bluhm

Comments from the Public:

No comments were directed to the committee.

Action Items

1. Consider Adoption of October 10, 2019 Committee Meeting Minutes

On a motion by Johnson and second of Campbell the minutes were adopted on a unanimous vote of 8 – 0 by Bottomley, Bruno, Campbell, Johnson, McCracken, Paull, Tilley and Schiavone. Bluhm was absent.

2. Review Draft 2019 Annual Report and Authorize Release to the Board of Directors

Bruno offered a motion that was seconded by Tilley to: (1) remove from section 1 the third sentence; “The Panel voted 4 – 1 to endorse this position.”; (2) revise the fourth sentence to read, “The Panel was provided with the outside legal opinion that the Water Supply Charge may be used for such Measure J costs.”; and (3) section 4 should be revised to clarify how reserve policies are established and if there would be any impact on sunset of the Water Supply Charge. In addition, the text should state that PERS and OPEB liabilities, litigation/insurance, and general fund reserves should also be considered, but would most likely be funded from the District’s User Fee. The motion was approved unanimously on a vote of 8 – 0 by Bottomley, Bruno, Campbell,

Johnson, McCracken, Paull, Tilley and Schiavone. Bluhm was absent. The revised draft report will be distributed to the panel members for review prior to submission to the Board of Directors in February.

Discussion Items

3. Review of Revenue and Expenditures of Water Supply Charge Related to Water Supply Activities

Prasad reviewed Exhibit 3-A, Water Supply Charge Receipts and Exhibit 3-B, Water Supply Charge Availability Analysis and responded to questions.

4. Discuss Performance of Reinstated District User Fee, To Date

Stoldt distributed a revised version of Exhibit 4-A User Fee Revenue Collections FY 2019-2020 that reflected the addition of User Fees recently received. He noted that the chart reflected total User Fee collections before distribution to the Conservation, Water Supply and Mitigation funds. He stated that due to anticipated increases in California-American Water (Cal-Am) rates, User Fee receipts will increase. The Board of Directors could approve a decrease in the User Fee in the future. Stoldt responded to questions from the committee.

Other Items

5. Water Supply Project Update

Stoldt provided an update on the status of Cal-Am's application to the California Coastal Commission for a Coastal Development permit related to the desalination project and stated that the hearing could be deferred to March 2020. He also reported that the draft EIR on the Deepwater Desal project had not been completed, and that progress was impeded by the need for investment in the project.

Public comment: Mark Kelly, resident of Monterey, stated that Ordinance No. 152 established the Water Supply Charge due to the loss of User Fee funding. Mr. Kelly maintained that according to Section Ten: C: a, b and c, if either of conditions a, b or c applied, the Water Supply Charge could not be collected. He opined that since the User Fee had again been implemented on the Cal-Am bill, the Water Supply Charge must be rescinded. *Stoldt responded that the District interpreted the language in condition b "to the extent alternative funds are available" to mean that when alternative funds are available to meet funding needs the Water Supply Charge could be sunset. The District takes into consideration funding priorities, User Fees and other income sources to determine if "alternative funds" meet funding requirements.*

Adjourn: The meeting was adjourned at 2:55 pm.

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ITEM: INFORMATIONAL ITEM/STAFF REPORT**15. MONTHLY ALLOCATION REPORT**

Meeting Date:	August 17, 2020	Budgeted:	N/A
From:	David J. Stoldt, General Manager	Program:	N/A
		Line Item No.:	
Prepared By:	Gabriela Bravo	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: As of July 31, 2020, a total of **26.557** acre-feet (**7.7%**) of the Paralta Well Allocation remained available for use by the Jurisdictions. Pre-Paralta water in the amount of **35.036** acre-feet is available to the Jurisdictions, and **28.839** acre-feet is available as public water credits.

Exhibit 15-A shows the amount of water allocated to each Jurisdiction from the Paralta Well Allocation, the quantities permitted in July 2020 (“changes”), and the quantities remaining. The Paralta Allocation no debits in July 2020.

Exhibit 15-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 15-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 15-C**.

EXHIBITS**15-A** Monthly Allocation Report**15-B** Monthly Entitlement Report**15-C** District’s Water Allocation Program Ordinances

EXHIBIT 15-A
MONTHLY ALLOCATION REPORT
Reported in Acre-Feet
For the month of July 2020

Jurisdiction	Paralta Allocation*	Changes	Remaining	PRE-Paralta Credits	Changes	Remaining	Public Credits	Changes	Remaining	Total Available
Airport District	8.100	0.000	5.197	0.000	0.000	0.000	0.000	0.000	0.000	5.197
Carmel-by-the-Sea	19.410	0.000	1.398	1.081	0.000	1.081	0.910	0.000	0.182	2.661
Del Rey Oaks	8.100	0.000	0.000	0.440	0.000	0.000	0.000	0.000	0.000	0.000
Monterey	76.320	0.000	0.245	50.659	0.000	0.030	38.121	0.000	2.300	2.575
Monterey County	87.710	0.000	10.717	13.080	0.000	0.352	7.827	0.000	1.775	12.844
Pacific Grove	25.770	0.000	0.000	1.410	0.000	0.014	15.874	0.000	0.065	0.079
Sand City	51.860	0.000	0.000	0.838	0.000	0.000	24.717	0.000	23.373	23.373
Seaside	65.450	0.000	0.000	34.438	0.000	33.549	2.693	0.000	1.144	34.693
District Reserve	9.000	0.000	9.000	N/A			N/A			9.000
TOTALS	342.720	0.000	26.557	101.946	0.000	35.026	90.142	0.000	28.839	90.422

Allocation Holder	Water Available	Changes this Month	Total Demand from Water Permits Issued	Remaining Water Available
Quail Meadows	33.000	0.000	32.320	0.680
Water West	12.760	0.000	9.564	3.196

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

EXHIBIT 15-B
MONTHLY ALLOCATION REPORT
ENTITLEMENTS
Reported in Acre-Feet
For the month of July 2020

Recycled Water Project Entitlements

Entitlement Holder	Entitlement	Changes this Month	Total Demand from Water Permits Issued	Remaining Entitlement/and Water Use Permits Available
Pebble Beach Co. ¹	220.430	0.000	31.302	189.128
Del Monte Forest Benefited Properties ² (Pursuant to Ord No. 109)	144.570	0.010	56.971	87.599
Macomber Estates	10.000	0.000	10.000	0.000
Griffin Trust	5.000	0.000	4.829	0.171
CAWD/PBCSD Project Totals	380.000	0.010	103.102	276.898

Entitlement Holder	Entitlement	Changes this Month	Total Demand from Water Permits Issued	Remaining Entitlement/and Water Use Permits Available
City of Sand City	206.000	0.000	7.115	198.885
Malpaso Water Company	80.000	0.333	17.259	62.741
D.B.O. Development No. 30	13.950	0.000	3.740	10.210
City of Pacific Grove	38.390	0.058	0.959	37.431
Cypress Pacific	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 15-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

16. WATER CONSERVATION PROGRAM REPORT

Meeting Date: August 17, 2020 **Budgeted:** N/A

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

Prepared By: Kyle Smith **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.

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 often conducted to verify compliance.

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 74 property transfers that occurred between July 1, 2020, and July 31, 2020, were added to the database.

B. Certification

The District received 164 WCCs between July 1, 2020, and July 31, 2020. Data on ownership, transfer date, and status of water efficiency standard compliance were entered into the database.

C. Verification

From July 1, 2020, to July 31, 2020, 67 properties were verified compliant with Rule 144 (Retrofit Upon Change of Ownership or Use). Of the 67 verifications, 56 properties verified compliance by submitting certification forms and/or receipts. District staff completed 23 Site inspections. Of the 23 properties verified, 11 (47%) passed.

Note that most Site inspections were suspended March 13, 2020, due to concerns about the novel coronavirus. Staff has continued to certify properties electronically through owner certification or other methods. Site inspections may be done in limited cases when the property is vacant, and staff has access without others present. Safety protocols (e.g. masks, gloves, hand sanitizer, etc.) are in place for those instances.

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 being sent notification of the requirements and a date that inspectors will be on Site to check the property. In July, District inspectors performed **no** verifications.

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, however, 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 2020, MPWMD referred **no** 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 or www.montereywaterinfo.org. There were **two** 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 March 18, 2020, the District has been processing only electronic 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 **54** Water Permits from July 1, 2020 to July 31, 2020. **Seven** 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 **eight** 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 **54** Water Permits issued from July 1, 2020, to July 31, 2020, **five** were issued under this provision.

B. Permit Compliance

District staff completed **11** conditional Water Permit finals during July 2020. Most Site inspections ceased on March 13, 2020. Staff is issuing conditional finals to allow occupancy during the pandemic. Staff completed **34** site inspections of vacant properties. **21** properties passed and **seven** 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. As of March 18, 2020, MPWMD offices are closed to the public. While still processing and issuing Water Permits, staff is no longer available for notary services. Applicants can obtain notary services at local UPS stores and other locations. Staff receives notarized deed restrictions via email and records the documents electronically with the County.

D. Rebates

Rebates continue to be processed during the Shelter-in-Place. The July branding ad was a rebate program advertisement. The following is the rebate information for the month of July 2020.

REBATE PROGRAM SUMMARY		July-2020				2020 YTD	1997 - Present	
I.	<u>Application Summary</u>							
A.	Applications Received	78				513	27,953	
B.	Applications Approved	67				392	21,785	
C.	Single Family Applications	59				344	24,850	
D.	Multi-Family Applications	8				47	1,507	
E.	Non-Residential Applications	0				1	356	
II.	<u>Type of Devices Rebated</u>	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)	34	\$2,550.00	0.170000	55,395	140	\$10,350.00	0.70000
B.	Ultra HET	2	\$250.00	0.020000	6,517	7	\$875.00	0.07000
C.	Toilet Flapper	0	\$0.00	0.000000	0	0	\$0.00	0.00000
D.	High Efficiency Dishwasher	10	\$1,250.00	0.030000	9,776	69	\$8,625.00	0.20700
E.	High Efficiency Clothes Washer - Res	34	\$17,000.00	0.547400	178,371	193	\$96,500.00	3.10730
F.	High Efficiency Clothes Washer - Com	0	\$0.00	0.000000	0	0	\$0.00	0.00000
G.	Instant-Access Hot Water System	1	\$200.00	0.005000	1,629	10	\$1,896.95	0.05000
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	0	\$0.00	0.000000	0	4	\$2,400.00	0.00000
K.	Smart Controllers	1	\$100.00	0.000000	0	10	\$888.49	0.00000
L.	Rotating Sprinkler Nozzles	0	\$0.00	0.000000	0	0	\$0.00	0.00000
M.	Moisture Sensors	0	\$0.00	0.000000	0	0	\$0.00	0.00000
N.	Lawn Removal & Replacement	0	\$0.00	0.000000	0	0	\$2,812.00	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.	<u>TOTALS</u>	82	\$21,350.00	0.772400	251,687	433	\$124,347.44	4.13430
IV.	<u>TOTALS Since 1997</u>					Paid Since 1997: \$	6,483,102	575.9 Acre-Feet Per Year Saved Since 1997 (from quantifiable retrofits)

ITEM: INFORMATIONAL ITEM/STAFF REPORT**17. CARMEL RIVER FISHERY REPORT FOR JULY 2020****Meeting Date:** August 17, 2020 **Budgeted:** N/A**From:** David J. Stoldt,
General Manager **Program/** N/A
Line Item No.:**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.

AQUATIC HABITAT AND FLOW CONDITIONS: The Carmel River continued its slow, steady decline in July, providing fair rearing conditions for steelhead young-of-the-year (YOY) in the mid to upper watershed and poor conditions in the lower valley.

July's mean daily streamflow at the Sleepy Hollow Weir dropped from 17 to 10 cubic-feet-per-second (cfs) (monthly mean 12.5 cfs) resulting in 768 acre-feet (AF) of runoff. Mean daily streamflow at the Highway 1 gage fell from 8.7 to 1.2 cfs (monthly mean 3.67 cfs) resulting in 226 acre-feet (AF) of runoff.

There were 0.00 inches of rainfall in July as recorded at the San Clemente gauge. The rainfall total for WY 2020 (which started on October 1, 2019) is 17.57 inches, or 83.5% of the long-term year-to-date average of 21.05 inches.

CARMEL RIVER LAGOON: The lagoon mouth closed for the summer on June 16, 2020. During July, the lagoon water surface elevation (WSE) dropped from 10 to 8 feet (North American Vertical Datum of 1988; NAVD 88) (See graph below).

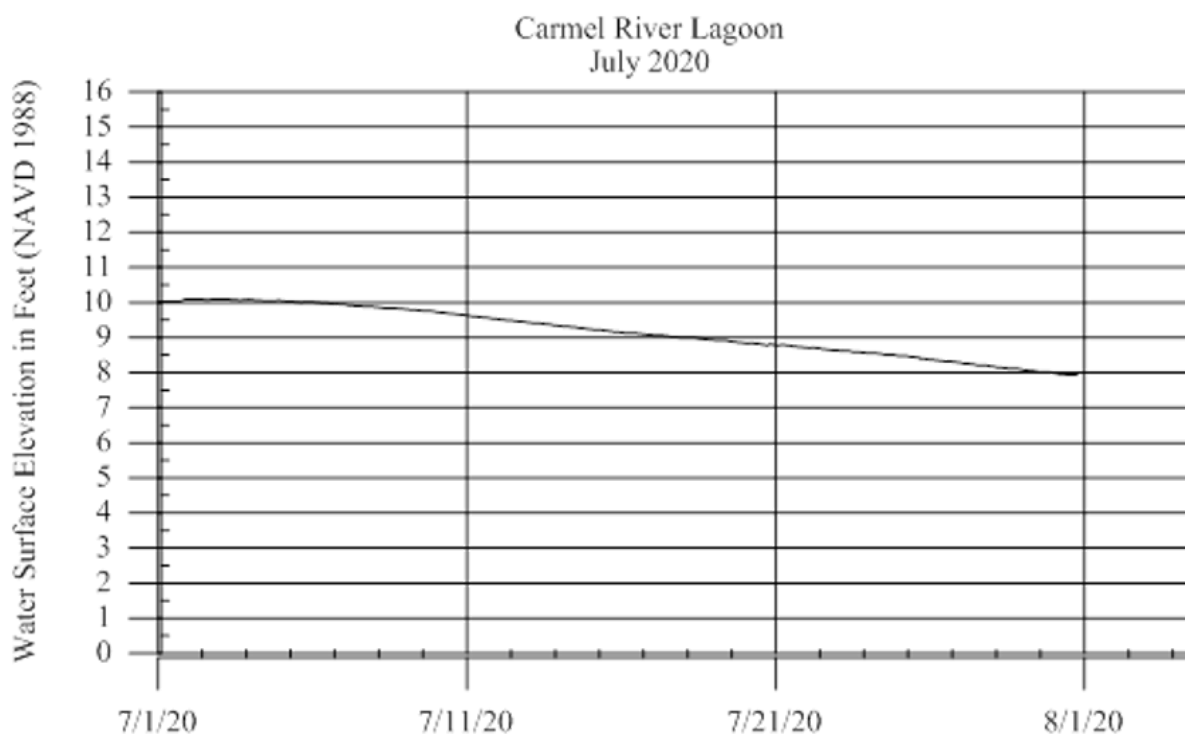
Water quality depth-profiles were conducted at five sites on July 10, 2020 while the lagoon mouth was closed, water surface elevation was 7.05 feet and filling, and river inflow was 4.4 cfs. Steelhead rearing and migration conditions were generally "fair". Salinity ranged from 0.4 - 29 ppt but was <1.0 at all sites except the south arm deeper than 2 meters where it jumped to 29 ppt. Dissolved oxygen (DO) levels ranged from 6-18mg/l, and water temperatures were generally warm during the day, ranging from 65-76 degrees F.

TRIBUTARIES STEELHEAD RESCUES: Staff completed seven days of fish rescues in Cachagua Creek between mid-June and July 1, 2020 and one day in Garzas Creek on July 6. A total of 4,379 juvenile steelhead were rescued including: 4,279 young-of-the-year (YOY), 76 age 1+ fish, and 24 mortalities (0.5%). Staff tagged 57 of the larger fish and there were two recaptured fish.

CARMEL RIVER MAINSTEM STEELHEAD RESCUES: Mainstem rescues began on July 7, 2020. Staff completed 11 days of fish rescues in the lower river in July between the Crossroads shopping center and Rancho San Carlos Bridge. A total of 5,657 juvenile steelhead were rescued including: 3,887 young-of-the-year (YOY), 1,761 age 1+ fish, and nine mortalities (0.2%). Releases – 1,686 fish were released in the upper Carmel River (tagged 182 of the larger fish) and 3,962 fish were released at the Sleepy Hollow Steelhead Rearing Facility.

SLEEPY HOLLOW STEELHEAD REARING FACILITY: Facility upgrades were completed in mid-July and the first rescued fish were brought to the facility on July 27, 2020. By the end of July, 1,276 fish had been placed in rearing channel including: 76 older fish (age 1+ years [1+]), 206 medium sized 1+ fish, and 994 young-of-the-year (YOY) fish. There were 9 YOY mortalities.

Carmel River Lagoon Plot:



ITEM: INFORMATIONAL ITEM/STAFF REPORT**18. MONTHLY WATER SUPPLY AND CALIFORNIA AMERICAN WATER PRODUCTION REPORT**

Meeting Date:	August 17, 2020	Budgeted:	N/A
From:	David J. Stoldt, General Manager	Program/ Line Item No.:	N/A
Prepared By:	Jonathan Lear	Cost Estimate:	N/A

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.

Exhibit 18-A shows the water supply status for the Monterey Peninsula Water Resources System (MPWRS) as of **August 1, 2020**. 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 18-A** is for Water Year (WY) 2020 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 2020** totaled **0.00 inches** and brings the cumulative rainfall total for WY 2020 to **17.57 inches**, which is **83%** of the long-term average through **July**. Estimated unimpaired runoff through **June** totaled **766 acre-feet (AF)** and brings the cumulative runoff total for WY 2020 to **45,578 AF**, which is **68%** of the long-term average through **July**. Usable storage for the MRWPRS was **28,460 acre-feet**, which is **92%** of average through **July**, and equates to **86%** 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 8,310 AF of water from the Carmel River in WY 2020. Through **July**, using the CDO accounting method, Cal-Am has produced **6,134 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 1,820 AF of water from the Coastal Subareas and 0 AF from the Laguna Seca Subarea of the Seaside Basin in WY 2020. Through **July**, Cal-Am has produced **1,822 AF** from the Seaside Groundwater Basin. Through **July**, **917 AF** of Carmel River Basin groundwater have been diverted for Seaside Basin injection; **0 AF** have been recovered for customer use, and **218 AF** have been diverted under Table 13 water rights. Cal-Am has produced **7,825 AF** for customer use from all sources through **July**. **Exhibit 18-C** 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. The 12-month moving average of production for customer service is **9,729 AF**, which is below the rationing trigger of **10,130 AF** for WY 2020.

EXHIBITS**18-A** Water Supply Status: **August 1, 2020****18-B** Monthly Cal-Am Diversions from Carmel River and Seaside Groundwater Basins: WY 2020**18-C** Monthly Cal-Am production by source: WY 2020

**Monterey Peninsula Water Management District
Water Supply Status
August 1, 2020**

Factor	Oct - Jul 2020	Average To Date	Percent of Average	Oct – Jul 2019
Rainfall (Inches)	17.57	21.03	84%	30.93
Runoff (Acre-Feet)	45,578	66,866	68%	144,291
Storage ⁵ (Acre-Feet)	28,460	30,830	92%	30,130

Notes:

1. Rainfall and runoff estimates are based on measurements at San Clemente Dam. Annual rainfall and runoff at Sleepy Hollow Weir average 21.1 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 1922-2019 and 1902-2019 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 1989-2019 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 2020

(All values in Acre-Feet)

Year-to-Date Values	MPWRS					Water Projects and Rights			
	Carmel River Basin ^{2, 6}	Seaside Groundwater Basin		MPWRS Total					Water Projects and Rights Total
		Coastal	Laguna Seca			ASR Recovery	Table 13 ⁷	Sand City ³	
Target	7,001	1,100	0	1,100	8,101	305	114	250	669
Actual ⁴	6,134	1,882	261	2,143	8,277	0	218	148	366
Difference	867	-782	-261	-1,043	-176	305	-104	102	303
WY 2019 Actual	6,281	1,795	228	2,023	8,303	0	471	116	587

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, 917 AF and 218 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 2020

(All values in Acre-Feet)

	Carmel River Basin	Seaside Basin	ASR Recovery	Table 13	Sand City	Mal Paso	Total
Oct-19	505	412	0	0	0	4	921
Nov-19	524	299	0	0	0	2	825
Dec-19	391	169	0	75	0	0	635
Jan-20	533	111	0	13	10	0	667
Feb-20	632	22	0	0	27	9	689
Mar-20	498	150	0	33	27	8	716
Apr-20	308	226	0	85	22	8	649
May-20	666	149	0	13	27	7	862
Jun-20	680	194	0	0	5	7	887
Jul-20	526	410	0	0	30	7	973
Aug-20							
Sep-20							
Total	5,263	2,143	0	218	148	53	7,825
WY 2019	5,133	2,023	0	471	116	76	7,819

1. This table is produced as a proxy for customer demand.

2. Numbers are provisional and are subject to correction.

Rationing Trigger: WY 2020

12 Month Moving Average ¹	9,729	10,130	Rule 160 Production Limit
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1. Average includes production from Carmel River, Seaside Basin, Sand City Desal, and ASR recovery produced for Customer Service.

California American Water Production by Source: Water Year 2020

	Carmel Valley Wells ¹						Seaside Wells ²						Total Wells			Sand City Desal		
	Actual		Anticipated ³		Compaired to Target		Actual		Anticipated		Compaired to Target		Actual	Anticipated	Acre-Feet Compaired to Target	Actual	Anticipated	Compaired to Target
	Upper acre-feet	Lower acre-feet	Upper acre-feet	Lower acre-feet	Upper acre-feet	Lower acre-feet	Coastal acre-feet	LagunaSeca acre-feet	Coastal acre-feet	LagunaSeca acre-feet	Coastal acre-feet	LagunaSeca acre-feet	acre-feet	acre-feet	acre-feet	acre-feet	acre-feet	acre-feet
Oct-19	0	505	0	550	0	45	378	35	350	0	-28	-35	918	900	-18	0	25	25
Nov-19	0	524	0	380	0	-144	271	28	350	0	79	-28	823	730	-93	0	25	25
Dec-19	177	546	0	645	-177	99	150	20	100	0	-50	-20	892	745	-147	0	25	25
Jan-20	155	552	100	710	-55	158	92	19	100	0	8	-19	818	910	92	10	25	15
Feb-20	165	467	100	732	-65	265	0	22	100	0	100	-22	654	932	278	27	25	-2
Mar-20	188	509	100	919	-88	410	128	23	100	0	-28	-23	847	1,119	272	27	25	-2
Apr-20	0	705	0	835	0	130	204	21	100	0	-104	-21	931	935	4	22	25	3
May-20	0	699	0	697	0	-2	126	23	350	0	224	-23	848	1,047	199	27	25	-2
Jun-20	0	680	0	665	0	-15	160	35	380	0	220	-35	874	1,045	171	5	25	20
Jul-20	0	526	0	743	0	217	373	37	157	0	-216	-37	936	900	-36	30	25	-5
Aug-20																		
Sep-20																		
To Date	684	5,713	300	6,876	-384	1,163	1,882	261	2,087	0	205	-261	8,540	9,263	723	148	250	102

Total Production: Water Year 2020

	Actual	Anticipated	Acre-Feet Compaired to Target
Oct-19	918	925	7
Nov-19	823	755	-68
Dec-19	892	770	-122
Jan-20	828	935	107
Feb-20	681	957	276
Mar-20	874	1,144	270
Apr-20	953	960	7
May-20	874	1,072	198
Jun-20	879	1,070	191
Jul-20			
Aug-20			
Sep-20			
To Date	7,723	8,588	865

1. Carmel Valley Wells include upper and lower valley wells. Anticipate production from this source includes monthly production volumes associated with SBO 2009-60, 20808A, and 20808C water rights. Under these water rights, water produced from the Carmel Valley wells is delivered to customers or injected into the Seaside Groundwater Basin for storage.

2. Seaside wells anticipated production is associated with pumping native Seaside Groundwater (which is regulated by the Seaside Groundwater Basin Adjudication Decision) and recovery of stored ASR water (which is prescribed in a MOA between MPWMD, Cal-Am, California Department of Fish and Game, National Marine Fisheries Service, and as regulated by 20808C water right).

3. Negative values for Acre-Feet under target indicates production over targeted value.



Supplement to 8/17/2020 MPWMD Board Packet

Attached are copies of letters received between July 16, 2020 and August 12, 2020. These letters are listed in the August 17, 2020 Board packet under Letters Received.

Author	Addressee	Date	Topic
Melodie Chrislock	MPWMD Board	7/30/20	Cal Am's Bypass Pipeline – 7/31/20 Agenda Item 1
Chip Wilkins	MPWMD Board	7/30/20	Marina Coast Water District's Comments on Resolution No. 2020-13 – Construction of a Bypass Pipeline
Keith Van Der Maaten	MPWMD Board	7/30/20	Proposed Bypass Pipeline and De-Chlorination Facility Modification
Margaret Ann Coppernoll	MPWMD Board	7/31/20	July 31, 2020 Board Meeting – Agenda items 1 – Addendum to ASR EIR, and 3 – Pure Water Monterey SEIR
David Aranda	MPWMD Board	7/27/20	District Transparency Certificate of Excellence Approval

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July 30, 2020
Monterey Peninsula Water Management District

Re: Cal Am's Bypass Pipeline - Agenda item #1

Dear Chair Edwards, Board, and Staff,

From a ratepayer's perspective, we're asking if this project is cost-effective and necessary at this time. What is the actual cost, and how much ASR water would it save?

All we've heard so far is a loose estimate of \$5 to \$6 million from Cal Am. We would hope that your Board would want to see an engineering estimate of cost before making a decision to move forward on this project.

Why the rush? Is this pipeline really necessary at this point? Everyone agrees that ASR is important, but it's not clear if this pipeline is needed to deliver actual ASR water or Pure Water Monterey water from ASR wells. It appears that more engineering details are required to explain this project. Has a cost/benefit analysis been done to justify this expense? Are other less costly options available to solve the problem?

This pipeline is clearly needed for Cal Am's desal. It's no coincidence that this pipeline is in the exact location to bypass the only section of pipe that Cal Am has no access to for its proposed desal plant.

This appears to be the same pipeline that Cal Am put up \$350,000 of ratepayer money to include in the PWM Expansion SEIR. When Cal Am succeeded in blocking that SEIR, they lost the pipeline and our \$350,000. Now they're asking for the same pipeline without the Expansion for another \$6 million.

Is Cal Am in such a rush to get this pipeline approved only to save a small amount of ASR water? Or are they doing this because they want to use this pipeline at the Coastal Commission hearing in September to support their desal project, a project your Board opposes? Why not wait to see how the Coastal Commission rules on Cal Am's desal before moving ahead with this pipeline?

Ratepayers are already paying \$50 million for the new Monterey pipeline. It was supposed to solve delivery problems, but it hasn't. Projects like the Monterey pipeline, the forest lake pumps, and now this proposed bypass pipeline keep getting approved and added to our bills to solve isolated problems. Where is the big picture modeling that would ensure there's not another problem and another \$5 million project next year?

Even if this is needed, it appears there's plenty of time to approve it since it wouldn't be required for a year or more until reductions of Carmel River water kick in and diversions are much lower. It appears this pipeline would only be needed for a month or two every several years and therefore, would save only a small amount of ASR water. Does your Board have a precise understanding of how much additional ASR water we would be getting for \$6 million? If it's only 100 acre-feet, how would that cost ever be justified?

Melodie Chrislock
Director of Public Water Now



REMY | MOOSE | MANLEY

LLP

Howard "Chip" Wilkins III
cwilkins@rmmenvirolaw.com

July 30, 2020

Via Email Only

Board of Directors
Monterey Peninsula Water Management District
5 Harris Court, Building G
Monterey, CA 93940

Re: Marina Coast Water District's Comments on Resolution No. 2020-13
(Exhibit 1-B) adopting the Construction of a Bypass Pipeline Modification
Addendum as Addendum 6 to the ASR EIR/EA.

Dear Board of Directors:

This letter supplements the Marina Coast Water District (MCWD) letter submitted by Keith Van Der Maaten on this date and follows up our July 20, 2020 letter on behalf of MCWD, our meeting and communications with MPWMD staff over the last week, and the Staff Report for Addendum No. 6 to the ASR EIR/EA for Cal-Am's proposed bypass pipeline (the "project"). MCWD again wishes to emphasize its continued support for the District's Aquifer Storage and Recovery (ASR), Pure Water Monterey (PWM), and PWM Expansion projects. These comments should not be construed in any way to suggest MCWD opposes or is not willing to work with the District to find solutions for any issues involving the ASR, PWM and PWM Expansion projects. Rather, MCWD's concerns relate solely to fact that Cal-Am's proposed bypass pipeline is designed to address obstacles to the Monterey Peninsula Water Supply Project (MPWSP) and that Cal-Am is attempting to avoid supplemental review by California Public Utilities Commission (CPUC) and the mitigation requirements imposed by the CPUC in the MPWSP EIR/EIS.

As explained in more detail below, the July 20 MPWMD Staff Presentation and Addendum reveal that the proposed bypass pipeline would connect with Cal-Am's currently useless desalination plant pipeline and that the bypass pipeline is designed and sized for the purpose of carrying "desalination" plant water – not ASR water. (See Attachments 1 and 2). Addendum No. 6 also appears to show the new pipeline would connect or interface with MCWD's potable water pipeline in General Jim Moore Blvd., which raises multiple logistical and environmental concerns that are not addressed in the Addendum or other communications with MCWD. Therefore, MCWD requests the Board delay consideration of Addendum No. 6 to allow your staff time to meaningfully consult with MCWD on these issues and those discussed below.

A. MCWD's Potential Role as Responsible Agency and Lack of Consultation to Date

Based on our review of the Addendum and supporting documents, it appears that MCWD may be a responsible agency¹ if Cal-Am's proposed bypass pipeline will tie into MCWD's potable water pipeline in General Jim Moore Blvd. As explained in MCWD's letter submitted on this date, MCWD has not been provided with sufficient information to determine how the proposed bypass pipeline, Cal-Am's proposed Desal Pipeline, the future PWM extraction wells, and the existing MCWD pipeline will be operated together. While MCWD greatly appreciates the Board delaying its initial consideration of the project to allow your staff time to consult with MCWD, MCWD's questions regarding the Project have gone largely unanswered.

Following our meeting with MPWMD staff on July 21, 2020, we sent MCWD's questions regarding the project to staff as they requested. (See Attachment 3, Questions for Dave Stoldt on Cal-Am proposed ASR Pipeline.) District staff explained that they would seek answers to our questions from Cal-Am. While staff apparently hoped answers to MCWD's questions would be provided by Cal-Am and Cal-Am's environmental consultant, MCWD has not received answers to most of its questions. Therefore, particularly given MCWD may be a responsible agency for the project, MCWD requests the Board delay further consideration of the project until your staff has adequate time to consult with and address MCWD's questions consistent with the requirements of CEQA. As we noted during our oral testimony at the July 20, 2020 hearing, MCWD received no notice regarding Cal-Am's proposed pipeline or the proposed Addendum No. 6, and only found out the District would be considering approval of the pipeline and Addendum two hours before last week's Board meeting. CEQA requires Lead Agencies to consult with responsible agencies before preparing environmental documentation for projects. (Pub. Resources Code, § 21080.3 [duty to consult with responsible agencies]; see also CEQA Guidelines, § 15063, subd. (g) [same].)

B. The proposed bypass pipeline must be analyzed as part of the MPWSP; the pipeline would connect with Cal-Am's currently useless desalination plant pipeline; it is designed and sized to carry "desalination" plant water – not ASR water.

As we noted in our prior comments, if Cal-Am wants to inject and extract ASR water simultaneously, it must explain the deficiencies in its system to justify the need for the bypass pipeline. Cal-Am has not. Nor have they responded to MCWD's questions on this issue. Based on MCWD's review of the Addendum and available documentation, it does not appear that the bypass pipeline would ever be needed to deliver ASR water. Rather, it appears Cal-Am has identified a constraint for using ASR pumps to deliver

¹ See Pub. Resources Code, § 21069 (definition of Responsible Agency) and CEQA Guidelines, § 15381 (same).

PWM water in the future while ASR is moving through its Monterey Pipeline.² However, if this constraint exists, there are likely multiple solutions that are both less expensive and would substantially lessen the environmental impacts of the constructing and operating the bypass pipeline as MCWD has discussed with MPWMD staff. Cal-Am has not explained why these less costly and environmental superior alternatives would not fulfill the purpose of the project.

Rather, as noted above and in our prior comments, the only justification for the design and sizing of the bypass pipeline is to address deficiencies in the MPWSP and to avoid mitigation requirements for these facilities required in the MPWSP EIR/EIS. While Cal-Am has not answered MCWD's questions, the environmental consultant's responses to our prior comments suggests the bypass pipeline would not remove an obstacle to implementation of the MPWSP. (MPWMD July 31, 2020 Staff Report, Exhibit 1-C ("Response"), p. 11.) The record and publicly available information demonstrate otherwise.

In fact, the Coast Commission has identified "several obstacles that may lead to delay or an inability to construct or operate" the MPWSP as proposed. (Attachment 4 – California Coastal Commission Staff Report, November 2019, p. 8.) One of the obstacles identified by the Coastal Commission is that "Cal-Am has not yet received approval to use a shared pipeline that may not have the capacity for Cal-Am's proposed use" of desalination water. (*Ibid.*) Here, it appears to be undisputed that the proposed pipeline would remove an obstacle to development of the MPWSP – i.e. the lack of pipeline capacity to move Cal-Am's desalination water in MCWD's General Jim Moore Blvd. pipeline. The July 20 Staff Presentation and Addendum itself confirm Cal-Am's proposed bypass pipeline would connect with Cal-Am's currently useless desalination plant pipeline and is designed and sized for the purpose of carrying "desalination" plant water – not ASR water. (See Attachments 1 and 2). Thus, the record reveals the bypass pipeline is actually a proposed modification to the MPWSP and the CPUC is the CEQA Lead Agency.³

² While there may be a justification for including the proposed pipeline as part of the PWM Expansion as proposed in the SEIR for that project, Cal-Am withdrew its support for that project after this Board and the Coastal Commission determined it could be an alternative to the MPWSP. MCWD notes neither the Addendum nor Cal-Am have explained how the proposed bypass pipeline differs from the pipeline Cal-Am proposed as part of the PWM Expansion as MCWD requested in our July 20 comments.

³ As noted in our July 20 comments, MCWD explained why the CPUC must be the lead agency for this review in its comments on the "Proposed Modifications to the Pure Water Monterey Groundwater Replenishment Project," which are incorporated by reference. Those comments can be found at <https://purewatermonterey.org/wp/wp-content/uploads/Final-SEIR-Proposed-Modifications-PWM-GWR-Project-April-2020.pdf> from pages 4-90 through 4-97.

While acknowledging the bypass pipeline could be used for MPWSP desalination water, the environmental consultant's responses to our July 20 comments argues that bypass pipeline is appropriately considered part of the ASR project because it has "independent utility" apart from the MPWSP and PWM Monterey expansion projects. (Response, p., 5.) Not so. The environmental consultant points to Attachment B to the Response (MPWSP April 6, 2020 Water Supply Exhibit) as evidence of the project's independent utility. The referenced April 6, 2020 Water Supply Exhibit, however, only contains conclusory statements that do not appear to have any connection to the graphs. Nor does the Exhibit or Response provide any justification sizing the bypass pipeline at 36-inch or any rationale for why it extends to and connects to Cal-Am's MPWPS desalination pipeline. The only utility for the sizing of the pipeline and its connection to the MPWPS desalination pipeline is to convey desalination water. Moreover, even Cal-Am's proposed bypass pipeline had independent utility from the MPWSP and Pure Water Monterey projects, the Addendum fails to address the project's potential growth inducing impacts as required by CEQA.

C. The Addendum fails to analyze the effects of growth-inducement.

The Addendum did not analyze impacts from growth inducement or the effects of unplanned population growth. Instead, the Addendum states that the project would not induce population growth because water generated by the ASR system serves to replace diversions from the Carmel River, seemingly implying that it is irrelevant that the pipeline could be used for anything other than ASR. The response to MCWD's comment states that the bypass pipeline would not induce growth and would not remove an existing obstacle to development because its purpose is merely to ensure that the ASR Project and PWM can operate simultaneously under certain conditions. This conclusion, like the brief discussion in Addendum No. 6, completely ignores the fact that the pipeline will be used to convey desalinated water from the MPWSP. What other reasons exist to connect it to the bypass pipeline and to the MPWPS desalination pipeline?

As noted above, the Coastal Commission has recognized the lack of a pipeline is a major obstacle to the MPWSP. Although Cal-Am coyly acknowledged that this pipeline could help the MPWSP (despite claiming it was not necessary), the fact is that Cal-Am has no other viable option. Approving the pipeline will remove an obstacle to the MPWSP, and thus would remove a significant obstacle to development.

Moreover, as the MPWMD Board has found on several occasions, the MPWSP would provide far more water than needed to meet future demand. Thus, by facilitating development of MPWSP, the proposed pipeline would remove an existing obstacle to future development and induce growth beyond what has been contemplated and analyzed in other planning documents. This is the epitome of growth inducement. (CEQA Guidelines, §§ 15126.2, subd. (e); 15358, subd. (a)(2).) Because Cal-Am admits it plans to utilize the pipeline for the MPWSP, MPWMD's approval of the pipeline

would be a major catalyst for growth. (See e.g., *City of Antioch v. City Council* (1986) 187 Cal.App.3d 1325, 1337 [construct of a road and sewer line would result in growth-inducement because it would “provide a catalyst for further development in the immediate area.”].) The failure to analyze growth inducing impacts before approving the project would violate CEQA.

D. The Addendum fails to analyze whether the Proposed Modification would result in any new significant impacts when combined with the rest of the ASR Project.

The environmental consultant’s responses to our prior comments further states that the Addendum does not consider impacts caused by the Proposed Modification in isolation from the impacts caused by the rest of the ASR Project. That is false. As the response correctly notes, “the only way to effectively determine whether a project would increase the severity of a previously identified impact is to consider the incremental effects associated with a modification in combination with the effects associated with the original project.” (Response, p. 7.) But whether the modifications would result in a substantial increase in the severity of a previously identified significant impact is only one part of the test under CEQA Guidelines section 15162, subdivision (a)(1). The second part of the test is whether the entire project, with the modifications, would result in any significant impacts that were not identified in the EIR. (Guidelines, § 15162, subd. (a)(1).)

To answer this question, the Addendum must *add* the impacts from the additional components to the impacts of the original project to determine whether there would be a significant impact. For example, if an impact for the original project analyzed in the EIR was below the threshold of significance by 5 units (and thus was determined to not result in a significant effect in the EIR), and the addition components added 5 units, that would be a new significant impact and a supplemental or subsequent EIR would be required. The Addendum does not perform that analysis or provide the information necessary to do so. Instead, the Addendum only considers whether the Proposed Modification would result in a significant impact by itself without adding the impacts to those caused by the rest of the project to determine whether the entire project, as modified, would result in a new significant impact that was not identified for the project as it was originally analyzed in the EIR.

For example, in the Air Quality section, the Addendum compares emissions caused by the “Proposed Modification” against the MBARD’s thresholds of significance and concludes that impacts caused by the Proposed Modification would be less than significant because those emissions alone would be below the threshold. (Addendum, p. 10-12.)⁴ But the Addendum fails to analyze whether the applicable thresholds would be

⁴ There is also an inconsistency for checklist question (b). The addendum states that the Proposed Modification would not cause any long-term adverse air quality affects “due to the lack of operational emissions[.]” (Addendum, p. 10.) But elsewhere in same section,

exceeded if emissions from the Proposed Modification are added to emissions caused by the rest of the project, including the prior five addendums to the project. In fact, the environmental consultant's responses to our prior comments seems to acknowledge that the Addendum does not analyze impacts that will be caused by the project as a whole to determine whether impacts previously determined to be less than significant for the original project would be significant with the addition of the new components. (Response, p. 8.) Thus, the decision-makers and the public cannot tell if the modified project with the additional components would result in a significant impact that was not identified in the EIR.

Similarly, for GHG emissions, the Addendum compares emissions from the Proposed Modification against MBARD's threshold of 10,000 metric tons per year (MT/yr) CO₂e, and concludes that because emissions from the additional components alone would be "well below" the 10,000 MT/yr threshold, the Proposed Modification would not result in a new significant impact. But again, the relevant question is not whether the additional components would result in a significant impact by themselves but whether the ASR Project would result in a new significant impact with the addition of new components. The Addendum does not answer that question.

Using the approach under the Addendum, an agency would be able to continually add components on to a project without ever triggering the need for mitigation so long as each additional component did not cause a significant impact by itself, despite the fact that the impacts would continue to snowball as each new component is added and would exceed the threshold of significance if considered together. That is not something CEQA permits. This problem permeates the entire Addendum, and the environmental consultant's responses to our prior comments do not address this shortcoming.

E. The Addendum fails to adequately address traffic and circulation-related impacts.

As noted in our previous comments, the Addendum does not provide an adequate analysis of traffic impacts. Although the Addendum acknowledges that temporary lane closures could adversely affect the existing circulation system and affect existing emergency access, it does not analyze the extent of the disruption or the amount of traffic the Proposed Modification would cause. Instead, the Addendum concludes in half-a-sentence that the Proposed Modification would include traffic control measures to ensure that potential temporary impacts during construction would not adversely affect existing traffic operations. There is no analysis or data provided to support that conclusion, and

the addendum identifies operational emissions for the Proposed Modification. (Addendum, p. 12, see also p. 9.)

the reader has no idea what the traffic control measures might entail, much less whether they would be adequate to ensure impacts are less than significant.

The environmental consultant's responses to our prior comments does not cure these problems. Although the Response refers to "Project Environmental Commitments" and mitigation measures in the EIR, it does not quantify traffic or vehicle trips and there is still no analysis regarding the *extent* of impacts. Additionally, the environmental commitments and mitigation measures are not sufficient to reduce the potential impacts. As noted in the Response, the traffic control plan states that its purpose is to reduce the number of vehicles "to the extent feasible" and reduce interactions between construction equipment and other vehicles "to the extent feasible." (Response, p. 10-11, Attachment C.) That does not provide adequate assurance that impacts will in fact be reduced to a less than significant level. The measure also constitutes improper deferral of mitigation because it only requires preparation of a plan, without identifying performance standards that will ensure the plan is effective.

F. Additional flaws.

The Addendum has additional flaws that must be corrected before the project can be approved. First, the Addendum seems to rely on mitigation measures to reduce numerous impacts, but it is not always clear what mitigation measures will apply or how they will be effective. For example, the discussion of biological impacts seems to rely on surveys and other mitigation to reduce impacts, but it is not clear from the analysis what mitigation measures apply. It is not sufficient to simply state that the mitigation measures in the EIR will apply. If the Addendum is relying on mitigation measures from other documents (either the EIR or a prior addendum) to reduce impacts, the measures must be clearly identified in the Addendum and the Addendum must explain how those measures will be effective at reducing impacts.

Second, the Addendum's discussion of energy impacts is woefully deficient. The Addendum states that energy use for the ASR Project was not specifically analyzed in the EIR and the Addendum does not quantify energy use for the Proposed Modification. It is therefore impossible to tell whether the project, with the Proposed Modifications, would result in significant impacts and whether mitigation should be required. Under CEQA, the analysis of energy impacts must address vehicle trips, equipment use, location, and other relevant factors. (See CEQA Guidelines, § 15126.2, subd. (b); CEQA Guidelines, Appendix F.)


Finally, the Addendum, does not address cumulative impacts for the MPWSP or other project as noted in our July 20 comments. The environmental consultant's response suggests the Addendum evaluated potential cumulative impacts and appropriately determined that these effects "would be less-than-significant through the incorporation of Mitigation Measure Cume-1, which requires MPWMD to coordinate with local agencies to develop and implement a phased construction plan to reduce potential cumulative traffic, air quality, and noise related effects." The conclusory response as well as the

Board of Directors
July 30, 2020
Page 8

Addendum, however, fail to explain how referenced mitigation will ensure the project's cumulative impacts will remain less than significant as required by CEQA. Moreover, the referenced mitigation measures lack any specified performance standards or specific criteria for success and fail to commit to any specific future mitigation measures. (See *California Clean Energy Committee v. City of Woodland* (2014) 225 Cal.App.4th 173, 195-196; *Endangered Habitats League, Inc. v. County of Orange* (2005) 131 Cal.App.4th 777, 794.)

G. Conclusion.

MCWD hopes these comments assist the MPWMD in evaluating the project and compliance with CEQA. Please contact me or Keith Van Der Maaten if you have any questions on our comments or need additional information. As noted above, MCWD looks forward to continuing to work with MPWMD in advancing regional goals through implementation of the ASR, PWM, and PWM Expansion projects.

Very truly yours,

Howard F. Wilkins III

cc:
David Stoldt
David Laredo
Keith Van Der Maaten

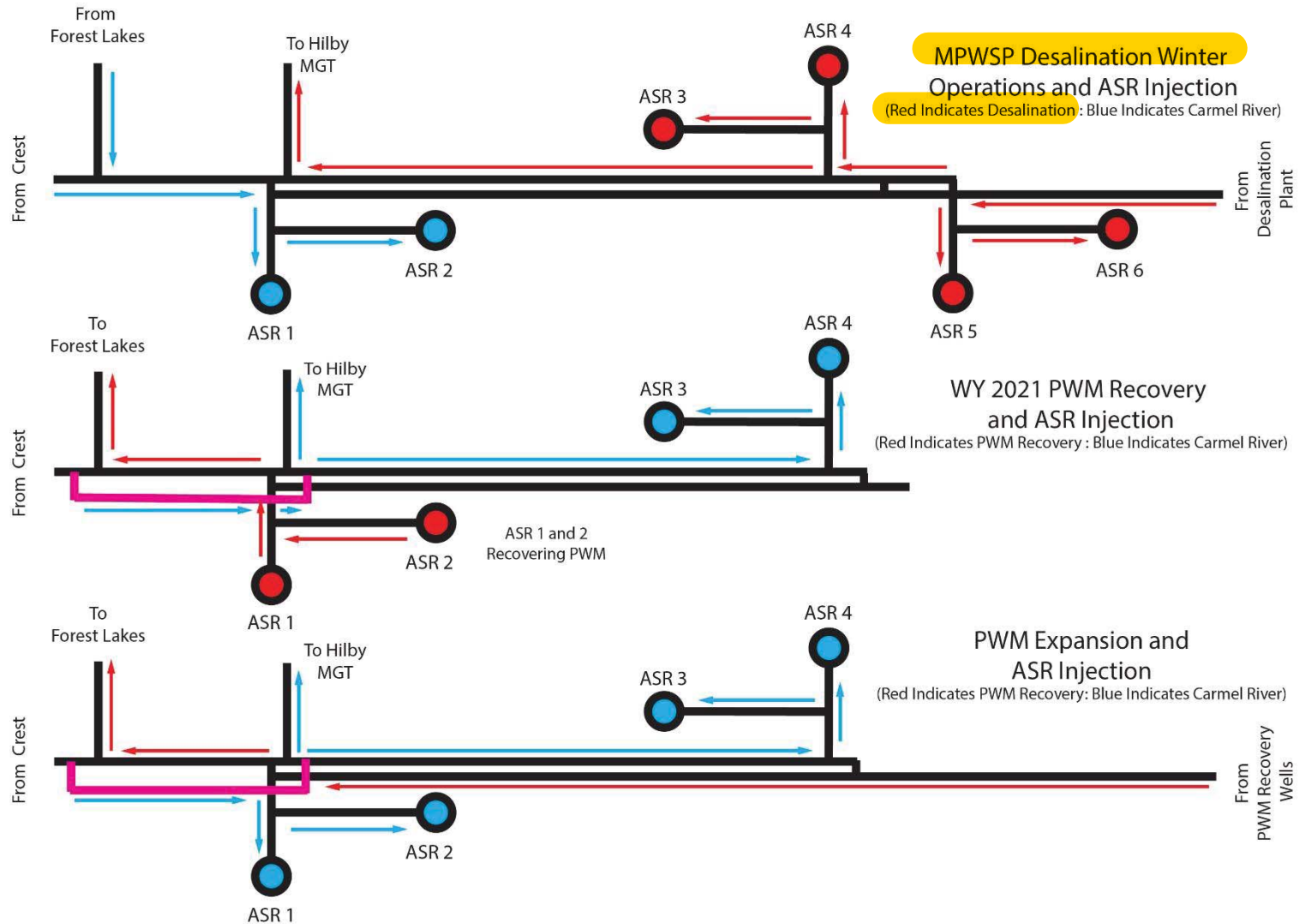
Attachment 1 -- MPWMD July 20 Presentation - Page 7 (highlighting added)
Attachment 2 - Addendum No. 6 to ASR EIR-EA - pages 105 and 106 (highlighting added)
Attachment 3 - Questions for Dave Stoldt on Cal-Am proposed ASR Pipeline (7-24-20)
Attachment 4 - California Coastal Commission Staff Report (November 2019, p. 7.) (highlighting added)

CORRESPONDENCE FROM MARINA COAST WATER
DISTRICT TO MONTEREY PENINSULA WATER
MANAGEMENT BOARD OF DIRECTORS

ATTACHMENT 1

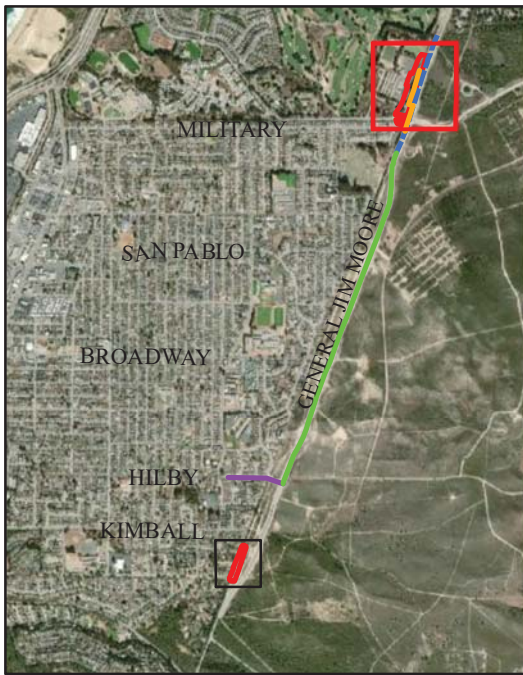
Parallel Pipeline Functionality

Functionality of Proposed Pipeline

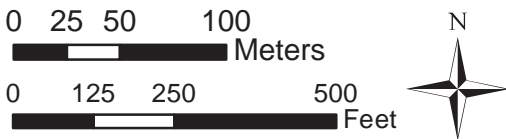


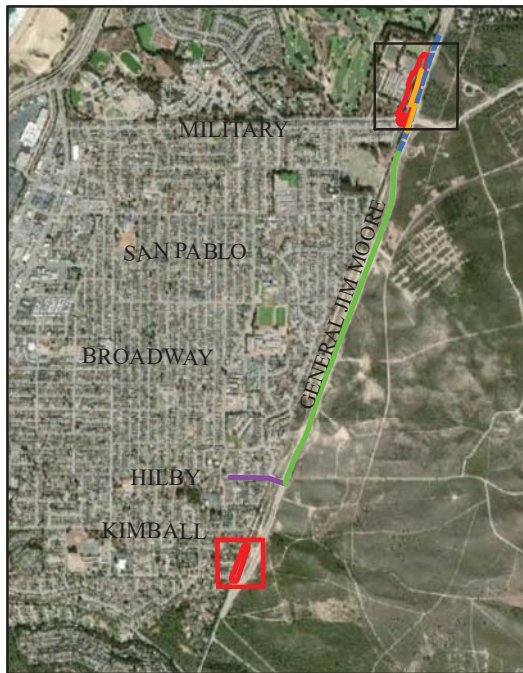
CORRESPONDENCE FROM MARINA COAST WATER
DISTRICT TO MONTEREY PENINSULA WATER
MANAGEMENT BOARD OF DIRECTORS

ATTACHMENT 2

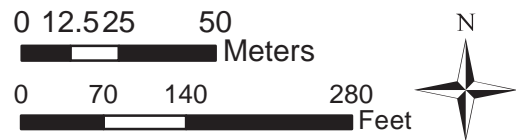


- Monterey Ceanothus (*Ceanothus rigidus*) <5
- Kellogg's Horkelia (*Horkelia cuneata* var. *sericea*) <5
- Monterey Ceanothus (*Ceanothus rigidus*) ≥5
- Kellogg's Horkelia (*Horkelia cuneata* var. *sericea*) ≥5
- Monterey Spineflower (*Chorizanthe pungens* var. *pungens*) ≥5
- Sandmat Manzanita (*Arctostaphylos pumila*) ≥5
- ASR Well
- Dechlorination Facility
- Survey Area
- Soil Deposition Area (0.87 Acres)
- Existing 36-inch Pipeline
- Existing ASR Pipeline
- Existing Pipeline
- Proposed 36-inch Desalination Pipeline Extension





- Monterey Ceanothus (*Ceanothus rigidus*) <5
- Kellogg's Horkelia (*Horkelia cuneata* var. *sericea*) <5
- Monterey Ceanothus (*Ceanothus rigidus*) ≥5
- Kellogg's Horkelia (*Horkelia cuneata* var. *sericea*) ≥5
- Monterey Spineflower (*Chorizanthe pungens* var. *pungens*) ≥5
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- ASR Well
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- Survey Area
- Soil Deposition Area (0.87 Acres)
- Existing 36-inch Pipeline
- Existing ASR Pipeline
- Existing Pipeline
- Proposed 36-inch Desalination Pipeline Extension



ASR Bypass Pipeline Addendum Special Status Plant Species Survey Results

Date: 6/25/2020
Scale: 1 inch = 200 feet
Project: 2020-15



Monterey | San Jose
Denise Duffy and Associates, Inc.
Environmental Consultants Resource Planners
947 Cass Street, Suite 5
Monterey, CA 93940
(831) 373-4341

Figure
1b

CORRESPONDENCE FROM MARINA COAST WATER
DISTRICT TO MONTEREY PENINSULA WATER
MANAGEMENT BOARD OF DIRECTORS

ATTACHMENT 3

Questions Regarding Pipeline Details and Specifications:

- (1) How is the footprint of the proposed new Cal-Am bypass pipeline different than the pipeline that was analyzed in the Pure Water Monterey (PWM) Expansion project SEIR?
- (2) Are there any technical drawings that show Cal-Am's existing pipelines, whether currently in service or not, north and south of the proposed new bypass pipeline?
- (3) What pipeline and what is the diameter of the pipeline that the proposed new 36-inch pipeline would connect to at the northern end?

Questions Regarding Pipeline Justification:

- (4) What specific months would ASR injection be limited during the December through May ASR injection period if the bypass pipeline is not built?
- (5) Do you agree that diverting water for ASR injection can only occur when steelhead bypass flow conditions are met?
- (6) Since 2011, how often and in what AF amounts was ASR water diverted for injection during each month specified in your response to #4?
- (7) What is the maximum daily capacity of the Segunda/Crest pipeline? Is it 700 gpm and 3.09 AF per day?
- (8) In your response to #6, how much of the ASR water diverted for injection was conveyed each month to the ASR injection wells via the Segunda/Crest pipeline as opposed to "around the horn" via Pacific Grove?
- (9) For what specific customer areas within Cal-Am's service area would the recovered PWM or ASR water be needed to meet demand during each month specified in response to #4?
- (10) Could all of those customers actually be served if the proposed new Forest Lake Pump Station is not built?
- (11) How much ASR injection water could not in fact be injected, i.e., "lost", in each of the #4 months if the bypass pipeline is not built?

- (12) What is cost of the project? What would be the cost per AF of the ASR water injected and not lost if the bypass pipeline is built at a comparative cost of the project?
- (13) Would any ASR injection water be lost if all of that ASR injection water could instead be legally delivered for direct use within Pebble Beach, Pacific Grove, and Monterey?
- (14) If Cal-Am petitioned the SWRCB to amend Permit 21330 to have the same authorized place of use as the ASR permits (i.e., within the boundaries of the entire MPWMD) wouldn't this eliminate the need for the bypass pipeline? If not, why not?

Questions Regarding Pipeline Environmental Review and Public Review Process:

- (15) How would the environmental impacts associated with the proposed new bypass pipeline differ from those identified in the PWM Expansion project SEIR for Cal-Am proposed pipeline for that Project?
- (16) Where is the Addendum's analysis of traffic safety impacts?
- (17) Where does the Addendum address growth inducing impacts from the proposed 36-inch pipeline?
- (18) Where is the Addendum's analysis of cumulative impacts with Cal-Am's proposed MPWSP project?
- (19) Could Cal-Am construct a shorter and smaller diameter pipeline or pipelines directly connecting Seaside Watermaster-approved PWM extraction wells with the new Monterey pipeline?
- (20) What CPCN would cover the proposed pipeline? If none, does Cal-Am intend to apply to the CPUC for one? If so, when? If not, does Cal-Am agree to absorb the full cost of the pipeline and not seek rate recovery?

CORRESPONDENCE FROM MARINA COAST WATER
DISTRICT TO MONTEREY PENINSULA WATER
MANAGEMENT BOARD OF DIRECTORS

ATTACHMENT 4

proposed project would result in adverse effects to coastal water quality, but those effects, and the measures needed to avoid or minimize them, are not yet known.

In addition to there being a feasible and less environmentally damaging alternative to the proposed project, Cal-Am's proposed project has several obstacles that may lead to delay or an inability to construct or operate the facility as proposed. Cal-Am has not yet received approval to use a shared pipeline that may not have the capacity for Cal-Am's proposed use. Cal-Am's project would also rely on another entity designing and installing a two mile-long outfall liner that needs to be in place before Cal-Am can operate, but that liner has not yet been fully designed or evaluated, may result in additional adverse impacts that have not yet been addressed, and would need to be separately permitted since it is currently not part of Cal-Am's proposal.

Conclusion

Based on the analysis in these Findings, staff recommends that the Commission find substantial issue and **deny** the project due to its inconsistency with the LCP's habitat protection and hazards policies, its failure of the three tests of Coastal Act Section 30260, and its failure of the alternatives consideration of Section 30233. With this denial, Cal-Am would also be required to remove its existing test well at the CEMEX site, pursuant to **Special Condition 6** of CDP 9-14-1735 / A-3/MRA-0050, as amended.² The motions for denial of both the de novo and retained jurisdiction portions of the proposed project are on pages 9 and 10.

² That Special Condition requires, in part, that Cal-Am remove portions of the existing test slant well to a depth of at least 40 feet below the ground surface and remove all other temporary facilities no later than February 28, 2020.



MARINA COAST WATER DISTRICT

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DIRECTORS

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President

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Vice President

HERBERT CORTEZ
PETER LE
MATT ZEFFERMAN

July 30, 2020

Via Email

Board of Directors
Monterey Peninsula Water Management District
5 Harris Court, Building G
Monterey, CA 93940

RE: Proposed Bypass Pipeline and De-Chlorination Facility Modification

Dear Board of Directors:

The Marina Coast Water District (MCWD) absolutely supports the ASR and PWM projects and we want to continue to partner on those projects. MCWD is the owner of the potable water pipeline in General Jim Moore Boulevard that is used for ASR and is a partner with Monterey One Water (M1W) on the PWM Project where MCWD owns the recycled water pipeline and receives advanced treated water for our own needs.

MCWD is concerned about drawings in Addendum No. 6 documents and the staff presentation that clearly show the proposed Bypass Pipeline Project (Project) is intended to be an extension of CalAm's desalination pipeline for CalAm's desalination project. We absolutely oppose the location of the intake wells on the CEMEX property and CalAm's desal project unless and until, at minimum, the intake wells for the desal project are moved to north of the Salinas River.

Further, it appears the use of MCWD's 100% owned potable water pipeline is an essential component of the proposed Project and MCWD has not been consulted about potential environmental and operational impacts on MCWD's pipeline. As the owner of the pipeline that is used to serve both MPWMD's ASR facilities and our future customers in South Ord, we must be involved, understand, and approve any changes to the use of the pipeline. Thus far, insufficient information and analysis have been provided to MCWD as to how operational changes proposed by the Project would impact MCWD's future uses of our pipeline. There is also insufficient information on how the proposed Bypass Pipeline, Cal Am's proposed Desal Pipeline, ASR injection and extraction operations, PWM extraction operations, and the existing MCWD pipeline will be operated together. We are especially concerned with the lack of water quality analysis on the mixing of these various sources of water within our pipeline. Since multiple parties and multiple sources of water and infrastructure appear to be tied together in this Project, it is imperative to have agreement on an operations plan before approval of the Project to define how to respond to water quality or pressure issues, metering of sources, future tie-ins or changes to the

operations, and allocation of operating and capital costs. It may also be necessary for all parties to consult the Department of Drinking Water to ensure compliance with all operating permits.

In contrast to moving ahead on the costly Project, there is a simple cost-effective solution that should be explored prior to approving Addendum No. 6 and the Project. Cal Am owns Water Right Permit 21330 that allows Cal Am to divert 1,488 AFY of Carmel River water during the same December through May ASR period and with the same protective steelhead bypass flow conditions as the ASR permits. Unlike water under the ASR permits that first must be injected into the Seaside Basin and then extracted for direct use, Permit 21330 water may be used directly to serve Cal Am customers. However, the authorized place of use is limited to the Carmel River watershed, i.e., the Carmel Valley and about 50% of the City of Carmel. Permit water may not be delivered to the Forest Lake Tanks. Cal Am should petition the SWRCB to amend Permit 21330 to have the same authorized place of use as the ASR permits, i.e., within the boundaries of the entire MPWMD. The existing steelhead protective measures would remain unchanged, continuing to protect Carmel River resources.

Unlike the proposed Project that would deliver ASR water only via the limited capacity of the Segunda/Crest Pipeline, this alternative would deliver Carmel River water via Cal Am's existing Carmel Valley pipeline system directly to the Forest Lake Tanks during the same December through May period. Besides saving the cost of building a new bypass pipeline and de-chlorination facility, Cal Am would also save the additional costs of (1) pumping the water over the hill via the Segunda/Crest Pipeline, (2) dechlorinating and injecting the water into the Seaside Basin, and (3) extracting and re-chlorinating the same quantity of PWM water from the Seaside Basin. If the Seaside Basin water is still needed then PWM, ASR or native groundwater could still be extracted and delivered to the Seaside-Old Monterey area and/or the Forest Lake Tanks.

Also, amending the Use of Permit 21330 provides greater flexibility in managing Carmel River water. For example, if sufficient water reserves are already stored in the Seaside Basin, Carmel River water could directly serve the south of Old Monterey service area during December through May, as is being done now. Any excess water not needed for direct use could continue to flow via the New Monterey Pipeline to the Seaside Basin for ASR injection. Amending and using Permit 21330 to serve all of the MPWMD area achieves the Bypass Project objectives without the need to construct new capital facilities.

Compared to this cost-effective solution, the proposed Project is subject to significant limitations on ASR Water Availability. Carmel River flows may only be diverted for ASR injection during December through May and only if river flows are in excess of the steelhead bypass flow requirements. There is no guarantee that any water will be available for ASR injection. For example, from CY 2010 through 2019 (10 years), ASR flows were only diverted 5 times during December and only 4 times during May. The Project proposes to use the Segunda/Crest Pipeline, which only has a capacity of 700 gpm (1.56 cfs or 3.09 AF per day). For the months of December and May, that means a maximum of 96 AF per month that ASR water could be delivered for injection under the Project, assuming that water will be diverted all 31 days of each month.

In October 2019, the MCWD Board publicly stated in a report that MCWD's potable water pipeline in General Jim Moore Boulevard has sufficient capacity for ASR, PWM, PWM Expansion, and MCWD's projected South Ord use and the MCWD Board has appointed me as the District's negotiator for the use of the pipeline by MPWMD and/or Cal Am for PWM and PWM Expansion. MCWD requests that the MPWMD defer approval of the Addendum No. 6 until MCWD and MPWMD have had the opportunity to discuss and continue to work together on the use of MCWD's pipeline to ensure optimization of ASR and PWM water while allowing MCWD time to review and approve changes to its pipeline to ensure any changes do not impact our ability to use the pipeline for our own needs.

Sincerely,

A handwritten signature in blue ink, appearing to read 'K. Van Der Maaten', with a stylized, cursive script.

Keith Van Der Maaten
General Manager

Arlene Tavani

From: mcopperma@aol.com
Sent: Friday, July 31, 2020 2:24 PM
To: Arlene Tavani; Dave Stoldt
Subject: Public Comment for MPWMD Special Board Meeting, 31 July, 2020
Attachments: Coppernoll Public Comment for MPWMD Special board meeting, 31 July 2020.docx; Coppernoll SEIR comments for MPWMD Special Board Meeting, 31 July 2020.docx

Dear Dave and Arlene,

I am sending my public comment input for this evening's meeting as I am not certain I can attend the virtual meeting.

Please accept my sincerest best wishes and appreciation for all the exceptional work you and the board do for our communities.

Very respectfully,
Margaret-Anne Coppernoll, Ph.D.

July 31, 2020 MPWMD Special Board Meeting

Good evening, Chair Edwards and board members. First, thank you for being a wonderful board and working so hard for our communities. Second, please allow me to express my serious concern about the bypass pipeline addendum proposal.

It seems that a rush to judgment is at work which is imprudent given that overall and over the years there has been no efficient, vision inspired plan of action or operations, thus the multiple addendum proposals in haphazard fashion.

Addendum No 6 drawings appear to indicate that the proposed bypass pipeline project is in actuality an extension of CalAm's desalination pipeline for its MPWSP. This proposed bypass pipeline, could impinge on MCWD's potable water pipeline. Has there been any coordination with Marina Coast?

There must be coordination/consultation with MCWD, and more thorough analysis of the situation, as adding huge capital costs, and additional environmental disruption, now to the already most expensive water rates in the nation, this bypass pipeline will increase financial challenges for any future buyout program ratepayer and taxpayers may incur.

Why not ask CalAm to perform the most cost-effective and engineering efficient option – that is, petition the SWRCB and other authorities involved, to amend its Permit 21330 so as to achieve authorization to cover the same areas of use as the ASR permit does, which would include all areas contained within the MPWMD borders?

Please do not approve the bypass pipeline. Do a more comprehensive due diligence study to consider all the environmental impacts and any other potential adverse outcomes on the entire water delivery system, not just in an inefficient, disjointed evaluation under pressure.

Just as the head is connected to the hipbone, the entire water delivery system is interconnected and all parts work in synchronicity, making a complete evaluation mandatory. No more add on modifications without performing proper review.

Thank you and God bless you.

Margaret-Anne Coppernoll, Marina

SEIR comments:

From my perspective, not approving the PWME SEIR has been a breach of contract and fiduciary responsibility. Public money of one million dollars has been invested in this SEIR. It was unanimously approved, with taxpayer and ratepayer consent both directly and via board representation. There is a mandatory obligation here to follow through with this commitment to the public, as misusing its funds is unacceptable on all counts.

Any decision to move forward with a litigation process should take into consideration not only what is right and good for this board, but it must also proceed with consideration for those who paid for the SEIR. Thank you very much.



July 27, 2020

Monterey Peninsula Water Management District
PO Box 85
Monterey, CA 93942

RE: District Transparency Certificate of Excellence Approval

Dear David Stoldt:

Congratulations Monterey Peninsula Water Management District has successfully completed the District Transparency Certificate of Excellence program through the Special District Leadership Foundation (SDLF).

On behalf of the SDLF Board of Directors, I would like to congratulate your district on achieving this important certificate. By completing the District Transparency Certificate of Excellence Program, Monterey Peninsula Water Management District has proven its dedication to being fully transparent as well as open and accessible to the public and other stakeholders.

Congratulations and thank you for your dedication to excellence in local government.

Most sincerely,

David Aranda
SDLF Board President