



United States Senate

WASHINGTON, DC 20510-0504

<http://feinstein.senate.gov>

March 7, 2016

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

Dear Commissioner Sandoval:

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

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

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

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

Sincerely,

A handwritten signature in blue ink, appearing to read "Dianne Feinstein".

Dianne Feinstein
United States Senator

DF/kg

SAM FARR
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March 14, 2016

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

Re: Pure Water Monterey water recycling and purification project

Dear Commissioner Sandoval:

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

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

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

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

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

Sincerely,



SAM FARR
Member of Congress

Submitted by
J. Arriaga at
3/18/16 committee
meeting.
Item 3

MPWMD
California Legislature
Bill Tracking 3-17-16

Recycled Water

- AB 1749 (Mathis R) California Environmental Quality Act: exemption: recycled water pipelines.
Introduced: 2/2/2016
Status: 3/14/2016-In committee: Set, first hearing. Hearing canceled at the request of author.
Summary: CEQA exempts from its requirements projects consisting of the construction or expansion of recycled water pipeline and directly related infrastructure within existing rights of way, and directly related groundwater replenishment, if the project does not affect wetlands or sensitive habitat, and where the construction impacts are fully mitigated, and undertaken for the purpose of mitigating drought conditions for which a state of emergency was proclaimed by the Governor on a certain date. CEQA provides that this exemption remains operative until the state of emergency has expired or until January 1, 2017, whichever occurs first. This bill would extend that date to January 1, 2022.
- AB 2022 (Gordon D) Advanced purified demonstration water.
Introduced: 2/16/2016
Status: 2/29/2016-Referred to Com. on E.S. & T.M.
Summary: Would authorize the operator of a facility producing advanced purified demonstration water, as defined, to cause that water to be bottled and distributed as samples for educational purposes and to promote water recycling. The bill would prohibit the advanced purified demonstration water from being distributed unless the water meets or is superior to all federal and state drinking water standards. The bill would authorize advanced purified demonstration water to be bottled at a licensed water-bottling plant in compliance with specified provisions.
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Desalination

- AB 1871 (Waldron R) Desalination.
Introduced: 2/10/2016
Status: 2/11/2016-From printer. May be heard in committee March 12.
Summary: Would provide that it is the intention of the Legislature that when a state agency considers an application relating to desalination that the agency, when considering alternatives, should consider the cost of those alternatives in order to ensure that project financing does not become significantly more expensive or difficult.
- AB 1925 (Chang R) Desalination: statewide goal.
Introduced: 2/12/2016
Last Amend: 3/16/2016
Status: 3/16/2016-From committee chair, with author's amendments: Amend, and re-refer to Com. on W., P., & W. Read second time and amended.
Summary: The Cobey-Porter Saline Water Conversion Law, states the policy of this state that desalination projects developed by or for public water entities be given the same opportunities for

state assistance and funding as other water supply and reliability projects, and that desalination be consistent with all applicable environmental protection policies in the state. This bill would establish a goal to desalinate 300,000 acre-feet of drinking water per year by the year 2025 and 500,000 acre-feet of drinking water per year by the year 2030.

AB 2042 (Harper R) Water desalination facilities.
Introduced: 2/17/2016
Status: 2/18/2016-From printer. May be heard in committee March 19.
Summary: Would declare the intent of the Legislature to enact legislation relating to water desalination facilities.

AB 2043 (Harper R) Desalination.
Introduced: 2/17/2016
Status: 2/18/2016-From printer. May be heard in committee March 19.
Summary: Would state that the Legislature recognizes that desalination is an important local and regional sustainable water supply and reliability option.

AB 2198 (Brough R) Coastal development permits: desalination facilities.
Introduced: 2/18/2016
Status: 3/3/2016-Referred to Com. on NAT. RES.
Summary: The California Coastal Act of 1976 requires any person wishing to perform or undertake any development in the coastal zone, as defined, to obtain a coastal development permit, except as specified, from the California Coastal Commission or from a local government. This bill would require an application for a coastal development permit for a desalination project, as described, to be given priority for review, and would require the issuing agency to expedite the processing of any such permit application.

SB 919 (Hertzberg D) Water supply: creation or augmentation of local water supplies.
Introduced: 1/27/2016
Last Amend: 3/7/2016
Status: 3/9/2016-Set for hearing March 29.
Summary: Would require the Public Utilities Commission, before July 1, 2017, in consultation with the Independent System Operator, to address the oversupply of renewable energy resources through a tariff or other economic incentive for electricity purchased by customers operating "facilities that create or augment local water supplies," as defined, to reduce the cost of electricity to those facilities. This bill contains other related provisions and other existing laws.

Water Supply

None

Groundwater

SB 1164 (Cannella R) Sustainable Groundwater Management Act: groundwater sustainability agencies.
Introduced: 2/18/2016

Status: 3/3/2016-Referred to Com. on RLS.

Summary: The Sustainable Groundwater Management Act authorizes a local agency or combination of local agencies overlying a groundwater basin to decide to become a groundwater sustainability agency for that basin. This bill would make a nonsubstantive change to those provisions.

SB 1317 (Wolk D) Conditional use permit: groundwater extraction facility.

Introduced: 2/19/2016

Status: 3/9/2016-Set for hearing March 29.

Summary: Would, by July 1, 2017, require a city or county overlying a basin designated as a high- or medium-priority basin to establish a process for the issuance of conditional use permits for the development of a groundwater extraction facility in order to prevent a new groundwater extraction facility from contributing to or creating an undesirable result, as prescribed. By increasing the duties of cities and counties, this bill would impose a state-mandated local program.

Funding

AB 1588 (Mathis R) Water and Wastewater Loan and Grant Program.

Introduced: 1/6/2016

Last Amend: 3/16/2016

Status: 3/16/2016-From committee chair, with author's amendments: Amend, and re-refer to Com. on W., P., & W. Read second time and amended.

Summary: Would require the State Water Resources Control Board to establish a program to provide funding to counties to award low-interest loans and grants to eligible applicants for specified purposes relating to drinking water and wastewater treatment. This bill would authorize a county to apply to the board for a grant to award loans or grants, or both, to residents of the county, as prescribed. This bill would create the Water and Wastewater Loan and Grant Fund and provide that the moneys in this fund are available, upon appropriation by the Legislature, to the board to administer and implement the program.

Drought

AB 1589 (Mathis R) California Environmental Quality Act: exemption: drought mitigation.

Introduced: 1/6/2016

Last Amend: 3/14/2016

Status: 3/15/2016-Re-referred to Com. on NAT. RES.

Summary: Would, for the duration of a state of emergency proclaimed by the Governor due to drought conditions, exempt from the requirements of CEQA certain projects that are undertaken, carried out, or approved by a public agency to mitigate those drought conditions. This bill contains other related provisions and other existing laws.

Conservation

AB 1738 (McCarty D) Building Standards: Dark Graywater.

Introduced: 2/1/2016

Status: 2/18/2016-Referred to Com. on E.S. & T.M.

Summary: Would define "dark graywater" as a specified wastewater that comes from kitchen sinks and dishwashers. This bill would require the Department of Housing and Community Development, at the next triennial building standards rulemaking cycle, to adopt and submit for approval building standards for the construction, installation, and alteration of dark graywater systems for indoor and outdoor uses. This bill contains other existing laws.

SB 814

(Hill D) Drought: excessive water use: urban retail water suppliers.

Introduced: 1/4/2016

Status: 3/9/2016-Set for hearing March 29.

Summary: Would declare that excessive water use, as defined by each urban retail water supplier, is a waste or unreasonable use of water. This bill would prohibit excessive water use by a residential customer and would make a violation of this prohibition an infraction punishable by a fine of at least \$500 per 100 cubic feet of water used above the excessive water use definition in a billing cycle. By creating a new infraction, this bill would impose a state-mandated local program. This bill contains other related provisions and other existing laws.

SB 1340

(Wolk D) Water Conservation in Landscaping Act

Introduced: 2/19/2016

Status: 3/3/2016-Referred to Com. on N.R. & W.

Summary: Would add to the model water efficient landscape ordinance a permit requirement for the installation, expansion, or replacement of specified automatic irrigation systems for a landscape project on or after July 1, 2017. The bill would allow the governing body of a local agency to adopt an ordinance prescribing fees for filing an application for the permit, subject to the restrictions that the fees not exceed the amount reasonably required to review applications and issue the permits and that the fees not be levied for general revenue purposes.

Other

AB 1585

(Alejo D) Monterey County Water Resources Agency: Lake Nacimiento and Lake San Antonio.

Introduced: 1/6/2016

Last Amend: 2/8/2016

Status: 2/9/2016-Re-referred to Com. on W., P., & W.

Summary: Current law authorizes the Monterey County Water Resources Agency to award a design-build contract for the combined design and construction of a project to connect Lake San Antonio, located in the County of Monterey, and Lake Nacimiento, located in the County of San Luis Obispo, with an underground tunnel or pipeline for the purpose of maximizing water storage, supply, and groundwater recharge. This bill would appropriate \$25,000,000 from an unspecified source to the agency for the purpose of constructing a water conveyance tunnel between Lake Nacimiento and Lake San Antonio and spillway modifications at Lake San Antonio, as specified. This bill contains other related provisions.

2016-17 Legislative Advocacy Plan

This plan establishes the Monterey Peninsula Water Management District legislative and government affairs priorities for FY 2016-17.

Federal Strategy

- 1) Evaluate hiring federal legislative consultant: Evaluate hiring a Washington DC consultant that offers a deep understanding of the federal budget, legislative process, funding opportunities, and regulatory setting. Both Congress and regulatory departments related to water, including but not limited to BLM, NOAA (NMFS), USBR, USDA, and EPA. Need to consider whether there is sufficient federal crossover with District activities (Pure Water Monterey, Los Padres Dam, other?) and what the “pay-off” might be.

Consider development of a scope of work, including but not limited to:

- Identifying legislation or proposed regulatory changes that may impact the District.
- Consult with staff to develop positions on relevant legislation.
- Advocate the District’s position on bills and matters of interest.
- Represent the District in meetings with staff, directors, or independently with congressional members and staff, administration officials, regulatory agencies.
- Coordinate federal outreach with District’s State governmental outreach
- Identify funding opportunities and notify of timing, requirements, and advocate on behalf of District
- Direct contact with associations including ACWA, WateReuse, etc.
- Prepare materials for briefing – talking points, briefing books, letters, as necessary
- Coordinate with other water district lobbyists and organizations
- Maintain close relationships with Monterey legislative delegation

Consider opportunities to cost share or issue share – County, MRWPCA, other?

Potential firms:

- The Ferguson Group (Roger Gwinn)
- The Furman Group (Hal Furman)
- Nossaman (Brent Heberlee)

- 2) Maintain Washington DC profile:
 - Work with consultant hired above to organize timely trips as needed, but at least once a year separate from ACWA trip.
 - Attend ACWA trip each year
 - Consider ACWA Legislative Affairs Committee
- 3) Provide support for relevant legislation: Already provided letter of support for Feinstein drought relief bill. That bill is likely to be reworked into a joint bill. Need to track process and provide input and support where possible to ensure Pure Water Monterey's interests are protected. A "West-wide" bill is also expected. Need to position Pure Water Monterey to benefit.
- 4) Expedite Pure Water Monterey permitting process: Intervene where possible on water rights protests (NMFS), biological opinion (NMFS, USFS), EPA review for CEQA+, streambed alteration (Corps) to ensure timely response.
- 5) Monitor and pursue grant opportunities.
- 6) Perform on existing federal grants:
 - Drought Contingency Plan (\$200,000 USBR 2-year project)
 - Salinas and Carmel Rivers Basin Study (\$900,000 USBR 3-year project)

State of California Strategy

- 1) Pure Water Monterey: Effort already started to ensure approval at CPUC. Letters of support being secured and will be sent directly and filed with testimony. Intervene where possible on water rights protests (CDFW) to ensure timely response. Secretary Laird meeting has occurred and available to intervene if asked.
- 2) Prop 1 Funding:
 - IRWM: The Department of Water Resources is receptive to agreements among hydrologic regions about how Prop 1 funds for the Integrated Regional Water Management (IRWM) program are shared among individual planning regions. Recently, representatives of each Regional Water Management Group (RWMG) in the Central Coast hydrologic unit have discussed the potential for an agreement to allocate \$43 million of Prop 1 funds for the Central Coast among the six planning regions. The IRWM grant program is competitive, and in the past (i.e., with Prop 50 and Prop 84 funds), agencies in the Central Coast region have expended significant resources to develop competitive proposals.

A draft agreement has been circulated and is close to adoption. If an allocation agreement can be reached, it would give each region assurance of some funds from Prop 1 and would provide a definite schedule for when those funds might

become available. This would allow agencies in each region to focus resources on projects and plans. For the Monterey Peninsula region, proposed splits range from a low of about \$2 million (based on acreage and population) to a high of about \$6 million (equal split among regions). The Monterey Peninsula region has received just over 1% of the IRWM funds awarded to the Central Coast since 2006. Given the large differences in size and populations among the six Central Coast regions, it would appear unlikely that an agreement would be reached to split funds equally among regions. Larry Hampson is coordinating.

- Storm water: Funds are available for multi-benefit storm water management projects which may include, but shall not be limited to: green infrastructure, rainwater and storm water capture projects and storm water treatment facilities. Storm Water Resource Plans, or functionally equivalent plan(s), are required to obtain grant funds for storm water and dry weather capture projects. The State Water Resources Control Board (State Water Board) adopted the final Storm Water Resource Plan Guidelines and the Proposition 1 (Prop 1) SWGP Guidelines on December 15, 2015. Pure Water Monterey return pipeline for the Salinas Industrial Ponds will be a candidate.

A Storm Water Resource Plan (SWRP) is required to be eligible for implementation or project-specific planning funding. The SWRP will be due within 90 days of award of an implementation grant. The District's Local Project Grant to the City of Monterey will lay groundwork for this plan which MRWPCA will prepare.

The District will need a lobbying plan to ensure success. Round 1 of Implementation Grants is expected summer 2016.

- Pure Water Monterey: The project has already qualified for a 30-year State Revolving Fund Loan, but a potential \$15 million grant hangs in the balance. District will work with MRWPCA to ensure eligibility and timeliness.
- 3) Maintain Sacramento profile:
 - Work with JEA Associates to organize timely trips as needed, but at least once a year separate from needs-based visits.
 - Attend CSDA, ACWA, and/or WaterReuse legislative days
 - 4) Provide support for relevant legislation.
 - 5) Monitor and pursue grant opportunities.
 - 6) Resolve Carmel Valley Alluvial Aquifer and SGMA issues with DWR and SWRCB

Local Strategy

- 1) Maintain District role in regional water issues related to:
 - Sustainable Groundwater Management Act
 - Pure Water Monterey – CSIP expansion and expansion for MCWD
- 2) Participate in County-wide OES infrastructure team
- 3) Maintain outreach to local associations government affairs committees (Chambers, MCAR, MCHA, Coalition of Peninsula Businesses, jurisdictions' mayors and councils)

DRAFT