

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

Wednesday, February 19, 2020, 6:00 PM
Conference Room, Monterey Peninsula Water Management District
5 Harris Court, Building G, Monterey, CA

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 Friday, February 14, 2020

**View a live webcast of the meeting at <https://accessmediaproductions.org/>
scroll down to the bottom of the page and select the Peninsula Channel**

View web and television broadcast schedule on page 3.

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.

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.

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 Friday, February 14, 2020. Staff reports regarding these agenda items will be available for public review on Friday, February 14, 2020 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 meeting of the Board of Directors is scheduled for March 16, 2020, at 6 pm.

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 January 23, 2020 Regular and Special Board Meeting and February 3, 2020 Special Board Meeting
2. Confirm Appointment to Ordinance No. 152 Oversight Panel
3. Consider Purchase of Internet License for Water Wise Gardening in Monterey County
4. Consider Approval of Expenditure for Purchase of Ford F150 4x4 Truck
5. Consider Expenditure for Water Conservation Equipment
6. Consider Sponsorship of Demonstration Garden at City of Carmel-by-the-Sea’s Public Works Department on Junipero Street in Carmel
7. Consider Expenditure of Funds for Preparation of a 20-Year Summary Report of Bioassessment Sampling
8. Consider Adoption of Treasurer's Report for December 2019
9. Receive and File Second Quarter Financial Activity Report for Fiscal Year 2019-2020
10. Consider Approval of Second Quarter FY 2019-2020 Investment Report

GENERAL MANAGER’S REPORT

11. Status Report on California American Water Compliance with State Water Resources Control Board Order 2016-0016 and Seaside Groundwater Basin Adjudication Decision
12. Update on District’s Investment in Reclamation Project Tank Rehabilitation

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

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

PUBLIC HEARINGS – No Public Hearing items were submitted for Board consideration.

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

14. Receive 2019 Ordinance No. 152 Oversight Panel Annual Report
Action: The Board will consider receipt of the Annual Report that summarizes action taken by the Panel in 2019.
15. Consider Request for Delay of Payment of Capacity Fees Payment for Non-Profit Public Benefit Project – Peninsula Shelter Project, 1292 Olympia Avenue, Seaside
Action: The Board will consider a request from Community Human Services and Gathering for Women for delayed payment of capacity fees.
16. Consider Change to Placement on Salary Schedule - Administrative Services Manager - 2019 MOU Confidential Staff Unit
Action: The Board will consider approval of an adjustment to compensation for the Administrative Services Manager.

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.

17. Report on Activity/Progress on Contracts Over \$25,000
18. Monthly Progress Report – Santa Margarita Water Treatment Facility
19. Letters Received Supplemental Letter Packet
20. Committee Reports
21. Monthly Allocation Report
22. Water Conservation Program Report
23. Carmel River Fishery Report for January 2020

24. Monthly Water Supply and California American Water Production Report

ADJOURNMENT

Board Meeting Broadcast Schedule	
View Live Webcast at https://accessmediaproductions.org/ scroll to the bottom of the page and select the Peninsula Channel	
Television Broadcast	
Comcast Ch. 25, Mondays view live broadcast on meeting dates, and replays on Mondays, 4 pm - 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.	Carmel, Carmel Valley, Del Rey Oaks, Pacific Grove, Pebble Beach, Sand City, Seaside, Monterey
Internet Broadcast	
Replays – Mondays, 4 pm to midnight at https://accessmediaproductions.org/	
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	

Board Meeting Schedule			
Monday, March 16, 2020	Regular Board Meeting	6:00 pm	District conference room
Monday, April 20, 2020	Regular Board Meeting	6:00 pm	District conference room
Monday, May 20, 2020	Regular Board Meeting	6:00 pm	District conference room

Upon request, MPWMD will make a reasonable effort to provide written agenda materials in appropriate alternative formats, or disability-related modification or accommodation, including auxiliary aids or services to enable individuals with disabilities to participate in public meetings. MPWMD will also make a reasonable effort to provide translation services upon request. Please submit a written request, including your name, mailing address, phone number and brief description of the requested materials and preferred alternative format or auxiliary aid or service by noon on Tuesday, February 18, 2020. Requests should be sent to the Board Secretary, MPWMD, P.O. Box 85, Monterey CA, 93942. You may also fax your request to the Administrative Services Division at 831-644-9560, or call 831-658-5600. You may also email to arlene@mpwmd.net.

ITEM: CONSENT CALENDAR

1. CONSIDER ADOPTION OF MINUTES OF THE JANUARY 23, 2020 REGULAR AND SPECIAL BOARD MEETING AND FEBRUARY 3, 2020 SPECIAL BOARD MEETING

Meeting Date: February 19, 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 **Exhibits 1-A and 1-B**, respectively, are draft minutes of the January 23, 2020 Regular and Special Board meeting and February 3, 2020 Special Board meeting.

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

EXHIBIT

1-A Draft Minutes of the January 23, 2020 Regular and Special Board meeting

1-B Draft Minutes of the February 3, 2020 Special Board meeting



EXHIBIT 1-A

DRAFT MINUTES Regular and Special Meeting Board of Directors Monterey Peninsula Water Management District January 23, 2020

Board Chair Edwards called the meeting to order at 6:00 pm in the MPWMD conference room.

CALL TO ORDER/ROLL CALL

Directors Present:

Molly Evans – Chair, Division 3
Alvin Edwards, Vice Chair, Division 1
George Riley, Division 2
Jeanne Byrne – Division 4
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

No action.

ADDITIONS AND CORRECTIONS TO AGENDA

The following comments were presented under Oral Communications. **(a) Melodie Chrislock**, representing Public Water Now, asked when California American Water (Cal-Am) will fulfill its obligation to deliver water through its new pipeline to the community. **(b) Michael Baer**, resident of San Jose CA, noted that one of the local charities supported by Cal-Am is The Village Project in Seaside. He asked the Board to develop a plan for continuing support of The Village Project and other charities under public ownership of the water company. **(c) Peter Kaiser**, resident of Seaside, stated that water supply options such as desilting Los Padres Dam; constructing storage ponds on Fort Ord; and treating wastewater in each city for outdoor use would alleviate the need for a desalination project. **(d) Kevin Dayton**, representing the Monterey Peninsula Chamber of Commerce, urged the Board to fulfill the City of Monterey's request to provide water for affordable housing.

ORAL COMMUNICATIONS

Chair Edwards presented Director Evans with a plaque and thanked her for serving as Chair of the Board and providing strong leadership in 2019. The Directors praised Evans for

PRESENTATION TO MOLLY EVANS, 2019 BOARD CHAIR

her intelligence and enthusiasm and expressed gratitude for all she accomplished during her year as Board Chair.

On a motion by Potter and second by Adams, the Consent Calendar was approved except for items 2 and 3 that were pulled for separate consideration. The motion was approved on a unanimous vote of 7 – 0 by Potter, Adams, Byrne, Edwards, Evans, Hoffmann and Riley.

Adopted.

Potter offered a motion that was seconded by Riley to approve the committee assignments as presented in the Board packet. The motion was approved on a vote of 5 – 2 by Potter, Riley, Adams, Edwards and Evans. Voting in opposition were Byrne and Hoffmann.

Dan Turner, a resident of Monterey, addressed the Board during the public comment period on this item. He expressed concern about division on the Board, as he observed that even with this issue, there appeared to be split between people who supported public ownership of the water supply and those that were opposed to that effort.

Evans offered a motion that was seconded by Byrne to adopt Resolution 2020-01. The motion was approved on a unanimous vote of 7 – 0 by Evans, Byrne, Adams, Edwards, Hoffmann, Potter and Riley.

The following comments were received during the public comment period on this item. **(a) Michael Baer** urged the Board to provide funds to property owners for construction of graywater systems. **(b) Kevan Dayton**, speaking as a private citizen, stated that the District should help people to be self-sufficient and collect their own water so they are not dependent upon a corporation or agency to meet their water needs. **(c) Susan Schiavone**, resident of Seaside, urged the District to provide assistance to low-income residents for installation of graywater systems. **(d) Mark Nichols** stated that water quality was important and that use of graywater exclusively for outdoor irrigation would be harmful to the environment. He expressed support for a dam to provide water to the community. **(e) Matthew Kyler**, licensed Civil Engineer and the applicant for agenda item 13, advised that the City of San Francisco distributes a complete manual on installation of residential rainwater systems. He offered to share with the District all his data related to the application for a rainwater system. **(f) Peter Kaiser** asked the District to establish rules for installation of a reasonably priced rainwater system that could be easily constructed. He also told the Board that he was opposed to the purchase of Cal-Am through eminent domain.

CONSENT CALENDAR

1. **Consider Adoption of Minutes of the December 16, 2019 Regular Board Meeting**
2. **Ratify Board Committee Assignments for 2020**
3. **Consider Adoption of Resolution 2020-01 Amending Rule 25.5, Table 4: High Efficiency Appliance Credits, to Allow Rainwater/Graywater Systems in all Residential Applications**

Approved.

Received.

Adopted.

Received.

Received.

4. **Consider Approval of Annual Update on Investment Policy**
5. **Receive Semi-Annual Financial Report on the CAWD/PBCSD Wastewater Reclamation Project**
6. **Consider Adoption of Treasurer's Report for November 2019**
7. **Receive Pension Reporting Standards Government Accounting Standards Board Statement No. 68 Accounting Valuation Report**
8. **Receive Government Accounting Standards Board Statement No. 75 Report for Determining Annual Costs for Post-Employment Medical Benefits**

GENERAL MANAGER'S REPORT

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

A summary of General Manager Stoldt's presentation is on file at the District office and can be viewed on the agency's website. He reported that California Public Utilities Commission (CPUC) will conduct public participation hearings regarding Cal-Am's general rate case for 2021-2023 on February 18, 2020 in Seaside City Hall and 6 pm, and on February 19, 2020 at Gonzales City Hall at 6 pm. An open house on this issue has also been scheduled by Cal-Am on February 6, 2020 from 5 pm to 7 pm at the company's offices in Pacific Grove. Stoldt reported that for the period of October 1, 2019 through December 31, 2019 the community exceeded the water target production by 164 acre feet. For that same period, 10.23 inches of rainfall was received which represented 110% of average. Unimpaired flow was estimated at 205% of the long-term average. Regarding compliance with the Cease and Desist Order (CDO) Stoldt reported that Cal-Am completed milestone # 4 by installation of 2,500 linear feet of transmission pipeline.

The following comments were directed to the Board during the public comment period on this item. **(a) John Tilley**, resident of Pacific Grove, said that according to a September 15, 2019 letter from the State Water Resources Control Board (SWRCB), it would not accept substitution of the Pure Water Monterey Expansion project for the 6.4 MGD desalination project as a basis to release the CDO milestones. **(b) Michael Baer** asked what was limiting distribution of ASR water from the Seaside basin through the new pipeline.

A summary of Stoldt's report is on file at the District office and can be viewed on the agency's website.

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

District Counsel Laredo reported that as to item 3, on a motion of Byrne and second by Evans the Board approved the format and template to be used for the 2019-2020 evaluation of the General Manager. Copies of the template were available for public review. Regarding item 4, general direction was provided to the General Manager and the item was scheduled for action at the February 19, 2020 Regular meeting of the Board.

Director Riley reported that he attended the January 21, 2020 meeting of the Special Districts Association of Monterey County and found it to be very interesting.

No action.

Adams made a motion to approve the request for a variance. The motion was seconded by Byrne and approved on a unanimous vote of 7 – 0 by Adams, Byrne, Edwards, Evans, Hoffmann, Potter and Riley.

The applicant, James Ryan McMickle, addressed the Board during the public hearing. He stated that District staff had accurately described the variance request.

A summary of General Manager Stoldt's presentation is on file at the District office and can be viewed on the agency's website. In response to a question from the Board, he recommended that the report should be updated every five years. Chair Edwards stated that this issue would be brought before the Board again at the February 19, 2020 meeting.

The following comments were directed to the Board during the public comment period on this item. (a) **Fred Meuer**, representing the Monterey Bay Defense Alliance, referenced a letter from the Alliance dated January 21, 2020 that is on file at the District office and can be viewed on the agency's

ATTORNEY'S REPORT

11. Report on 5:00 pm Closed Session of the Board

- 3. Public Employee Performance Evaluation (Gov. Code 54957) – General Manager
- 4. Public Employee Performance Evaluation (Gov. Code 54957) – Administrative Services Manager/Chief Financial Officer

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

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

PUBLIC HEARINGS

- 13. Consider Request for Variance for Rainwater System in Mixed Use Building at 537 Anthony Street, Monterey, APN 001-712-010, Applicant: Monterey Design Collective, LLC
- 14. Consider Request for Variance from Separate Supply Lines Requirement at a New Single Family Dwelling at 26425 Laureles Grade, Carmel Valley, APN: 416-051-005 Applicant: James Ryan McMickle

DISCUSSION

- 15. Presentation of Updated Water Demand Forecasts Related to Association of Monterey Bay Area Government 2018 Regional Growth Forecast and Regional Housing Needs Allocation Plan: 2014-2023, and Inclusion of 2019 Water Year

website. He requested that before considering the Supply and Demand Report assumptions, the District should obtain written confirmation from the SWRCB that elimination of the desalination component of the water supply portfolio in favor of Pure Water Monterey expansion would be sufficient to lift the Cease and Desist Order. **(b) Dan Turner**, resident of Monterey, urged the Board to take a vote in support of the Supply and Demand for Water on the Monterey Peninsula report. **(c) John Tilley**, representing the Coalition of Peninsula Business, stated that according to a letter from the California State Department of Community and Development and Housing, AMBAG's Regional Housing Needs Allocation (RHNA) numbers are not growth forecasts; they represent minimal residential housing needs in the community and should not be used as a maximum cap on housing development. **(d) Kevin Dayton**, representing the Monterey Peninsula Chamber of Commerce, stated that the lack of water for housing is the cause of population contraction on the Monterey Peninsula which is bad for commerce and society. He recommended that Table 1- Monterey Peninsula Available Supply shown in the Water Supply Study should include a minimum and maximum from each source listed. **(e) Susan Schiavone**, resident of Seaside, stated that the high cost of housing is the reason people have left the area, and that commitment is needed to develop affordable housing. She opined that the population of Silicon Valley is moving southward and population projections for the Monterey Peninsula are deceiving. **(f) Melodie Chrislock** asked the Board to consider adopting the Water Supply and Demand report at the February 19, 2020 Board meeting and then begin educating the permitting agencies because Cal-Am was aggressively lobbying them. **(g) Michael Baer** suggested that the Board should adopt the Water Supply and Demand report so the information could be presented to the CPUC and the CCC. **(h) Marc Kelley**, resident of Monterey, stated that the indoor water use standard of 55 and 52.5 gallons of water per capita daily is only a benchmark because by January 1, 2121 the legislature will reconvene to determine if those estimates should be modified. He also noted that the Water and Supply Demand report does not factor in outdoor water use, as no standard has been set. **(i) Mark Eckels** stated that desalination is an environmental abomination, and that desalination for water is somewhat like fracking for oil.

The Directors suggested the following items for discussion at future meetings of the Board: Water Supply and Demand report should be reviewed after input from jurisdictions is received; review the District's investment policy; conduct the budget workshop and reserve policy earlier than May of each year; discuss the reserve policy, investment policy and the budget at one meeting; review the return water agreement; elimination of the CDO; and discuss the pending elimination of the Districts water right on the Carmel River.

16. Identify Agenda Items and Timing for Upcoming Board Meetings

The following comments were directed to the Board during the public comment period on this item. **(a) John Tilley**, representing the Coalition of Peninsula Businesses, warned that there could be serious repercussions were the Board to make decisions on a water supply in combination with pursuit of public ownership of the Cal-Am water system. **(b) Rudi Fisher**, resident of Pacific Grove suggested that another topic for Board discussion would be how to respond if the CCC did not make a decision in March on approval of the desalination project. **(c) Melodie Chrislock** suggested the Board schedule a discussion on moving the Pure Water Monterey Expansion project forward. **(d) Michael Baer** urged the Board to move forward on approval of a backup plan that would be ready to construct when it is known that desalination cannot be developed. **(e) Marc Kelley** requested that the Board consider the Water Supply and Demand report in February, or delay until the jurisdictions have provided their input on the report. **(f) Dan Turner**, resident of Monterey, stated that the CCC staff was under enormous pressure to approve Cal-Am's application to develop the desalination project, despite the evidence of environmental damage that could occur.

There was no discussion of these items.

INFORMATIONAL ITEMS/STAFF REPORTS

17. Report on Activity/Progress on Contracts Over \$25,000
18. Status on Measure J/Rule 19.8 Spending
19. Monthly Progress Report – Santa Margarita Water Treatment Facility
20. Letters Received
21. Committee Reports
22. Monthly Allocation Report
23. Water Conservation Program Report
24. Quarterly Water Use Credit Transfer Status Report
25. Carmel River Fishery Report for December 2019
26. Monthly Water Supply and California American Water Production Report
27. Quarterly Carmel River Riparian Corridor Management Program Report
28. Semi-Annual Groundwater Quality Monitoring Report

The meeting was adjourned at approximately 9:00 pm.

ADJOURNMENT

Arlene M. Tavani, Deputy District Secretary



EXHIBIT 1-B

DRAFT MINUTES

Special Meeting

Board of Directors

Monterey Peninsula Water Management District

February 3, 2020

Board Chair Edwards called the meeting to order at 4:00 pm in the MPWMD conference room.

CALL TO ORDER/ROLL CALL

Directors Present:

Molly Evans – Chair, Division 3

Alvin Edwards, Vice Chair, Division 1

George Riley, Division 2

Jeanne Byrne – Division 4

Gary D. Hoffmann, P.E. – Division 5

Mary Adams – Monterey County Board of Supervisors Rep.

Directors Absent:

David Potter – Mayoral Representative

General Manager present: David J. Stoldt

District Counsel present: Michael Laredo

The assembly recited the Pledge of Allegiance.

PLEDGE OF ALLEGIANCE

No action.

ADDITIONS AND CORRECTIONS TO AGENDA

Anna Thompson, resident of Carmel, addressed the Board during Oral Communications. She expressed concern that some persons accept the data presented in the Supply and Demand for Water on the Monterey Peninsula report; yet others believe California American Water Companies criticism of the report, and their findings are not questioned. She expressed support for the data produced by the General Manager. She stated that it would be advantageous to the community to recycle as much water as possible.

ORAL COMMUNICATIONS

Evans offered a motion to approve Resolution 2020-02. The motion was seconded by Byrne and adopted on a unanimous vote of 6 – 0 by Evans, Byrne, Adams, Edwards, Hoffmann and Riley. Potter was absent. No public comment was directed to the Board on this item.

ACTION ITEMS

1. **Consider Approval of Resolution 2020-02 in Support of Engineering into Grant Agreements for Proposition 1 Round 1 Implementation Grant**

The meeting was adjourned at approximately 4:45 pm.

ADJOURNMENT

Arlene M. Tavani, Deputy District Secretary

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ITEM: CONSENT CALENDAR**2. CONFIRM APPOINTMENT TO ORDINANCE NO. 152 OVERSIGHT PANEL**

Meeting Date: February 19, 2020 **Budgeted:** N/A

From: **David 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.

SUMMARY: Ordinance No. 152 created a nine member “Ordinance 152 Citizen’s Oversight Panel” as an advisory group to the Board of Directors on expenditures from the Connection Charge adopted in June 2012. Each Director selects an appointee to the Panel for a two-year term. The term of Director Byrne’s appointee has expired. Director Byrne has reappointed John Bottomley to serve another term on the Panel.

RECOMMENDATION: Ratify the appointment of John Bottomley to the Ordinance No. 152 Oversight Panel for a two-year term ending February 29, 2022, or the date the appointing Director vacates office as a member of the MPWMD Board of Directors, whichever shall occur first.

EXHIBIT

None

ITEM: CONSENT CALENDAR**3. CONSIDER PURCHASE OF INTERNET LICENSE FOR WATER WISE GARDENING IN MONTEREY COUNTY**

Meeting Date:	February 19, 2020	Budgeted:	Yes
From:	David J. Stoldt, General Manager	Program/ Line Item No.:	Conservation Program 4-2-2 J
Prepared By:	Stephanie Locke	Cost Estimate:	\$5,000

General Counsel Approval: N/A**Committee Recommendation: The Administrative Committee considered this item on February 13, 2020 and recommended approval on a 3 – 0 vote.****CEQA Compliance: N/A**

SUMMARY: The District provides a web link for Monterey County Water Wise Landscaping to assist homeowners and professionals with landscape planning and design. Since landscape irrigation tends to generate the largest water usage on residential properties, the information provided by the software helps property owners be “garden smart” by providing information and photographs of water efficient plants and by allowing the user to create a landscape “shopping list.” The software is accessed by approximately 2,000 unique visitors each year.

District staff is requesting authorization to renew its one-year license to continue use of the Monterey County Water Wise Landscaping software on the District’s conservation program website. The license also allows unlimited links to the host website. The Water Awareness Committee (WAC) of Monterey County (the District is a founding member) links to MPWMD’s website.

RECOMMENDATION: Staff recommends that the Board approve an expenditure of \$5,000 and authorize the General Manager to renew the contract with GardenSoft to purchase a web license for the Monterey County Water Wise Landscaping software.

IMPACT TO STAFF/RESOURCES: Funds for this expenditure are available in items 4-2-2-J in the Fiscal Year 2019-2020 budget.

EXHIBIT

None

ITEM: CONSENT CALENDAR**4. CONSIDER APPROVAL OF EXPENDITURE FOR PURCHASE OF FORD F150 4X4 TRUCK**

Meeting Date:	February 19, 2020	Budgeted:	Yes
From:	David J. Stoldt, General Manager	Program/ Line Item No.:	Fixed Assets XX-XX-914000
Prepared By:	Suresh Prasad	Cost Estimate:	\$33,000

General Counsel Review: N/A**Committee Recommendation:** The Administrative Committee reviewed this item on February 13, 2020 and recommended approval on a 3 – 0 vote.**CEQA Compliance:** This action does not constitute a project as defined by the California Environmental Quality Act Guidelines Section 15378.

SUMMARY: The Fiscal Year (FY) 2019-2020 Budget includes fund to replace Ford F150 (Unit #10) truck this fiscal year. Unit 10 truck is over 25 years old and needs to be replaced. This vehicle will be an addition to the District's pooled vehicles and will be accessible for use to the Environmental Resources and Water Resources divisions.

District is part of the Ford Fleet Program which provides incentives in price break. Staff solicited bids from three different Ford vendors which are attached as **Exhibit 4-A**. The vehicle provided in the proposals meets all specifications of the District. The final price will take into consideration of trade-in of two (Unit #6 and Unit #10) vehicles. The trade-in amounts are not known at this time. The prices are summarized in the following table:

	Cypress Coast Ford	North Bay Ford	Salinas Valley Ford
Ford F150 Truck	\$36,747.53	\$37,464.75	\$31,194.54
Trade-In Value	N/A	N/A	N/A
Total Price	\$36,747.53	\$37,464.75	\$31,194.54

RECOMMENDATION: Staff recommends that the Board authorize expenditure of funds to purchase Ford 150 truck from Salinas Valley Ford at a not-to-exceed price of \$33,000, which includes contingencies for documentation and additional taxes if required by law. This authorization would also include trading-in the old vehicles (unit #6 & Unit #10). Trade-in figure is not known at this time.

BACKGROUND: The Fiscal Year 2019-2020 Budget includes \$40,000 for the purchase of Ford F150 4x4 truck. In order to make it accessible for field use, the vehicles must be equipped with four-wheel drive function. This will be a pool vehicle and will be accessible for use to Environmental Resources and Water Resources divisions of the District.

EXHIBIT**4-A Truck proposals**

CNGP530

VEHICLE ORDER CONFIRMATION

02/03/20 15:39:19

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Dealer: F72426

2020 F-150

Page: 1 of 1

Order No: 5001 Priority: D1 Ord FIN: QC018 Order Type: 5B Price Level: 035

Ord Code: 100A Cust/Flt Name: MPWMD PO Number:

	RETAIL	DLR INV		RETAIL	DLR INV
F1E F150 4X4 R/C	\$33140	\$31649.00	60M FORDPASS CONNCT	\$225	\$205.00
122" WHEELBASE			FRT LICENSE BKT	NC	NC
YZ OXFORD WHITE			425 50 STATE EMISS	NC	NC
A VINYL 40/20/40	NC	NC	50S CRUISE CONTROL	225	205.00
G MED EARTH GRAY			85A POWER EQUIP GRP	970	882.00
100A EQUIP GRP			FLEX FUEL		
.XL SERIES			SP FLT ACCT CR		(962.00)
.17"SILVER STEEL			FUEL CHARGE		10.28
99B 3.3L V6 PFDI			DEST AND DELIV	1595	1595.00
446 ELEC 6-SPD AUTO			TOTAL BASE AND OPTIONS	36575	33966.93
.265/70R-17			TOTAL	36575	33966.93
X19 3.55 REG AXLE	NC	NC	*THIS IS NOT AN INVOICE*		
6120# GVWR					
CA BOARD FEES	NC	.65			
52P SYNC	420	382.00			

F1=Help

F2=Return to Order

F3/F12=Veh Ord Menu

F4=Submit F5=Add to Library

S099 - PRESS F4 TO SUBMIT

QC07888

Bidder: North Bayford.
 Bobbie Robinson
 831-419-1602 PH.

34575
 115 Doc + EVT
 875 Tire.
 2766⁰⁰ Tax
 37464⁷⁵

CNGP530

VEHICLE ORDER CONFIRMATION

01/23/20 16:13:17

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Dealer: F72412

2020 F-150

Page: 1 of 2

Order No: 9997 Priority: C3 Ord FIN: KG966 Order Type: 5B Price Level: 035

Ord PEP: 101A Cust/Flt Name: MRWM

PO Number:

		RETAIL	DLR	INV			RETAIL	DLR	INV
F1E	F150 4X4 R/C	\$33140	\$31649.00	X26	3.73 REG AXLE		NC		NC
	122" WHEELBASE				6120# GVWR				
YZ	OXFORD WHITE				CA BOARD FEES		NC		.65
A	VINYL 40/20/40	NC		NC	FLEET SPCL ADJ		NC		(490.00)
G	MED EARTH GRAY				FRT LICENSE BKT		NC		NC
101A	EQUIP GRP	2280	2075.00	422	CALIF EMISSIONS		NC		NC
	.XL SERIES				PRO TRAILER AST				
	.POWER EQUIP GRP								
	.SYNC				TOTAL BASE AND OPTIONS	38010		33561.93	
	.FORDPASS CONNCT				XL MID DISCOUNT	(750)		(683.00)	
	.CRUISE CONTROL				TOTAL	37260		32878.93	
	.17"SILVER STEEL				*THIS IS NOT AN INVOICE*				
99B	3.3L V6 PFDI								
446	ELEC 6-SPD AUTO				* MORE ORDER INFO NEXT PAGE *				
	.265/70R-17				F8=Next				

F1=Help

F2=Return to Order

F3/F12=Veh Ord Menu

F4=Submit

F5=Add to Library

S006 - MORE DATA IS AVAILABLE.

QC07725

Salinas Valley Ford

CNGP530

VEHICLE ORDER CONFIRMATION

01/23/20 16:11:02

==>

Dealer: F72412

2020 F-150

Page: 2 of 2

Order No: 9997 Priority: C3 Ord FIN: KG966 Order Type: 5B Price Level: 035

Ord PEP: 101A Cust/Flt Name: MRWM

PO Number:

RETAIL DLR INV

RETAIL DLR INV

53A TRAILER TOW PKG \$995 \$906.00

FLEX FUEL

SP DLR ACCT ADJ (1211.00)

SP FLT ACCT CR (980.00)

FUEL CHARGE 10.28

B4A NET INV FLT OPT NC 7.00

DEST AND DELIV 1595 1595.00

TOTAL BASE AND OPTIONS 38010 33561.93

XL MID DISCOUNT (750) (683.00)

TOTAL 37260 32878.93

THIS IS NOT AN INVOICE

F7=Prev

F1=Help

F2=Return to Order

F3/F12=Veh Ord Menu

F4=Submit

F5=Add to Library

S099 - PRESS F4 TO SUBMIT

QC07725

Salinas Valley Ford

FI9C0Y	Purchase Information Screen		SVF-FI
1) Contract Date:	01/23/20	Deal Number:	2020
2) (W)FinIns:	FMCC	18) (W)ServiceContract:	
3) (W)City/County/Zip:		19) (W)GAP Protection:	
4) L,F Name:	MRWMD	20) (W)Maint Plan:	
5) Stock Number:		21) APR:	.00%
6) M.S.R.P.:	\$ 37,165.00	22) Term:	1
7) Cash Price:	\$ 28,649.00	23) SalesTax %/Amt: 8.7500%	\$ 2,506.79
8) (W)AfterSale/weOwes:		24) DaysTo/NextPymntDat 45	03/08/20
9) Customer Cash Down:		25) **PAYMENT**=====>:	\$ 31,194.54
10) (W)Deferred Down:		FEG:	\$28,649.00
11) (W)Rebate(s):		BEG:	
12) (W)Trade(s) 1 & 2:		Sale Subtotal:	\$ 28,649.00
Total Down:		Total Financed:	\$ 31,194.54
13) DOC Fee :		Finance Charge:	
14) CA Tire Fee:	\$ 8.75	Total Other Charges:	
15) (W)Smog/GVW Fees:		Total of Payments:	\$ 31,194.54
16) DMV(F5=RS/F7=FEES):	\$ 30.00	Deferred Price:	\$ 31,194.54
17) (W)Total Fees:	\$ 38.75	Unpaid Balance:	\$ 31,194.54
Command:			

F1=Help F2=Home F3=Save F4=Cancel SF8=Fee/Tax

Salinas Valley Ford

ITEM: CONSENT CALENDAR**5. CONSIDER PURCHASE OF WATER CONSERVATION EQUIPMENT**

Meeting Date:	February 19, 2020	Budgeted:	Yes
From:	David J. Stoldt, General Manager	Program/ Line Item No.:	Conservation Devices 4-2-2-D
Prepared By:	Stephanie Locke	Cost Estimate:	\$25,815

General Counsel Approval: N/A**Committee Recommendation: The Administrative Committee considered this item on February 13, 2020 and recommended approval on a 2 - 1 vote.****CEQA Compliance: This action does not constitute a project as defined by the California Environmental Quality Act Guidelines Section 15378.**

SUMMARY: The District currently provides water conservation equipment to the public upon request and makes equipment available at various public events and workshops. As part of these activities, staff offers water saving devices to District residents and businesses. Equipment provided includes 1.5 gallons per minute showerheads, automatic shut-off hose nozzles, faucet aerators, and other water efficient equipment and devices. Staff is requesting approval for the expenditure of \$25,815 in budgeted funds to renew its stock of conservation equipment.

The District has purchased most devices from AM Conservation Group for a number of years, as their products are reasonably priced, meet the quality standards expected by staff, and they offer a selection of utility-grade water conservation products. Most of the AM Conservation Group, Niagara Conservation and Simply Conserve-branded products have earned the EPA's Watersense® and ENERGY STAR® certifications. Periodically, staff reviews products from other vendors and researches cost/quality for comparison. When new technology or products become available, staff requests samples for testing before requesting quotes. The quote for this purchase is attached as **Exhibit 5-A**.

The District's outreach program is done in coordination and partnership with California American Water. Both entities provide free devices and frequently share tablespace at outreach events.

RECOMMENDATION: By adopting this item with the Consent Calendar, the Board is approving the expenditure of \$25,815 of budgeted funds to renew the District's stock of water conservation equipment.

IMPACT TO STAFF/RESOURCES: Funds for this expenditure are included in the Fiscal Year 2019-2020 Water Conservation Program budget on line 4-2-2-D.

EXHIBIT**5-A AM Conservation Group**

ITEM: CONSENT CALENDAR**6. CONSIDER SPONSORSHIP OF DEMONSTRATION GARDEN AT CITY OF CARMEL-BY-THE-SEA'S PUBLIC WORKS DEPARTMENT ON JUNIPERO STREET IN CARMEL**

Meeting Date:	February 19, 2020	Budgeted:	Yes
From:	David J. Stoldt, General Manager	Program/ Line Item No.:	Water Conservation 4-2-2-F
Prepared By:	Stephanie Locke	Cost Estimate:	NTE \$4,000

General Counsel Review: N/A

Committee Recommendation: The Water Demand Committee reviewed this project on January 16, 2020, and recommended approval on a 3 – 0 vote. The Administrative Committee reviewed this item on February 13, 2020 and recommended approval on a 3 – 0 vote.

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

SUMMARY: The City of Carmel Public Works Department is requesting funding for a demonstration rain garden to be located in a prominent location on Junipero Street in Carmel (**Exhibit 6-A**). The project involves rainwater harvesting and irrigation, rainwater catchment, and installation of native drought tolerant plants and interpretive signs. The project will be installed by Public Works staff with a budget not to exceed \$4,000.

The Water Conservation budget has funds available in objective 4-2-2 Graywater/Rainwater Demo Project. District staff met with Public Works staff to review the proposal and determined that the public location and the project plan support water conservation education.

RECOMMENDATION: Staff recommends the Board support the City of Carmel's installation of a demonstration garden at Public Works by recommending the Board authorize expenditure of \$4,000 of budgeted funds to the project.

EXHIBIT**6-A Request for funding**

City of Carmel-by-the-Sea
DEPARTMENT OF PUBLIC WORKS

POST OFFICE BOX CC
CARMEL-BY-THE-SEA, CA 93921
(831) 620-2070

Water Demand Committee
Monterey Peninsula Water Management District
Building G, 5 Harris Court
Monterey, CA 93940

RE: Funding request for City of Carmel Demonstration Rain Garden Project

Dear Members of the Water Demand Committee,

The City of Carmel-by-the-Sea is submitting this request for funding to implement a demonstration rain garden project that will showcase better practices in drainage management to reduce potable water use and runoff pollution, and to utilize native, drought-tolerant landscaping.

Project Description

The project will be located in a very visible location in front of the City's Public Works building, along Junipero Street between Fourth and Fifth Avenues. The proposed project area is shown in the attached photographs. Currently, runoff from the roof of the Public Works building drains to the slope on the side of the building, which causes some erosion of mulch and sediment onto the street. The proposed project will create a rain garden that collects this runoff and infiltrates it into the landscape.

The rain garden and surrounding landscape areas will be vegetated with native drought-tolerant plants. The plant palette for the rain garden area, including yarrow, native iris, and rushes, is also tolerant of wet soil conditions, as recommended by the Central Coast Low-Impact Development Initiative. Pea gravel will be used as ground cover in the rain garden to minimize erosion during storms, while mulch will be used on surrounding landscape areas. The project also includes installation of a 150-gallon rain barrel to collect roof runoff for supplementary irrigation of the new landscaping during dry periods.

In order to reduce costs and provide in-house training, the project was designed and will be constructed by Public Works staff. Attached is the design plan concept. An attractive interpretive sign will be posted in a visible location to provide information to the public on the benefits of rain gardens.

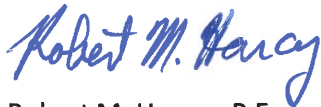
Project Budget

The City estimated a budget of \$3,950 for supplies to complete this project, as shown in the table below. If we encounter any cost savings, any remaining funds will be used to implement a demonstration native drought-tolerant landscape on the other side of the walkway to the Public Works Department.

Item	Cost
Native drought tolerant plants	\$700
Boulders and rocks	\$400
Pea gravel / river rock	\$600
Soil	\$300
Rain barrel (150 gallon) w/ anchor, hose adaptor valve, and overflow outlet	\$450
Interpretive signage	\$1,000
Contingency	\$500
TOTAL	\$3,950

The City of Carmel-by-the-Sea greatly appreciates your support with this exciting demonstration project. Finally, we would like to recognize the District's assistance and logo on the interpretive sign for the rain garden.

Sincerely,



Robert M. Harary, P.E.
Public Works Director

Attachments: Project Location Photographs
Project Plan

Project Location Photographs



Project location viewed from sidewalk and Public Works Department walkway



Project location viewed from the roof of the Public Works Department and from the south side of the proposed rain garden location, looking north.

Project Plan



ITEM: CONSENT CALENDAR**7. CONSIDER EXPENDITURE OF FUNDS FOR PREPARATION OF A 20-YEAR SUMMARY REPORT OF BIOASSESSMENT SAMPLING**

Meeting Date:	February 19, 2020	Budgeted:	Yes
From:	David J. Stoldt General Manager	Program/ Line Item No.:	ERD/Fisheries 2-3-6
Prepared By:	Beverly Chaney	Cost Estimate:	\$14,675

General Counsel Approval: N/A**Committee Recommendation: The Administrative Committee reviewed this item on February 13 and recommended approval on a 3 – 0 vote.****CEQA Compliance: Project is exempt as defined by the California Environmental Quality Act Guidelines section 15301(i).**

SUMMARY: The District initiated benthic macroinvertebrate (BMI) sampling in 2000. BMI samples are collected at various locations along the Carmel River by District staff and sent to a certified laboratory for analysis. Results from the District's sampling are used in combination with other habitat quality measurements to form a more complete picture of the biological health of the Carmel River system. In 2010, a Ten-Year Summary Report was prepared by the District's BMI lab contractor, BioAssessment Services (BAS). With the completion of the 2019 BMI field sampling and lab identification, the District has now completed 20 years of this study, one of the longest BMI data-sets in the state. BAS has done an exemplary job for the District the past 20 years, completing the annual analysis and summary reports, as well as the Ten-Year Summary Report, on time, and within the budget. This item is for authorization to contract BAS to prepare a summary of all information collected to date. A copy of the proposal for the report is included as **Exhibit 7-A**.

BACKGROUND: Since 1990, the District has been the lead agency in assessing the biological health (i.e., biological assessment) of the Carmel River. Steelhead counts, both adults and juveniles, and water quality analyses (i.e., temperature and other indicator parameters) have been collected regularly in this effort. In 1999, the California Department of Fish and Game (CDFG) approved the California Stream Bioassessment Procedure, based on national Rapid Bioassessment Protocols approved by the U.S. Environmental Protection Agency (the protocol was updated in ~2010 and renamed the Surface Water Ambient Monitoring Program – SWAMP). CDFG and Regional Water Quality Boards recommended adding the sampling of BMIs to biological assessment and mitigation programs. Examples of BMIs include the filter-feeding larvae of insects such as caddis flies, blackflies and mayflies, as well as larvae of predaceous insects such as stoneflies and dragon flies. BMIs are frequently used as indicators of overall stream conditions because they are abundant and taxonomically diverse, provide a wide range of response to changes in the aquatic environment over time and, unlike fishes, are not as likely to move from a stressed environment. Furthermore, they are relatively easy to sample and

provide a direct measure of water and habitat quality, as each species has a known relative tolerance to degraded conditions.

RECOMMENDATION: District staff recommends that the Board of Directors authorize expenditure of budgeted funds in a not-to-exceed amount of \$14,675 (\$13,340 plus a 10% contingency) for the preparation of a BMI 20-Year Summary Report by BioAssessment Services, in Folsom, CA.

IMPACT TO STAFF/RESOURCES: The 2019-2020 Budget includes \$18,000 for Contracted Aquatic Invertebrate Identification and Reporting (Line Item 2-3-6). Approximately \$2,500 is needed for the 2019 BMI laboratory analysis work leaving \$15,500 in the account for this planned report.

EXHIBIT

7-A Proposal from BioAssessment Services (BAS), dated January 22, 2020.

EXHIBIT 7-A

Carmel River 20-Year Bioassessment Report Workplan

**Prepared for the Monterey Peninsula Water Management District (District)
Prepared by Tom King, BioAssessment Services (BAS)**

Scope of Work

Task I – Literature Review

The Carmel River Bioassessment Program (CRBP) has compiled 20 years of benthic macroinvertebrate (BMI) and associated habitat data. A 10-year report of results was prepared in December 2010, which consolidated historical information as well summarized BMI and habitat data (King et. al. 2010). Pertinent historical information compiled in the 10-year bioassessment report will be included in the 20-year report along with more recent information such as the bioassessment monitoring of the Carmel River diversion channel. In addition, CSCI scores for sites in nearby watersheds will be examined for additional perspective. The District will assist BAS by identifying sources of relevant background information.

Task II - Data Processing and Analysis

BMI data for the 20-year monitoring period will be reviewed for consistency with current taxonomic naming criteria developed by the Southwest Association of Freshwater Invertebrate Taxonomists (SAFIT). BMI data files will be formatted for use in statistical programs such as “R” for calculating the California Stream Condition Index (CSCI) and non-metric multidimensional scaling (NMS) for further analysis including identifying possible relationships with habitat data. The calculation of the CSCI is a complex procedure, involving the use of geographical information systems (GIS) and the statistical program “R”. Staff at Applied Marine Sciences (AMS) will calculate CSCI scores for most or all of the pre-existing BMI data using taxonomic lists formatted by BAS. AMS may also provide additional consulting services for GIS and data analysis where needed upon approval of the District.

Physical habitat data collected by the District using the State Board’s Reach-wide Benthic Procedure (RWB) will be entered into a structured spreadsheet file for the purpose of data storage and calculating site level statistics pertaining to substrate, channel characteristics, canopy, and hydrologic habitat types.

Task III - Report Preparation

A draft report will include five sections:

- 1) Introduction - Background on the CRBP, its value as an indicator of water quality and implementation of the program in 2000. Much of this background information was consolidated into the 2010 summary report but it is anticipated that this section may be updated to include changes in the monitoring program that occurred since 2010.
- 2) Methods – Description of study design, field sample collection methods, site locations, laboratory procedures, and analyses of data. Information pertinent to the study design will be provided by District staff, most of which was summarized in the 2010 report.

EXHIBIT 7-A

- 3) Literature Review – Summaries of work done in the Carmel River watershed pertaining to BMIs. Background bioassessment information was consolidated into the 10-year summary report but it is anticipated that this section will be updated to include any pertinent information available after 2010. Some of the information sources will be provided by District staff.
- 4) Results – Organization of taxonomic lists, BMI metrics, CSCI, and site-scale habitat data into tables and presented in appendices for the 20-year monitoring effort. Results of analyses including CSCI and NMS ordination will be presented in the body of the report. Tables of site scale habitat and water quality data will also be included in the body of the report. BAS will coordinate with District staff regarding selection of BMI data summaries to be used in the report. Maps, supplemental habitat data, site coordinates and background program information will be provided by District staff with possible collaboration with AMS.
- 5) Discussion/Conclusions - Patterns, relationships and trends in biological and habitat data will be discussed including possible changes to the findings in the 10-year summary report. A discussion of the relative quality of Carmel River BMIs in terms of metrics will be enhanced since the 10-year summary report because of the recent development of the CSCI, which will likely provide more robust biological signals when compared to previous indices. In addition, CSCI results from sites within nearby watersheds will be included for additional perspective.

Literature Cited

King, J.T., B. Chaney, and T. Lindberg. 2010. Ten year summary of the Monterey Peninsula Water Management District's bioassessment program on the Carmel River. MPWMD, Monterey, CA.

EXHIBIT 7-A**Cost Summary****Task I – Literature Review (BAS¹)**

8 hours @ \$65.00 per hour.....\$ 520.00

Task II - Data Processing and Analysis

50 hours @ \$65.00 per hour (BAS)\$3,250.00

20 hours @ \$105.00 per hour (AMS ²).....\$2,100.00

14 hours @ \$150.00 per hour (AMS)\$2,100.00

Task III – Report Preparation

48 hours @ \$65.00 per hour (BAS)\$3,120.00

15 hours @ \$150.00 per hour (AMS)\$2,250.00

Total..... \$13,340.00

¹ BioAssessment Services (BAS)

² Applied Marine Sciences (AMS)

AMS may provide other services as well on an “as needed” basis at the discretion of the District.

Work Schedule

A draft report will be prepared and submitted to District staff by the end of March 2020 for review and comment. District staff will be informed if target date needs to be pushed forward. Recommendations or comments by District staff will be integrated into a final report. Final report will be completed and submitted to MPWMD by May 30, 2020.

ITEM: CONSENT CALENDAR**8. CONSIDER ADOPTION OF TREASURER'S REPORT FOR DECEMBER 2019**

Meeting Date: February 19, 2020 **Budgeted:** N/A

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

Prepared By: Suresh Prasad **Cost Estimate:** N/A

General Counsel Review: N/A

Committee Recommendation: The Administrative Committee considered this item on February 13, 2020 and recommended approval on a 3 – 0 vote.

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

SUMMARY: Exhibit 8-A comprises the Treasurer's Report for December 2019. Exhibit 8-B and Exhibit 8-C are listings of check disbursements for the period December 1-31, 2019. Check Nos. 36222 through 36392, the direct deposits of employee's paychecks, payroll tax deposits, and bank charges resulted in total disbursements for the period in the amount of \$736,484.49. This amount included \$14,775.00 for conservation rebates. Exhibit 8-D reflects the unaudited version of the financial statements for the month ending December 31, 2019.

RECOMMENDATION: District staff recommends adoption of the December 2019 Treasurer's Report and financial statements, and ratification of the disbursements made during the month.

EXHIBITS

- 8-A** Treasurer's Report
- 8-B** Listing of Cash Disbursements-Regular
- 8-C** Listing of Cash Disbursements-Payroll
- 8-D** Financial Statements

**MONTEREY PENINSULA WATER MANAGEMENT DISTRICT
TREASURER'S REPORT FOR DECEMBER 2019**

<u>Description</u>							PB
	<u>Checking</u>	<u>MPWMD Money Market</u>	<u>L.A.I.F.</u>	<u>Wells Fargo Investments</u>	<u>Multi-Bank Securities</u>	<u>MPWMD Total</u>	<u>Reclamation Money Market</u>
Beginning Balance	(\$33,084.61)	\$386,705.33	\$10,092,405.22	\$1,786,393.36	\$2,304,584.84	\$14,537,004.14	\$733,192.97
Fee Deposits		3,778,210.07				3,778,210.07	352,960.32
MoCo Tax & WS Chg Installment Pymt						0.00	
Interest Received				4,723.81	3,594.29	8,318.10	
Transfer - Money Market/LAIF						0.00	
Transfer - Money Market/Checking	809,655.17	(809,655.17)				0.00	
Transfer - Money Market/Multi-Bank						0.00	
Transfer - Money Market/Wells Fargo						0.00	
Transfer to CAWD						0.00	(700,000.00)
Voided Checks						0.00	
Bank Corrections/Reversals/Errors						0.00	
Bank Charges/Other	(526.90)					(526.90)	
Credit Card Fees	(353.90)					(353.90)	
Returned Deposits	-					0.00	
Payroll Tax/Benefit Deposits	(124,583.02)					(124,583.02)	
Payroll Checks/Direct Deposits	(158,678.26)					(158,678.26)	
General Checks	(452,342.41)					(452,342.41)	
Bank Draft Payments	-					0.00	
Ending Balance	\$40,086.07	\$3,355,260.23	\$10,092,405.22	\$1,791,117.17	\$2,308,179.13	\$17,587,047.82	\$386,153.29

Check Report

By Check Number

Date Range: 12/01/2019 - 12/31/2019



Monterey Peninsula Water Management Dist

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
Bank Code: APBNK	-Bank of America Checking					
Payment Type: Regular						
00249	A.G. Davi, LTD	12/06/2019	Regular	0.00	395.00	36222
00767	AFLAC	12/06/2019	Regular	0.00	907.16	36223
01188	Alhambra	12/06/2019	Regular	0.00	164.77	36224
00760	Andy Bell	12/06/2019	Regular	0.00	684.00	36225
00252	Cal-Am Water	12/06/2019	Regular	0.00	66.87	36226
00252	Cal-Am Water	12/06/2019	Regular	0.00	45.91	36227
04350	California Special Districts Assoc.	12/06/2019	Regular	0.00	7,615.00	36228
01001	CDW Government	12/06/2019	Regular	0.00	2,587.81	36229
19096	CSG Consultants, Inc.	12/06/2019	Regular	0.00	1,366.00	36230
04041	Cynthia Schmidlin	12/06/2019	Regular	0.00	691.33	36231
00046	De Lay & Laredo	12/06/2019	Regular	0.00	60,777.66	36232
18734	DeVeera Inc.	12/06/2019	Regular	0.00	383.42	36233
08929	HDR Engineering, Inc.	12/06/2019	Regular	0.00	12,971.20	36234
00986	Henrietta Stern	12/06/2019	Regular	0.00	1,255.54	36235
00277	Home Depot Credit Services	12/06/2019	Regular	0.00	180.93	36236
00768	ICMA	12/06/2019	Regular	0.00	18,165.09	36237
04717	Inder Osahan	12/06/2019	Regular	0.00	1,255.54	36238
03965	Irrigation Association	12/06/2019	Regular	0.00	50.00	36239
03857	Joe Oliver	12/06/2019	Regular	0.00	1,255.54	36240
00094	John Arriaga	12/06/2019	Regular	0.00	2,500.00	36241
05371	June Silva	12/06/2019	Regular	0.00	485.30	36242
00280	Kevan Urquhart	12/06/2019	Regular	0.00	45.00	36243
05830	Larry Hampson	12/06/2019	Regular	0.00	2,036.00	36244
00117	Marina Backflow Company	12/06/2019	Regular	0.00	75.00	36245
05829	Mark Bekker	12/06/2019	Regular	0.00	1,018.00	36246
00242	MBAS	12/06/2019	Regular	0.00	527.50	36247
09462	Medialocate USA Inc.	12/06/2019	Regular	0.00	2,442.00	36248
00118	Monterey Bay Carpet & Janitorial Svc	12/06/2019	Regular	0.00	1,260.00	36249
19099	Monterey Bay Master Gardeners	12/06/2019	Regular	0.00	225.00	36250
00274	Monterey One Water	12/06/2019	Regular	0.00	163.21	36251
13396	Navia Benefit Solutions, Inc.	12/06/2019	Regular	0.00	883.34	36252
00154	Peninsula Messenger Service	12/06/2019	Regular	0.00	396.00	36253
00282	PG&E	12/06/2019	Regular	0.00	308.85	36254
00282	PG&E	12/06/2019	Regular	0.00	2,004.54	36255
19104	PlanTag, Inc.	12/06/2019	Regular	0.00	84.40	36256
13430	Premiere Global Services	12/06/2019	Regular	0.00	101.33	36257
00262	Pure H2O	12/06/2019	Regular	0.00	65.24	36258
04709	Sherron Forsgren	12/06/2019	Regular	0.00	736.35	36259
03973	Stephanie Kister	12/06/2019	Regular	0.00	250.07	36260
00258	TBC Communications & Media	12/06/2019	Regular	0.00	3,500.00	36261
04719	Telit Io T Platforms, LLC	12/06/2019	Regular	0.00	233.87	36262
09425	The Ferguson Group LLC	12/06/2019	Regular	0.00	8,056.63	36263
17965	The Maynard Group	12/06/2019	Regular	0.00	1,521.13	36264
04708	Tyler Business Forms	12/06/2019	Regular	0.00	213.57	36265
18737	U.S. Bank Equipment Finance	12/06/2019	Regular	0.00	867.83	36266
00207	Universal Staffing Inc.	12/06/2019	Regular	0.00	510.72	36267
00271	UPEC, Local 792	12/06/2019	Regular	0.00	1,045.00	36268
04360	WateReuse Association	12/06/2019	Regular	0.00	3,852.00	36269
08105	Yolanda Munoz	12/06/2019	Regular	0.00	540.00	36270
00763	ACWA-JPIA	12/13/2019	Regular	0.00	349.61	36271
00243	CalPers Long Term Care Program	12/13/2019	Regular	0.00	50.06	36272
04351	Carmel Chamber of Commerce	12/13/2019	Regular	0.00	690.00	36273
12601	Carmel Valley Ace Hardware	12/13/2019	Regular	0.00	18.31	36274

EXHIBIT 8-B

44

Check Report**Date Range: 12/01/2019 - 12/31/2019**

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
06001	Cypress Coast Ford	12/13/2019	Regular	0.00	1,778.50	36275
18734	DeVeera Inc.	12/13/2019	Regular	0.00	6,808.00	36276
00758	FedEx	12/13/2019	Regular	0.00	30.08	36277
19097	Julia Karo	12/13/2019	Regular	0.00	96.28	36278
00280	Kevan Urquhart	12/13/2019	Regular	0.00	2,274.03	36279
19101	M&S Building Supply, Inc.	12/13/2019	Regular	0.00	149.21	36280
00222	M.J. Murphy	12/13/2019	Regular	0.00	162.32	36281
19106	Marina Lesse	12/13/2019	Regular	0.00	99.76	36282
01012	Mark Dudley	12/13/2019	Regular	0.00	540.00	36283
00223	Martins Irrigation Supply	12/13/2019	Regular	0.00	56.31	36284
16823	Mercer-Fraser Company	12/13/2019	Regular	0.00	52,487.50	36285
04729	Monterey Commercial Property Owners Associati	12/13/2019	Regular	0.00	400.00	36286
00282	PG&E	12/13/2019	Regular	0.00	26,093.31	36287
00159	Pueblo Water Resources, Inc.	12/13/2019	Regular	0.00	3,578.85	36288
07627	Purchase Power	12/13/2019	Regular	0.00	500.00	36289
00251	Rick Dickhaut	12/13/2019	Regular	0.00	531.50	36290
02838	Solinst Canada Ltd	12/13/2019	Regular	0.00	612.67	36291
00225	Trowbridge Enterprises Inc.	12/13/2019	Regular	0.00	148.26	36292
00207	Universal Staffing Inc.	12/13/2019	Regular	0.00	851.20	36293
07769	University Corporation at Ryan Ranch	12/13/2019	Regular	0.00	11,429.00	36294
18163	Wex Bank	12/13/2019	Regular	0.00	1,115.73	36295
00252	Cal-Am Water	12/20/2019	Regular	0.00	82.41	36299
01001	CDW Government	12/20/2019	Regular	0.00	157.00	36300
00024	Central Coast Exterminator	12/20/2019	Regular	0.00	104.00	36301
00230	Cisco Systems, Inc.	12/20/2019	Regular	0.00	95.20	36302
00224	City of Monterey	12/20/2019	Regular	0.00	1,617.99	36303
06268	Comcast	12/20/2019	Regular	0.00	188.26	36304
00281	CoreLogic Information Solutions, Inc.	12/20/2019	Regular	0.00	1,095.64	36305
19096	CSG Consultants, Inc.	12/20/2019	Regular	0.00	1,466.00	36306
04041	Cynthia Schmidlin	12/20/2019	Regular	0.00	691.33	36307
06001	Cypress Coast Ford	12/20/2019	Regular	0.00	204.25	36308
00192	Extra Space Storage	12/20/2019	Regular	0.00	885.00	36309
05164	GardenSoft	12/20/2019	Regular	0.00	4,650.00	36310
12655	Graphicsmiths	12/20/2019	Regular	0.00	1,596.40	36311
00073	Grindstone Sharpening	12/20/2019	Regular	0.00	107.90	36312
00083	Hayashi & Wayland Accountancy Corp.	12/20/2019	Regular	0.00	10,000.00	36313
00277	Home Depot Credit Services	12/20/2019	Regular	0.00	7.94	36314
00768	ICMA	12/20/2019	Regular	0.00	2,165.09	36315
06999	KBA Docusys	12/20/2019	Regular	0.00	2,165.20	36316
13431	Lynx Technologies, Inc	12/20/2019	Regular	0.00	600.00	36317
00259	Marina Coast Water District	12/20/2019	Regular	0.00	95.05	36318
00259	Marina Coast Water District	12/20/2019	Regular	0.00	95.05	36319
00223	Martins Irrigation Supply	12/20/2019	Regular	0.00	120.51	36320
00242	MBAS	12/20/2019	Regular	0.00	930.00	36321
13396	Navia Benefit Solutions, Inc.	12/20/2019	Regular	0.00	657.94	36322
04347	Oregon RFID	12/20/2019	Regular	0.00	1,563.95	36323
00755	Peninsula Welding Supply, Inc.	12/20/2019	Regular	0.00	64.50	36324
00282	PG&E	12/20/2019	Regular	0.00	11.18	36325
00282	PG&E	12/20/2019	Regular	0.00	28.04	36326
00282	PG&E	12/20/2019	Regular	0.00	68.27	36327
00282	PG&E	12/20/2019	Regular	0.00	26.32	36328
00159	Pueblo Water Resources, Inc.	12/20/2019	Regular	0.00	23,323.50	36329
00759	RaboBank,N.A.	12/20/2019	Regular	0.00	109,568.00	36330
13394	Regional Government Services	12/20/2019	Regular	0.00	2,633.75	36331
00176	Sentry Alarm Systems	12/20/2019	Regular	0.00	125.50	36332
09989	Star Sanitation Services	12/20/2019	Regular	0.00	180.42	36333
00269	U.S. Bank	12/20/2019	Regular	0.00	11,727.48	36334
	Void	12/20/2019	Regular	0.00	0.00	36335
00207	Universal Staffing Inc.	12/20/2019	Regular	0.00	851.20	36336
Total Regular:					437,567.41	

EXHIBIT 8-B

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Check Report**Date Range: 12/01/2019 - 12/31/2019**

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
Payment Type: Bank Draft						
00266	I.R.S.	12/06/2019	Bank Draft	0.00	29,719.40	DFT0001530
00266	I.R.S.	12/06/2019	Bank Draft	0.00	4,606.38	DFT0001531
00267	Employment Development Dept.	12/06/2019	Bank Draft	0.00	11,124.00	DFT0001532
00266	I.R.S.	12/06/2019	Bank Draft	0.00	511.30	DFT0001533
00769	Laborers Trust Fund of Northern CA	12/12/2019	Bank Draft	0.00	27,830.00	DFT0001534
00256	PERS Retirement	12/11/2019	Bank Draft	0.00	15,616.28	DFT0001535
00266	I.R.S.	12/20/2019	Bank Draft	0.00	11,949.50	DFT0001537
00266	I.R.S.	12/20/2019	Bank Draft	0.00	2,626.12	DFT0001538
00267	Employment Development Dept.	12/20/2019	Bank Draft	0.00	4,582.60	DFT0001539
00266	I.R.S.	12/20/2019	Bank Draft	0.00	535.06	DFT0001540
00266	I.R.S.	12/18/2019	Bank Draft	0.00	42.21	DFT0001542
00266	I.R.S.	12/18/2019	Bank Draft	0.00	74.40	DFT0001543
00266	I.R.S.	12/18/2019	Bank Draft	0.00	318.06	DFT0001544
00266	I.R.S.	12/31/2019	Bank Draft	0.00	12.38	DFT0001546
00266	I.R.S.	12/31/2019	Bank Draft	0.00	66.58	DFT0001547
00266	I.R.S.	12/31/2019	Bank Draft	0.00	284.58	DFT0001548
00256	PERS Retirement	12/24/2019	Bank Draft	0.00	14,684.17	DFT0001554
Total Bank Draft:					124,583.02	

	Bank Code APBNK	Summary		
Payment Type	Payable Count	Payment Count	Discount	Payment
Regular Checks	159	111	0.00	437,567.41
Manual Checks	0	0	0.00	0.00
Voided Checks	0	1	0.00	0.00
Bank Drafts	25	17	0.00	124,583.02
EFT's	0	0	0.00	0.00
	184	129	0.00	562,150.43

EXHIBIT 8-B

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Check Report**Date Range: 12/01/2019 - 12/31/2019**

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
Bank Code: REBATES-02-Rebates: Use Only For Rebates						
Payment Type: Regular						
18897	Kyung Chee	12/30/2019	Regular	0.00	-500.00	35927
19010	Ben Beckner	12/30/2019	Regular	0.00	-500.00	36002
18983	Debbie Britz	12/30/2019	Regular	0.00	-225.00	36020
19023	Diana Aiello	12/30/2019	Regular	0.00	-500.00	36021
19072	Floyd Hardcastle	12/30/2019	Regular	0.00	-500.00	36029
19008	Jeffrey Dellis	12/30/2019	Regular	0.00	-500.00	36046
19089	Judith Robinson	12/30/2019	Regular	0.00	-500.00	36065
19055	Tong Kim	12/30/2019	Regular	0.00	-125.00	36109
19007	William Haines	12/30/2019	Regular	0.00	-500.00	36113
19195	Alan Katz	12/23/2019	Regular	0.00	500.00	36337
19181	Alexandria Burks	12/23/2019	Regular	0.00	125.00	36338
19187	ALISA BALESTERI	12/23/2019	Regular	0.00	500.00	36339
19210	Annie Giammanco	12/23/2019	Regular	0.00	500.00	36340
19165	BETKA GUILFORD	12/23/2019	Regular	0.00	75.00	36341
19166	Beverley Grewell	12/23/2019	Regular	0.00	75.00	36342
19162	Bill Phillips	12/23/2019	Regular	0.00	125.00	36343
19213	Carmelo Patania	12/23/2019	Regular	0.00	75.00	36344
19204	Charles Philips	12/23/2019	Regular	0.00	500.00	36345
19206	Chuck Boogay	12/23/2019	Regular	0.00	500.00	36346
19184	Claire Peters	12/23/2019	Regular	0.00	500.00	36347
19180	Dick Wong	12/23/2019	Regular	0.00	125.00	36348
19198	Doris Siane Sevaaetasi	12/23/2019	Regular	0.00	500.00	36349
19190	Emily Trubey	12/23/2019	Regular	0.00	500.00	36350
19173	Hans Lehmann	12/23/2019	Regular	0.00	125.00	36351
19178	Jana Mar	12/23/2019	Regular	0.00	125.00	36352
19191	Jeff Sundquist and Luis Guzman	12/23/2019	Regular	0.00	500.00	36353
19205	Jen Hatzung	12/23/2019	Regular	0.00	500.00	36354
19193	Jeremy Goldbogen	12/23/2019	Regular	0.00	500.00	36355
19177	Jim Vanderzwaan	12/23/2019	Regular	0.00	125.00	36356
19215	Jing Zhou	12/23/2019	Regular	0.00	500.00	36357
19167	John Brandlin	12/23/2019	Regular	0.00	75.00	36358
19214	John T. Gatti	12/23/2019	Regular	0.00	500.00	36359
19175	Jonathan Ramirez	12/23/2019	Regular	0.00	125.00	36360
19176	Karen Gilbert	12/23/2019	Regular	0.00	125.00	36361
19189	Ken Bohrmann	12/23/2019	Regular	0.00	500.00	36362
19209	Kritsi Marotta	12/23/2019	Regular	0.00	500.00	36363
19208	Linda Mary McGlone	12/23/2019	Regular	0.00	500.00	36364
19207	Maria Gomes	12/23/2019	Regular	0.00	500.00	36365
19199	Marie Compagno	12/23/2019	Regular	0.00	500.00	36366
19179	Mark C. Hansen	12/23/2019	Regular	0.00	125.00	36367
19172	MARY E. WESTERMAN	12/23/2019	Regular	0.00	125.00	36368
19200	MERCY ROSARIO	12/23/2019	Regular	0.00	500.00	36369
19212	Michael Crall	12/23/2019	Regular	0.00	500.00	36370
19211	Nathaniel Males	12/23/2019	Regular	0.00	500.00	36371
19201	Paul Warfield	12/23/2019	Regular	0.00	500.00	36372
19163	Peggy Perkins	12/23/2019	Regular	0.00	75.00	36373
19171	Ralph S. Zotovich	12/23/2019	Regular	0.00	150.00	36374
19164	RALPH S. ZOTOVICH	12/23/2019	Regular	0.00	75.00	36375
19185	Robert Atanasio	12/23/2019	Regular	0.00	500.00	36376
19202	Robin Jepsen	12/23/2019	Regular	0.00	500.00	36377
19196	Roger A Ruehle	12/23/2019	Regular	0.00	500.00	36378
19192	Scott Barschig	12/23/2019	Regular	0.00	500.00	36379
19168	Sonja Pebworth	12/23/2019	Regular	0.00	75.00	36380
19203	Stephan Schwirzke	12/23/2019	Regular	0.00	500.00	36381
19197	Stephanie Latino	12/23/2019	Regular	0.00	500.00	36382
19170	Timothy J. Breen	12/23/2019	Regular	0.00	75.00	36383
19186	Timothy LeDonne	12/23/2019	Regular	0.00	500.00	36384
19194	Virginia Babbitt	12/23/2019	Regular	0.00	500.00	36385
19182	Virginia Hall	12/23/2019	Regular	0.00	500.00	36386

EXHIBIT 8-B

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Check Report**Date Range: 12/01/2019 - 12/31/2019**

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
19174	Wei-Hwa Huang	12/23/2019	Regular	0.00	125.00	36387
19188	William Hallman Jr.	12/23/2019	Regular	0.00	500.00	36388
19183	Yvonne Thomas	12/23/2019	Regular	0.00	500.00	36389
Total Regular:					14,775.00	

Bank Code REBATES-02 Summary

Payment Type	Payable Count	Payment Count	Discount	Payment
Regular Checks	53	53	0.00	18,625.00
Manual Checks	0	0	0.00	0.00
Voided Checks	0	9	0.00	-3,850.00
Bank Drafts	0	0	0.00	0.00
EFT's	0	0	0.00	0.00
	53	62	0.00	14,775.00

All Bank Codes Check Summary

Payment Type	Payable Count	Payment Count	Discount	Payment
Regular Checks	212	164	0.00	456,192.41
Manual Checks	0	0	0.00	0.00
Voided Checks	0	10	0.00	-3,850.00
Bank Drafts	25	17	0.00	124,583.02
EFT's	0	0	0.00	0.00
	237	191	0.00	576,925.43

Fund Summary

Fund	Name	Period	Amount
99	POOL CASH FUND	12/2019	576,925.43
			576,925.43

EXHIBIT 8-C

Monterey Peninsula Water Management Dist

Payroll Bank Transaction Report

By Payment Number

Date: 12/1/2019 - 12/31/2019

Payroll Set: 01 - Monterey Peninsula Water Management District

Payment Number	Payment Date	Payment Type	Employee Number	Employee Name	Check Amount	Direct Deposit Amount	Total Payment
4788	12/06/2019	Regular	1024	Stoldt, David J	0.00	5,635.51	5,635.51
4789	12/06/2019	Regular	1025	Tavani, Arlene M	0.00	2,150.15	2,150.15
4790	12/06/2019	Regular	1044	Bennett, Corryn D	0.00	2,194.78	2,194.78
4791	12/06/2019	Regular	1018	Prasad, Suresh	0.00	3,983.84	3,983.84
4792	12/06/2019	Regular	1019	Reyes, Sara C	0.00	1,831.07	1,831.07
4793	12/06/2019	Regular	1075	Valencia, Mariel C	0.00	1,619.80	1,619.80
4794	12/06/2019	Regular	1042	Hamilton, Maureen C.	0.00	3,365.72	3,365.72
4795	12/06/2019	Regular	6063	Hampson, Larry M	0.00	2,578.57	2,578.57
4796	12/06/2019	Regular	1009	James, Gregory W	0.00	3,177.59	3,177.59
4797	12/06/2019	Regular	1011	Lear, Jonathan P	0.00	3,934.59	3,934.59
4798	12/06/2019	Regular	1012	Lindberg, Thomas L	0.00	2,591.51	2,591.51
4799	12/06/2019	Regular	1043	Suwada, Joseph	0.00	2,739.66	2,739.66
4800	12/06/2019	Regular	1045	Atkins, Daniel N	0.00	1,836.92	1,836.92
4801	12/06/2019	Regular	1004	Chaney, Beverly M	0.00	2,618.62	2,618.62
4802	12/06/2019	Regular	1005	Christensen, Thomas T	0.00	3,429.31	3,429.31
4803	12/06/2019	Regular	1007	Hamilton, Cory R	0.00	2,299.86	2,299.86
4804	12/06/2019	Regular	6064	Li, Trevin	0.00	533.72	533.72
4805	12/06/2019	Regular	1048	Lumas, Eric M	0.00	1,761.37	1,761.37
4806	12/06/2019	Regular	1026	Urquhart, Kevan A	0.00	26,306.99	26,306.99
4807	12/06/2019	Regular	1001	Bravo, Gabriela D	0.00	2,523.70	2,523.70
4808	12/06/2019	Regular	1076	Jakic, Tricia	0.00	2,512.37	2,512.37
4809	12/06/2019	Regular	1010	Kister, Stephanie L	0.00	2,775.46	2,775.46
4810	12/06/2019	Regular	1017	Locke, Stephanie L	0.00	3,557.92	3,557.92
4811	12/06/2019	Regular	1040	Smith, Kyle	0.00	2,225.46	2,225.46
4812	12/06/2019	Regular	1047	Timmer, Christopher	0.00	2,129.55	2,129.55
4813	12/20/2019	Regular	1024	Stoldt, David J	0.00	5,635.51	5,635.51
4814	12/20/2019	Regular	1025	Tavani, Arlene M	0.00	2,150.16	2,150.16
4815	12/20/2019	Regular	1044	Bennett, Corryn D	0.00	2,194.84	2,194.84
4816	12/20/2019	Regular	1018	Prasad, Suresh	0.00	3,983.84	3,983.84
4817	12/20/2019	Regular	1019	Reyes, Sara C	0.00	1,831.07	1,831.07
4818	12/20/2019	Regular	1075	Valencia, Mariel C	0.00	1,619.80	1,619.80
4819	12/20/2019	Regular	1042	Hamilton, Maureen C.	0.00	3,365.71	3,365.71
4820	12/20/2019	Regular	6063	Hampson, Larry M	0.00	2,414.37	2,414.37
4821	12/20/2019	Regular	1009	James, Gregory W	0.00	3,177.58	3,177.58
4822	12/20/2019	Regular	1011	Lear, Jonathan P	0.00	3,934.59	3,934.59
4823	12/20/2019	Regular	1012	Lindberg, Thomas L	0.00	2,591.55	2,591.55
4824	12/20/2019	Regular	1043	Suwada, Joseph	0.00	2,107.84	2,107.84
4825	12/20/2019	Regular	1045	Atkins, Daniel N	0.00	2,302.04	2,302.04
4826	12/20/2019	Regular	1004	Chaney, Beverly M	0.00	2,618.61	2,618.61
4827	12/20/2019	Regular	1005	Christensen, Thomas T	0.00	3,429.36	3,429.36
4828	12/20/2019	Regular	1007	Hamilton, Cory R	0.00	2,299.86	2,299.86
4829	12/20/2019	Regular	6064	Li, Trevin	0.00	895.37	895.37
4830	12/20/2019	Regular	1048	Lumas, Eric M	0.00	1,761.37	1,761.37
4831	12/20/2019	Regular	1001	Bravo, Gabriela D	0.00	2,523.70	2,523.70
4832	12/20/2019	Regular	1076	Jakic, Tricia	0.00	2,405.00	2,405.00
4833	12/20/2019	Regular	1010	Kister, Stephanie L	0.00	2,775.52	2,775.52
4834	12/20/2019	Regular	1017	Locke, Stephanie L	0.00	3,557.92	3,557.92
4835	12/20/2019	Regular	1040	Smith, Kyle	0.00	2,225.46	2,225.46
4836	12/20/2019	Regular	1047	Timmer, Christopher	0.00	2,129.55	2,129.55
4837	12/18/2019	Regular	7015	Adams, Mary L	0.00	236.96	236.96
4838	12/18/2019	Regular	7014	Evans, Molly F	0.00	490.07	490.07
4839	12/18/2019	Regular	7017	Hoffmann, Gary D	0.00	374.02	374.02
4840	12/18/2019	Regular	7018	Riley, George T	0.00	374.02	374.02
4841	12/31/2019	Regular	7015	Adams, Mary L	0.00	236.96	236.96
4842	12/31/2019	Regular	7014	Evans, Molly F	0.00	249.34	249.34
4843	12/31/2019	Regular	7017	Hoffmann, Gary D	0.00	374.02	374.02
4844	12/31/2019	Regular	7018	Riley, George T	0.00	374.02	374.02

EXHIBIT 8-C					Direct Deposit 50		
Payment Number	Payment Date	Payment Type	Employee Number	Employee Name	Check Amount	Amount	Total Payment
36296	12/18/2019	Regular	7007	Byrne, Jeannie	249.34	0.00	249.34
36297	12/18/2019	Regular	7009	Edwards, Alvin	365.19	0.00	365.19
36298	12/18/2019	Regular	7004	Potter, David L	236.96	0.00	236.96
36390	12/31/2019	Regular	7007	Byrne, Jeannie	498.69	0.00	498.69
36391	12/31/2019	Regular	7009	Edwards, Alvin	249.34	0.00	249.34
36392	12/31/2019	Regular	7004	Potter, David L	124.67	0.00	124.67
Total:					1,724.19	156,954.07	158,678.26



Monterey Peninsula Water Management Dist

Statement of Revenue Over Expense - No Decimals

Group Summary

For Fiscal: 2019-2020 Period Ending: 12/31/2019

Level...	December Activity	December Budget	Variance Favorable (Unfavorable)	Percent Used	YTD Activity	Total Budget	Variance Favorable (Unfavorable)	Percent Used
Revenue								
R100 - Water Supply Charge	1,953,839	283,220	1,670,619	689.87 %	1,951,463	3,400,000	-1,448,537	57.40 %
R120 - Property Taxes Revenues	1,138,505	170,765	967,740	666.71 %	1,139,505	2,050,000	-910,495	55.59 %
R130 - User Fees	498,672	416,500	82,172	119.73 %	2,095,193	5,000,000	-2,904,807	41.90 %
R140 - Connection Charges	86,357	33,320	53,037	259.17 %	268,252	400,000	-131,748	67.06 %
R150 - Permit Processing Fee	20,486	14,578	5,909	140.53 %	114,354	175,000	-60,646	65.35 %
R180 - River Work Permit Application	0	0	0	0.00 %	50	0	50	0.00 %
R190 - WDS Permits Rule 21	0	4,665	-4,665	0.00 %	0	56,000	-56,000	0.00 %
R200 - Recording Fees	2,880	500	2,380	576.23 %	19,090	6,000	13,090	318.17 %
R210 - Legal Fees	150	1,333	-1,183	11.25 %	300	16,000	-15,700	1.88 %
R220 - Copy Fee	0	0	0	0.00 %	53	0	53	0.00 %
R230 - Miscellaneous - Other	141	1,250	-1,109	11.28 %	426	15,000	-14,574	2.84 %
R240 - Insurance Refunds	0	0	0	0.00 %	5,427	0	5,427	0.00 %
R250 - Interest Income	8,318	14,994	-6,676	55.48 %	71,492	180,000	-108,508	39.72 %
R260 - CAW - ASR	546,784	40,376	506,409	1,354.25 %	546,784	484,700	62,084	112.81 %
R270 - CAW - Rebates	26,750	58,310	-31,560	45.88 %	141,422	700,000	-558,578	20.20 %
R290 - CAW - Miscellaneous	0	3,749	-3,749	0.00 %	47,115	45,000	2,115	104.70 %
R300 - Watermaster	24,629	2,916	21,714	844.76 %	24,629	35,000	-10,371	70.37 %
R308 - Reclamation Project	0	1,666	-1,666	0.00 %	0	20,000	-20,000	0.00 %
R309 - GWR Project Reimbursements	15,984	0	15,984	0.00 %	714,400	0	714,400	0.00 %
R310 - Other Reimbursements	18,999	10,521	8,478	180.59 %	18,999	126,300	-107,301	15.04 %
R320 - Grants	239,809	38,984	200,824	615.14 %	239,809	468,000	-228,191	51.24 %
R500 - Capital Equipment Reserve	0	2,374	-2,374	0.00 %	0	28,500	-28,500	0.00 %
R510 - Operating Reserve	0	402,660	-402,660	0.00 %	0	4,833,850	-4,833,850	0.00 %
Total Revenue:	4,582,303	1,502,678	3,079,625	304.94 %	7,398,763	18,039,350	-10,640,587	41.01 %

EXHIBIT 8-D

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Statement of Revenue Over Expense - No Decimals**For Fiscal: 2019-2020 Period Ending: 12/31/2019**

Level...	December Activity	December Budget	Variance Favorable (Unfavorable)	Percent Used	YTD Activity	Total Budget	Variance Favorable (Unfavorable)	Percent Used
Expense								
Level1: 100 - Personnel Costs								
1100 - Salaries & Wages	252,462	229,458	-23,004	110.03 %	1,258,261	2,754,600	1,496,339	45.68 %
1110 - Manager's Auto Allowance	462	500	38	92.34 %	2,770	6,000	3,230	46.16 %
1120 - Manager's Deferred Comp	714	783	69	91.20 %	4,286	9,400	5,114	45.59 %
1130 - Unemployment Compensation	0	250	250	0.00 %	2,457	3,000	543	81.90 %
1150 - Temporary Personnel	3,268	4,590	1,322	71.21 %	49,810	55,100	5,290	90.40 %
1160 - PERS Retirement	16,450	49,439	32,989	33.27 %	453,385	593,500	140,115	76.39 %
1170 - Medical Insurance	26,581	31,346	4,765	84.80 %	156,038	376,300	220,263	41.47 %
1180 - Medical Insurance - Retirees	9,526	6,497	-3,028	146.61 %	55,530	78,000	22,470	71.19 %
1190 - Workers Compensation	5,004	5,939	935	84.26 %	24,917	71,300	46,383	34.95 %
1200 - Life Insurance	270	392	122	68.96 %	1,679	4,700	3,022	35.71 %
1210 - Long Term Disability Insurance	1,051	1,266	215	82.99 %	6,268	15,200	8,932	41.24 %
1220 - Short Term Disability Insurance	209	283	75	73.65 %	1,244	3,400	2,156	36.60 %
1230 - Other Benefits	70	125	55	56.02 %	420	1,500	1,080	28.00 %
1260 - Employee Assistance Program	54	125	71	43.26 %	317	1,500	1,183	21.15 %
1270 - FICA Tax Expense	665	683	18	97.42 %	5,217	8,200	2,983	63.62 %
1280 - Medicare Tax Expense	3,564	3,407	-157	104.61 %	19,311	40,900	21,589	47.21 %
1290 - Staff Development & Training	2,510	1,200	-1,310	209.25 %	6,150	14,400	8,250	42.71 %
1300 - Conference Registration	250	966	716	25.87 %	1,055	11,600	10,545	9.09 %
1310 - Professional Dues	105	208	103	50.42 %	305	2,500	2,195	12.20 %
1320 - Personnel Recruitment	0	250	250	0.00 %	550	3,000	2,450	18.35 %
Total Level1: 100 - Personnel Costs:	323,216	337,707	14,491	95.71 %	2,049,970	4,054,100	2,004,130	50.57 %
Level1: 200 - Supplies and Services								
2000 - Board Member Compensation	2,295	2,824	529	81.27 %	15,390	33,900	18,510	45.40 %
2020 - Board Expenses	65	425	360	15.30 %	1,060	5,100	4,040	20.78 %
2040 - Rent	1,280	1,933	653	66.23 %	11,530	23,200	11,670	49.70 %
2060 - Utilities	2,411	2,766	355	87.18 %	15,867	33,200	17,333	47.79 %
2120 - Insurance Expense	5,847	5,423	-425	107.83 %	35,133	65,100	29,967	53.97 %
2130 - Membership Dues	739	2,782	2,043	26.56 %	28,059	33,400	5,341	84.01 %
2140 - Bank Charges	881	325	-556	271.12 %	8,894	3,900	-4,994	228.06 %
2150 - Office Supplies	417	1,449	1,033	28.75 %	8,141	17,400	9,259	46.79 %
2160 - Courier Expense	525	508	-17	103.32 %	3,201	6,100	2,899	52.48 %
2170 - Printing/Photocopy	0	42	42	0.00 %	0	500	500	0.00 %
2180 - Postage & Shipping	858	566	-291	151.40 %	2,190	6,800	4,610	32.20 %
2190 - IT Supplies/Services	44,098	12,495	-31,603	352.93 %	141,350	150,000	8,650	94.23 %
2200 - Professional Fees	28,198	30,038	1,840	93.87 %	165,404	360,600	195,196	45.87 %
2220 - Equipment Repairs & Maintenance	0	583	583	0.00 %	4,285	7,000	2,715	61.21 %
2235 - Equipment Lease	1,266	1,158	-108	109.33 %	6,536	13,900	7,364	47.02 %
2240 - Telephone	2,618	4,223	1,605	61.99 %	21,218	50,700	29,482	41.85 %
2260 - Facility Maintenance	2,653	3,432	779	77.30 %	30,555	41,200	10,645	74.16 %
2270 - Travel Expenses	514	2,591	2,076	19.85 %	7,829	31,100	23,271	25.17 %

EXHIBIT 8-D

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Statement of Revenue Over Expense - No Decimals**For Fiscal: 2019-2020 Period Ending: 12/31/2019**

Level...	December Activity	December Budget	Variance Favorable (Unfavorable)	Percent Used	YTD Activity	Total Budget	Variance Favorable (Unfavorable)	Percent Used
2280 - Transportation	4,005	2,916	-1,089	137.37 %	18,278	35,000	16,722	52.22 %
2300 - Legal Services	0	33,320	33,320	0.00 %	87,120	400,000	312,880	21.78 %
2380 - Meeting Expenses	366	508	142	72.12 %	2,118	6,100	3,982	34.72 %
2420 - Legal Notices	0	258	258	0.00 %	0	3,100	3,100	0.00 %
2460 - Public Outreach	1,185	208	-977	569.03 %	2,473	2,500	27	98.92 %
2480 - Miscellaneous	0	250	250	0.00 %	379	3,000	2,621	12.63 %
2500 - Tax Administration Fee	0	1,666	1,666	0.00 %	0	20,000	20,000	0.00 %
2900 - Operating Supplies	970	1,408	438	68.89 %	6,818	16,900	10,082	40.34 %
Total Level1: 200 - Supplies and Services:	101,191	114,096	12,905	88.69 %	623,827	1,369,700	745,873	45.54 %
Level1: 300 - Other Expenses								
3000 - Project Expenses	346,394	962,115	615,721	36.00 %	2,730,172	11,550,000	8,819,828	23.64 %
4000 - Fixed Asset Purchases	18,119	17,818	-301	101.69 %	25,482	213,900	188,418	11.91 %
5000 - Debt Service	0	19,159	19,159	0.00 %	63,748	230,000	166,252	27.72 %
6000 - Contingencies	0	5,831	5,831	0.00 %	0	70,000	70,000	0.00 %
6500 - Reserves	0	45,952	45,952	0.00 %	0	551,650	551,650	0.00 %
Total Level1: 300 - Other Expenses:	364,513	1,050,875	686,362	34.69 %	2,819,403	12,615,550	9,796,147	22.35 %
Total Expense:	788,919	1,502,678	713,759	52.50 %	5,493,199	18,039,350	12,546,151	30.45 %
Report Total:	3,793,384	0	3,793,384		1,905,563	0	1,905,563	

EXHIBIT 8-D**Statement of Revenue Over Expense - No Decimals**

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For Fiscal: 2019-2020 Period Ending: 12/31/2019

Fund Summary

Fund	December Activity	December Budget	Variance Favorable (Unfavorable)	Percent Used	YTD Activity	Total Budget	Variance Favorable (Unfavorable)	Percent Used
24 - MITIGATION FUND	338,618	0	338,617		-67,540	0	-67,540	
26 - CONSERVATION FUND	183,356	0	183,356		5,318	0	5,318	
35 - WATER SUPPLY FUND	3,271,410	0	3,271,410		1,967,785	0	1,967,785	
Report Total:	3,793,384	0.01	3,793,384		1,905,563	0	1,905,563	



Monterey Peninsula Water Management Dist

Statement of Revenue Over Expense - No Decimals

Group Summary

For Fiscal: 2019-2020 Period Ending: 12/31/2019

Level...	December Activity	December Budget	Variance Favorable (Unfavorable)	Percent Used	YTD Activity	Total Budget	Variance Favorable (Unfavorable)	Percent Used
Fund: 24 - MITIGATION FUND								
Revenue								
R130 - User Fees	308,034	256,564	51,470	120.06 %	1,296,482	3,080,000	-1,783,518	42.09 %
R180 - River Work Permit Application	0	0	0	0.00 %	50	0	50	0.00 %
R190 - WDS Permits Rule 21	0	4,665	-4,665	0.00 %	0	56,000	-56,000	0.00 %
R220 - Copy Fee	0	0	0	0.00 %	22	0	22	0.00 %
R230 - Miscellaneous - Other	58	417	-359	13.87 %	173	5,000	-4,827	3.46 %
R240 - Insurance Refunds	0	0	0	0.00 %	2,225	0	2,225	0.00 %
R250 - Interest Income	1,207	4,165	-2,958	28.99 %	8,924	50,000	-41,076	17.85 %
R290 - CAW - Miscellaneous	0	3,749	-3,749	0.00 %	47,115	45,000	2,115	104.70 %
R310 - Other Reimbursements	18,999	7,522	11,477	252.58 %	18,999	90,300	-71,301	21.04 %
R320 - Grants	239,809	38,984	200,824	615.14 %	239,809	468,000	-228,191	51.24 %
R500 - Capital Equipment Reserve	0	950	-950	0.00 %	0	11,400	-11,400	0.00 %
R510 - Operating Reserve	0	55,378	-55,378	0.00 %	0	664,800	-664,800	0.00 %
Total Revenue:	568,107	372,393	195,715	-152.56 %	1,613,799	4,470,500	-2,856,701	36.10 %

EXHIBIT 8-D

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Statement of Revenue Over Expense - No Decimals**For Fiscal: 2019-2020 Period Ending: 12/31/2019**

Level...	December Activity	December Budget	Variance Favorable (Unfavorable)	Percent Used	YTD Activity	Total Budget	Variance Favorable (Unfavorable)	Percent Used
Expense								
Level1: 100 - Personnel Costs								
1100 - Salaries & Wages	131,228	88,889	-42,338	147.63 %	523,883	1,067,100	543,217	49.09 %
1110 - Manager's Auto Allowance	92	75	-17	123.12 %	554	900	346	61.55 %
1120 - Manager's Deferred Comp	143	117	-26	122.47 %	857	1,400	543	61.24 %
1130 - Unemployment Compensation	0	100	100	0.00 %	2,030	1,200	-830	169.20 %
1150 - Temporary Personnel	1,340	1,883	543	71.18 %	12,832	22,600	9,768	56.78 %
1160 - PERS Retirement	6,122	19,092	12,970	32.07 %	175,881	229,200	53,319	76.74 %
1170 - Medical Insurance	10,670	12,895	2,225	82.75 %	64,135	154,800	90,665	41.43 %
1180 - Medical Insurance - Retirees	3,906	2,666	-1,240	146.52 %	22,748	32,000	9,252	71.09 %
1190 - Workers Compensation	3,434	3,390	-44	101.28 %	15,333	40,700	25,367	37.67 %
1200 - Life Insurance	114	158	44	72.05 %	709	1,900	1,191	37.33 %
1210 - Long Term Disability Insurance	407	508	101	80.14 %	2,537	6,100	3,563	41.58 %
1220 - Short Term Disability Insurance	81	108	27	74.71 %	504	1,300	796	38.74 %
1230 - Other Benefits	29	50	21	57.42 %	172	600	428	28.70 %
1260 - Employee Assistance Program	22	42	20	52.46 %	131	500	369	26.21 %
1270 - FICA Tax Expense	362	308	-53	117.34 %	3,292	3,700	408	88.97 %
1280 - Medicare Tax Expense	1,914	1,316	-598	145.43 %	8,428	15,800	7,372	53.34 %
1290 - Staff Development & Training	894	375	-519	238.54 %	2,293	4,500	2,207	50.96 %
1300 - Conference Registration	103	317	214	32.38 %	341	3,800	3,459	8.98 %
1310 - Professional Dues	105	67	-38	157.56 %	255	800	545	31.88 %
1320 - Personnel Recruitment	0	100	100	0.00 %	114	1,200	1,086	9.51 %
Total Level1: 100 - Personnel Costs:	160,965	132,455	-28,509	121.52 %	837,031	1,590,100	753,069	52.64 %
Level1: 200 - Supplies and Services								
2000 - Board Member Compensation	770	1,158	388	66.46 %	5,152	13,900	8,748	37.06 %
2020 - Board Expenses	27	175	148	15.23 %	435	2,100	1,665	20.69 %
2040 - Rent	560	891	331	62.87 %	5,287	10,700	5,413	49.41 %
2060 - Utilities	991	1,141	150	86.82 %	6,534	13,700	7,166	47.69 %
2120 - Insurance Expense	2,397	2,224	-173	107.79 %	14,385	26,700	12,315	53.88 %
2130 - Membership Dues	303	975	672	31.09 %	11,338	11,700	362	96.90 %
2140 - Bank Charges	361	133	-228	270.96 %	3,647	1,600	-2,047	227.92 %
2150 - Office Supplies	163	583	420	27.97 %	2,459	7,000	4,541	35.13 %
2160 - Courier Expense	215	208	-7	103.36 %	1,312	2,500	1,188	52.50 %
2170 - Printing/Photocopy	0	17	17	0.00 %	0	200	200	0.00 %
2180 - Postage & Shipping	352	233	-118	150.75 %	898	2,800	1,902	32.06 %
2190 - IT Supplies/Services	18,080	5,123	-12,957	352.93 %	57,950	61,500	3,550	94.23 %
2200 - Professional Fees	11,561	12,320	759	93.84 %	67,801	147,900	80,099	45.84 %
2220 - Equipment Repairs & Maintenance	0	242	242	0.00 %	1,735	2,900	1,165	59.84 %
2235 - Equipment Lease	519	475	-44	109.31 %	2,687	5,700	3,013	47.14 %
2240 - Telephone	1,256	1,716	460	73.18 %	9,844	20,600	10,756	47.79 %
2260 - Facility Maintenance	1,099	1,416	317	77.64 %	10,473	17,000	6,527	61.61 %
2270 - Travel Expenses	341	783	442	43.55 %	3,844	9,400	5,556	40.89 %

EXHIBIT 8-D

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Statement of Revenue Over Expense - No Decimals**For Fiscal: 2019-2020 Period Ending: 12/31/2019**

Level...	December Activity	December Budget	Variance Favorable (Unfavorable)	Percent Used	YTD Activity	Total Budget	Variance Favorable (Unfavorable)	Percent Used
2280 - Transportation	3,022	1,308	-1,714	231.08 %	14,773	15,700	927	94.09 %
2300 - Legal Services	0	9,996	9,996	0.00 %	31,100	120,000	88,900	25.92 %
2380 - Meeting Expenses	150	208	58	72.15 %	822	2,500	1,678	32.90 %
2420 - Legal Notices	0	108	108	0.00 %	0	1,300	1,300	0.00 %
2460 - Public Outreach	486	83	-403	583.25 %	1,006	1,000	-6	100.57 %
2480 - Miscellaneous	0	100	100	0.00 %	155	1,200	1,045	12.95 %
2500 - Tax Administration Fee	0	483	483	0.00 %	0	5,800	5,800	0.00 %
2900 - Operating Supplies	48	183	136	25.95 %	730	2,200	1,470	33.16 %
Total Level1: 200 - Supplies and Services:	42,701	42,283	-418	100.99 %	254,365	507,600	253,235	50.11 %
Level1: 300 - Other Expenses								
3000 - Project Expenses	18,395	155,908	137,513	11.80 %	579,606	1,871,650	1,292,044	30.97 %
4000 - Fixed Asset Purchases	7,429	8,447	1,018	87.95 %	10,337	101,400	91,063	10.19 %
6000 - Contingencies	0	2,391	2,391	0.00 %	0	28,700	28,700	0.00 %
6500 - Reserves	0	30,908	30,908	0.00 %	0	371,050	371,050	0.00 %
Total Level1: 300 - Other Expenses:	25,824	197,654	171,830	13.07 %	589,942	2,372,800	1,782,858	24.86 %
Total Expense:	229,490	372,393	142,903	61.63 %	1,681,339	4,470,500	2,789,161	37.61 %
Total Revenues	568,107	372,393	195,715	-152.56 %	1,613,799	4,470,500	-2,856,701	-36.10 %
Total Fund: 24 - MITIGATION FUND:	338,618	0	338,617		-67,540	0	-67,540	

EXHIBIT 8-D

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Statement of Revenue Over Expense - No Decimals**For Fiscal: 2019-2020 Period Ending: 12/31/2019**

Level...	December Activity	December Budget	Variance Favorable (Unfavorable)	Percent Used	YTD Activity	Total Budget	Variance Favorable (Unfavorable)	Percent Used
Fund: 26 - CONSERVATION FUND								
Revenue								
R120 - Property Taxes Revenues	138,842	20,825	118,017	666.71 %	138,842	250,000	-111,158	55.54 %
R130 - User Fees	119,340	99,960	19,380	119.39 %	500,578	1,200,000	-699,422	41.71 %
R150 - Permit Processing Fee	20,486	14,578	5,909	140.53 %	114,354	175,000	-60,646	65.35 %
R200 - Recording Fees	2,880	500	2,380	576.23 %	19,090	6,000	13,090	318.17 %
R210 - Legal Fees	150	1,333	-1,183	11.25 %	300	16,000	-15,700	1.88 %
R220 - Copy Fee	0	0	0	0.00 %	14	0	14	0.00 %
R230 - Miscellaneous - Other	37	417	-380	8.79 %	113	5,000	-4,887	2.27 %
R240 - Insurance Refunds	0	0	0	0.00 %	1,411	0	1,411	0.00 %
R250 - Interest Income	4,557	3,332	1,225	136.75 %	13,938	40,000	-26,062	34.84 %
R270 - CAW - Rebates	26,750	58,310	-31,560	45.88 %	141,422	700,000	-558,578	20.20 %
R500 - Capital Equipment Reserve	0	666	-666	0.00 %	0	8,000	-8,000	0.00 %
R510 - Operating Reserve	0	20,992	-20,992	0.00 %	0	252,000	-252,000	0.00 %
Total Revenue:	313,042	220,912	92,130	-141.70 %	930,062	2,652,000	-1,721,938	35.07 %

EXHIBIT 8-D

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Statement of Revenue Over Expense - No Decimals**For Fiscal: 2019-2020 Period Ending: 12/31/2019**

Level...	December Activity	December Budget	Variance Favorable (Unfavorable)	Percent Used	YTD Activity	Total Budget	Variance Favorable (Unfavorable)	Percent Used
Expense								
Level1: 100 - Personnel Costs								
1100 - Salaries & Wages	40,333	57,494	17,161	70.15 %	244,424	690,200	445,776	35.41 %
1110 - Manager's Auto Allowance	92	125	33	73.87 %	554	1,500	946	36.93 %
1120 - Manager's Deferred Comp	143	200	57	71.44 %	857	2,400	1,543	35.72 %
1130 - Unemployment Compensation	0	67	67	0.00 %	188	800	612	23.50 %
1150 - Temporary Personnel	850	1,191	341	71.34 %	26,649	14,300	-12,349	186.36 %
1160 - PERS Retirement	3,517	11,604	8,086	30.31 %	99,316	139,300	39,984	71.30 %
1170 - Medical Insurance	6,152	8,455	2,303	72.77 %	33,466	101,500	68,034	32.97 %
1180 - Medical Insurance - Retirees	2,477	1,691	-786	146.47 %	14,476	20,300	5,824	71.31 %
1190 - Workers Compensation	155	317	162	48.88 %	947	3,800	2,853	24.92 %
1200 - Life Insurance	49	83	34	58.76 %	302	1,000	698	30.19 %
1210 - Long Term Disability Insurance	239	325	86	73.54 %	1,301	3,900	2,599	33.37 %
1220 - Short Term Disability Insurance	47	75	27	63.33 %	258	900	642	28.71 %
1230 - Other Benefits	18	33	15	54.62 %	109	400	291	27.30 %
1260 - Employee Assistance Program	13	33	21	37.70 %	68	400	332	17.09 %
1270 - FICA Tax Expense	46	58	12	79.66 %	312	700	388	44.55 %
1280 - Medicare Tax Expense	587	858	271	68.45 %	3,884	10,300	6,416	37.71 %
1290 - Staff Development & Training	782	458	-324	170.61 %	2,237	5,500	3,263	40.67 %
1300 - Conference Registration	65	392	327	16.60 %	370	4,700	4,330	7.88 %
1310 - Professional Dues	0	75	75	0.00 %	50	900	850	5.56 %
1320 - Personnel Recruitment	0	67	67	0.00 %	344	800	456	43.06 %
Total Level1: 100 - Personnel Costs:	55,565	83,600	28,035	66.47 %	430,115	1,003,600	573,485	42.86 %
Level1: 200 - Supplies and Services								
2000 - Board Member Compensation	749	733	-16	102.21 %	5,030	8,800	3,770	57.16 %
2020 - Board Expenses	17	108	91	15.61 %	276	1,300	1,024	21.20 %
2040 - Rent	230	217	-14	106.24 %	1,381	2,600	1,219	53.10 %
2060 - Utilities	620	691	71	89.67 %	4,043	8,300	4,257	48.71 %
2120 - Insurance Expense	1,520	1,408	-113	108.00 %	9,170	16,900	7,730	54.26 %
2130 - Membership Dues	192	1,025	832	18.75 %	7,596	12,300	4,704	61.75 %
2140 - Bank Charges	229	83	-146	274.91 %	2,313	1,000	-1,313	231.25 %
2150 - Office Supplies	103	383	280	26.99 %	3,672	4,600	928	79.83 %
2160 - Courier Expense	137	133	-3	102.42 %	832	1,600	768	52.02 %
2170 - Printing/Photocopy	0	8	8	0.00 %	0	100	100	0.00 %
2180 - Postage & Shipping	223	142	-81	157.45 %	569	1,700	1,131	33.49 %
2190 - IT Supplies/Services	11,466	3,249	-8,217	352.93 %	36,759	39,000	2,241	94.25 %
2200 - Professional Fees	7,331	7,797	466	94.03 %	43,035	93,600	50,565	45.98 %
2220 - Equipment Repairs & Maintenance	0	150	150	0.00 %	1,156	1,800	644	64.24 %
2235 - Equipment Lease	329	300	-29	109.76 %	1,703	3,600	1,897	47.31 %
2240 - Telephone	679	1,066	387	63.70 %	5,403	12,800	7,397	42.21 %
2260 - Facility Maintenance	685	866	182	79.01 %	9,903	10,400	497	95.22 %
2270 - Travel Expenses	86	1,141	1,055	7.57 %	2,329	13,700	11,372	17.00 %

EXHIBIT 8-D

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Statement of Revenue Over Expense - No Decimals**For Fiscal: 2019-2020 Period Ending: 12/31/2019**

Level...	December Activity	December Budget	Variance Favorable (Unfavorable)	Percent Used	YTD Activity	Total Budget	Variance Favorable (Unfavorable)	Percent Used
2280 - Transportation	525	317	-209	165.87 %	1,508	3,800	2,292	39.69 %
2300 - Legal Services	0	4,998	4,998	0.00 %	23,429	60,000	36,571	39.05 %
2380 - Meeting Expenses	95	125	30	76.25 %	595	1,500	905	39.65 %
2420 - Legal Notices	0	50	50	0.00 %	0	600	600	0.00 %
2460 - Public Outreach	308	58	-250	528.38 %	638	700	62	91.11 %
2480 - Miscellaneous	0	67	67	0.00 %	99	800	702	12.31 %
2500 - Tax Administration Fee	0	475	475	0.00 %	0	5,700	5,700	0.00 %
2900 - Operating Supplies	922	1,050	127	87.87 %	6,074	12,600	6,526	48.21 %
Total Level1: 200 - Supplies and Services:	26,447	26,639	192	99.28 %	167,511	319,800	152,289	52.38 %
Level1: 300 - Other Expenses								
3000 - Project Expenses	42,962	96,295	53,333	44.61 %	320,455	1,156,000	835,545	27.72 %
4000 - Fixed Asset Purchases	4,711	4,240	-471	111.11 %	6,663	50,900	44,237	13.09 %
6000 - Contingencies	0	1,516	1,516	0.00 %	0	18,200	18,200	0.00 %
6500 - Reserves	0	8,622	8,622	0.00 %	0	103,500	103,500	0.00 %
Total Level1: 300 - Other Expenses:	47,673	110,672	63,000	43.08 %	327,118	1,328,600	1,001,482	24.62 %
Total Expense:	129,685	220,912	91,226	58.70 %	924,744	2,652,000	1,727,256	34.87 %
Total Revenues	313,042	220,912	92,130	-141.70 %	930,062	2,652,000	-1,721,938	-35.07 %
Total Fund: 26 - CONSERVATION FUND:	183,356	0	183,356		5,318	0	5,318	

EXHIBIT 8-D

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Statement of Revenue Over Expense - No Decimals**For Fiscal: 2019-2020 Period Ending: 12/31/2019**

Level...	December Activity	December Budget	Variance Favorable (Unfavorable)	Percent Used	YTD Activity	Total Budget	Variance Favorable (Unfavorable)	Percent Used
Fund: 35 - WATER SUPPLY FUND								
Revenue								
R100 - Water Supply Charge	1,953,839	283,220	1,670,619	689.87 %	1,951,463	3,400,000	-1,448,537	57.40 %
R120 - Property Taxes Revenues	999,663	149,940	849,723	666.71 %	1,000,663	1,800,000	-799,337	55.59 %
R130 - User Fees	71,297	59,976	11,321	118.88 %	298,132	720,000	-421,868	41.41 %
R140 - Connection Charges	86,357	33,320	53,037	259.17 %	268,252	400,000	-131,748	67.06 %
R220 - Copy Fee	0	0	0	0.00 %	17	0	17	0.00 %
R230 - Miscellaneous - Other	47	417	-370	11.16 %	139	5,000	-4,861	2.79 %
R240 - Insurance Refunds	0	0	0	0.00 %	1,791	0	1,791	0.00 %
R250 - Interest Income	2,554	7,497	-4,943	34.07 %	48,630	90,000	-41,370	54.03 %
R260 - CAW - ASR	546,784	40,376	506,409	1,354.25 %	546,784	484,700	62,084	112.81 %
R300 - Watermaster	24,629	2,916	21,714	844.76 %	24,629	35,000	-10,371	70.37 %
R308 - Reclamation Project	0	1,666	-1,666	0.00 %	0	20,000	-20,000	0.00 %
R309 - GWR Project Reimbursements	15,984	0	15,984	0.00 %	714,400	0	714,400	0.00 %
R310 - Other Reimbursements	0	2,999	-2,999	0.00 %	0	36,000	-36,000	0.00 %
R500 - Capital Equipment Reserve	0	758	-758	0.00 %	0	9,100	-9,100	0.00 %
R510 - Operating Reserve	0	326,290	-326,290	0.00 %	0	3,917,050	-3,917,050	0.00 %
Total Revenue:	3,701,154	909,374	2,791,781	-407.00 %	4,854,902	10,916,850	-6,061,948	44.47 %

EXHIBIT 8-D**Statement of Revenue Over Expense - No Decimals****For Fiscal: 2019-2020 Period Ending: 12/31/2019**

Level...	December Activity	December Budget	Variance Favorable (Unfavorable)	Percent Used	YTD Activity	Total Budget	Variance Favorable (Unfavorable)	Percent Used
Expense								
Level1: 100 - Personnel Costs								
1100 - Salaries & Wages	80,902	83,075	2,173	97.38 %	489,954	997,300	507,346	49.13 %
1110 - Manager's Auto Allowance	277	300	23	92.34 %	1,662	3,600	1,938	46.17 %
1120 - Manager's Deferred Comp	429	466	38	91.86 %	2,571	5,600	3,029	45.92 %
1130 - Unemployment Compensation	0	83	83	0.00 %	239	1,000	761	23.86 %
1150 - Temporary Personnel	1,079	1,516	438	71.14 %	10,329	18,200	7,871	56.75 %
1160 - PERS Retirement	6,810	18,743	11,932	36.34 %	178,188	225,000	46,812	79.19 %
1170 - Medical Insurance	9,759	9,996	237	97.62 %	58,436	120,000	61,564	48.70 %
1180 - Medical Insurance - Retirees	3,144	2,141	-1,003	146.84 %	18,306	25,700	7,394	71.23 %
1190 - Workers Compensation	1,416	2,232	817	63.42 %	8,637	26,800	18,163	32.23 %
1200 - Life Insurance	107	150	43	71.38 %	667	1,800	1,133	37.08 %
1210 - Long Term Disability Insurance	405	433	28	93.42 %	2,430	5,200	2,770	46.74 %
1220 - Short Term Disability Insurance	80	100	20	80.25 %	482	1,200	718	40.18 %
1230 - Other Benefits	23	42	19	55.46 %	139	500	361	27.72 %
1260 - Employee Assistance Program	20	50	30	39.30 %	118	600	482	19.64 %
1270 - FICA Tax Expense	257	317	59	81.30 %	1,613	3,800	2,187	42.45 %
1280 - Medicare Tax Expense	1,063	1,233	170	86.21 %	6,998	14,800	7,802	47.29 %
1290 - Staff Development & Training	834	367	-468	227.59 %	1,620	4,400	2,780	36.82 %
1300 - Conference Registration	83	258	176	31.95 %	343	3,100	2,757	11.07 %
1310 - Professional Dues	0	67	67	0.00 %	0	800	800	0.00 %
1320 - Personnel Recruitment	0	83	83	0.00 %	92	1,000	908	9.18 %
Total Level1: 100 - Personnel Costs:	106,686	121,651	14,966	87.70 %	782,824	1,460,400	677,576	53.60 %
Level1: 200 - Supplies and Services								
2000 - Board Member Compensation	776	933	157	83.20 %	5,208	11,200	5,992	46.50 %
2020 - Board Expenses	21	142	120	15.15 %	350	1,700	1,350	20.57 %
2040 - Rent	490	825	335	59.36 %	4,862	9,900	5,038	49.11 %
2060 - Utilities	800	933	133	85.76 %	5,290	11,200	5,910	47.23 %
2120 - Insurance Expense	1,930	1,791	-139	107.75 %	11,578	21,500	9,922	53.85 %
2130 - Membership Dues	244	783	539	31.14 %	9,125	9,400	275	97.08 %
2140 - Bank Charges	291	108	-182	268.42 %	2,935	1,300	-1,635	225.78 %
2150 - Office Supplies	150	483	333	31.08 %	2,009	5,800	3,791	34.64 %
2160 - Courier Expense	173	167	-7	103.99 %	1,056	2,000	944	52.82 %
2170 - Printing/Photocopy	0	17	17	0.00 %	0	200	200	0.00 %
2180 - Postage & Shipping	283	192	-91	147.72 %	723	2,300	1,577	31.42 %
2190 - IT Supplies/Services	14,552	4,123	-10,429	352.93 %	46,642	49,500	2,858	94.23 %
2200 - Professional Fees	9,305	9,921	616	93.79 %	54,568	119,100	64,532	45.82 %
2220 - Equipment Repairs & Maintenance	0	192	192	0.00 %	1,393	2,300	907	60.55 %
2235 - Equipment Lease	418	383	-35	109.02 %	2,145	4,600	2,455	46.64 %
2240 - Telephone	683	1,441	758	47.41 %	5,971	17,300	11,329	34.52 %
2260 - Facility Maintenance	869	1,150	281	75.58 %	10,179	13,800	3,621	73.76 %
2270 - Travel Expenses	87	666	580	13.03 %	1,657	8,000	6,343	20.71 %

EXHIBIT 8-D

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Statement of Revenue Over Expense - No Decimals**For Fiscal: 2019-2020 Period Ending: 12/31/2019**

Level...	December Activity	December Budget	Variance Favorable (Unfavorable)	Percent Used	YTD Activity	Total Budget	Variance Favorable (Unfavorable)	Percent Used
2280 - Transportation	458	1,291	833	35.46 %	1,997	15,500	13,503	12.88 %
2300 - Legal Services	0	18,326	18,326	0.00 %	32,590	220,000	187,410	14.81 %
2380 - Meeting Expenses	121	175	54	69.14 %	701	2,100	1,399	33.38 %
2420 - Legal Notices	0	100	100	0.00 %	0	1,200	1,200	0.00 %
2460 - Public Outreach	391	67	-324	586.81 %	829	800	-29	103.68 %
2480 - Miscellaneous	0	83	83	0.00 %	125	1,000	875	12.50 %
2500 - Tax Administration Fee	0	708	708	0.00 %	0	8,500	8,500	0.00 %
2900 - Operating Supplies	0	175	175	0.00 %	15	2,100	2,085	0.70 %
Total Level1: 200 - Supplies and Services:	32,042	45,174	13,132	70.93 %	201,951	542,300	340,349	37.24 %
Level1: 300 - Other Expenses								
3000 - Project Expenses	285,037	709,912	424,875	40.15 %	1,830,111	8,522,350	6,692,239	21.47 %
4000 - Fixed Asset Purchases	5,979	5,131	-848	116.53 %	8,483	61,600	53,117	13.77 %
5000 - Debt Service	0	19,159	19,159	0.00 %	63,748	230,000	166,252	27.72 %
6000 - Contingencies	0	1,924	1,924	0.00 %	0	23,100	23,100	0.00 %
6500 - Reserves	0	6,422	6,422	0.00 %	0	77,100	77,100	0.00 %
Total Level1: 300 - Other Expenses:	291,016	742,549	451,532	39.19 %	1,902,342	8,914,150	7,011,808	21.34 %
Total Expense:	429,744	909,374	479,630	47.26 %	2,887,117	10,916,850	8,029,733	26.45 %
Total Revenues	3,701,154	909,374	2,791,781	-407.00 %	4,854,902	10,916,850	-6,061,948	-44.47 %
Total Fund: 35 - WATER SUPPLY FUND:	3,271,410	0	3,271,410		1,967,785	0	1,967,785	
Report Total:	3,793,384	0	3,793,384		1,905,563	0	1,905,563	

EXHIBIT 8-D**Statement of Revenue Over Expense - No Decimals**

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For Fiscal: 2019-2020 Period Ending: 12/31/2019

Fund Summary

Fund	December Activity	December Budget	Variance Favorable (Unfavorable)	Percent Used	YTD Activity	Total Budget	Variance Favorable (Unfavorable)	Percent Used
24 - MITIGATION FUND	338,618	0	338,617		-67,540	0	-67,540	
26 - CONSERVATION FUND	183,356	0	183,356		5,318	0	5,318	
35 - WATER SUPPLY FUND	3,271,410	0	3,271,410		1,967,785	0	1,967,785	
Report Total:	3,793,384	0.01	3,793,384		1,905,563	0	1,905,563	

ITEM: CONSENT CALENDAR**9. RECEIVE AND FILE SECOND QUARTER FINANCIAL ACTIVITY REPORT FOR FISCAL YEAR 2019-2020****Meeting Date:** February 19, 2020 **Budgeted:** N/A**From:** David J. Stoldt,
General Manager **Program/** N/A
Line Item No.:**Prepared By:** Suresh Prasad **Cost Estimate:** N/A**General Counsel Review:** N/A**Committee Recommendation:** The Administrative Committee reviewed this item on February 13, 2020 and recommended approval on a 3 – 0 vote.**CEQA Compliance:** This action does not constitute a project as defined by the California Environmental Quality Act Guidelines Section 15378.

SUMMARY: The second quarter of Fiscal Year (FY) 2019-2020 concluded on December 31, 2019. Table comparing budgeted and actual year-to-date revenues and expenditures for the period are included as **Exhibit 9-A**. **Exhibits 9-B and 9-C** presents the same information in bar graph format. The following comments summarize District staff's observations:

REVENUES

The revenue table compares amounts received through the second quarter and conclusion of FY 2019-2020 to the amounts budgeted for that same time period. Total revenues collected were \$7,398,763, or 82.0% of the budgeted amount of \$9,019,675. Variances within the individual revenue categories are described below:

- Water Supply Charge revenues were \$1,951,463, or 114.8% of the budget for the period. The first installment of this revenue was received in December 2019. The second installment will be received in April 2020.
- Property tax revenues were \$1,139,505, or 111.2% of the budget for the period. The first installment of this revenue was received in December 2019. The second installment will be received in April 2020.
- User Fee revenues were \$2,095,193, or about 83.8% of the amount budgeted. This is lower than budgeted since the actual collections are 2 months behind.
- Connection Charge revenues were \$268,252, or 134.1% of the budget for the period. Actual collection was higher than anticipated budgeted figure as the forecasted figures are based on estimated number of customers pulling permits. There was more connection charge received than budgeted for the first six months.
- Permit Fees revenues were \$114,404, or 99.1% of the budget for the period. The actual was in line with the budgeted figure.
- Interest revenues were 71,492, or 79.4% of the budget for the period. Actual interest received was significantly lower than budgeted for the first six months due to some interest earnings being received in the second half of the fiscal year.

- Reimbursements of \$1,493,349, or 211.7% of the budget. This is based on actual spending and collection of reimbursement project funds. This is considerably higher than the budgeted amount due to the Pure Water Monterey reimbursement from State Revolving Fund which was received in first half of the fiscal and not reflected in the budget. This reimbursement amount was \$698,416.
- Grant revenue of \$239,809, or 102.5% of the budget. The actual collection was in line with the budgeted amount.
- The Other revenue category totaled \$25,296 or about 136.7% of the budgeted amount. This category includes reimbursement revenues from legal and other miscellaneous services.
- The Reserves category totaled \$0 or about 0.00% of the budgeted amount. This category includes potential use of reserves and the water supply carry forward balance during the fiscal year for which adjustments will be made at the conclusion of the fiscal year.

EXPENDITURES

Expenditure activity as depicted on the expenditure table is similar to patterns seen in past fiscal years. Total expenditures of \$5,493,199 were about 60.9% of the budgeted amount of \$9,019,675 for the period. Variances within the individual expenditure categories are described below:

- Personnel costs of \$2,049,970 were about 101.1% of the budget. This was slightly higher than the anticipated budget as CalPERS unfunded liability for the current fiscal year is paid up front in July.
- Expenditures for supplies and services were \$623,827, or about 91.1% of the budgeted amount. This was lower than the anticipated budget due to the consulting services and legal expenses coming in lower than the expected budgeted numbers.
- Fixed assets purchase of \$25,482 represented around 23.8% of the budgeted amount. This was slightly lower than the anticipated budget due to deferral of fixed asset purchases into the second half of the fiscal year.
- Funds spent for project expenditures were \$2,730,172, or approximately 47.3% of the amount budgeted for the period. This is due to most projects spending being deferred to next quarter.
- Debt Service included costs of \$63,748, or 55.4% of the budget for the period. Debt service is paid semi-annually, in December and June.
- Contingencies/Other expenditures \$0, or 0% of the budgeted amount. This was due to the contingency budget not spent during this fiscal year.
- Reserve expenditures of \$0, or 0% of the budgeted amount. This category includes potential use of reserves during the fiscal year for which adjustments will be made at the conclusion of the fiscal year.

EXHIBITS

- 9-A** Revenue and Expenditure Table
- 9-B** Revenue Graph
- 9-C** Expenditure Graph

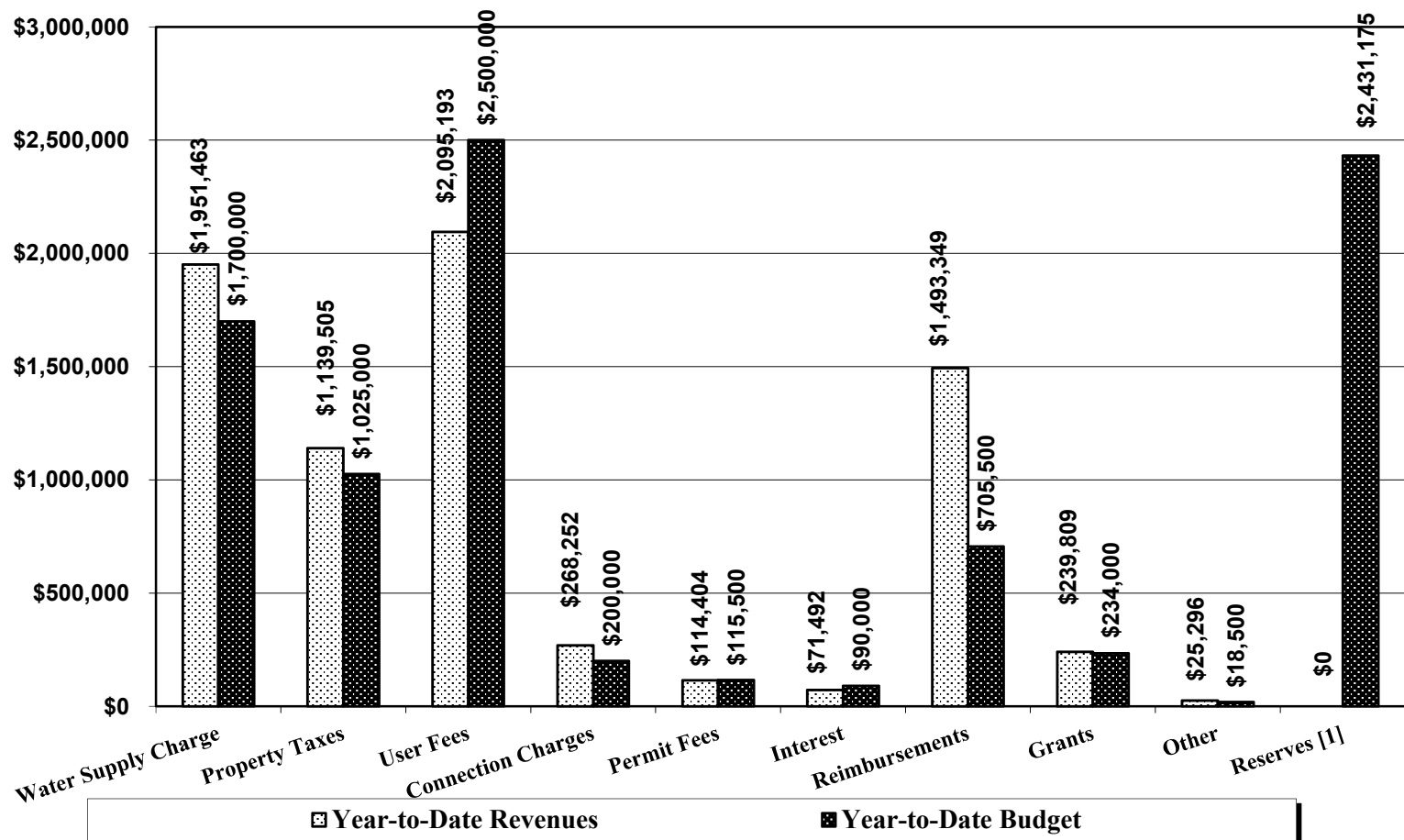
Monterey Peninsula Water Management District
Financial Activity as of December 31, 2019
Fiscal Year 2019-2020

	Year-to-Date <u>Revenues</u>	Year-to-Date <u>Budget</u>	<u>Variance</u>	Percent of <u>Budget</u>
Water Supply Charge	\$1,951,463	\$1,700,000	(\$251,463)	114.8%
Property Taxes	\$1,139,505	\$1,025,000	(\$114,505)	111.2%
User Fees	\$2,095,193	\$2,500,000	\$404,807	83.8%
Connection Charges	\$268,252	\$200,000	(\$68,252)	134.1%
Permit Fees	\$114,404	\$115,500	\$1,096	99.1%
Interest	\$71,492	\$90,000	\$18,508	79.4%
Reimbursements	\$1,493,349	\$705,500	(\$787,849)	211.7%
Grants	\$239,809	\$234,000	(\$5,809)	102.5%
Other	\$25,296	\$18,500	(\$6,796)	136.7%
Reserves [1]	\$0	\$2,431,175	\$2,431,175	0.0%
Total Revenues	<u>\$7,398,763</u>	<u>\$9,019,675</u>	<u>\$1,620,912</u>	<u>82.0%</u>

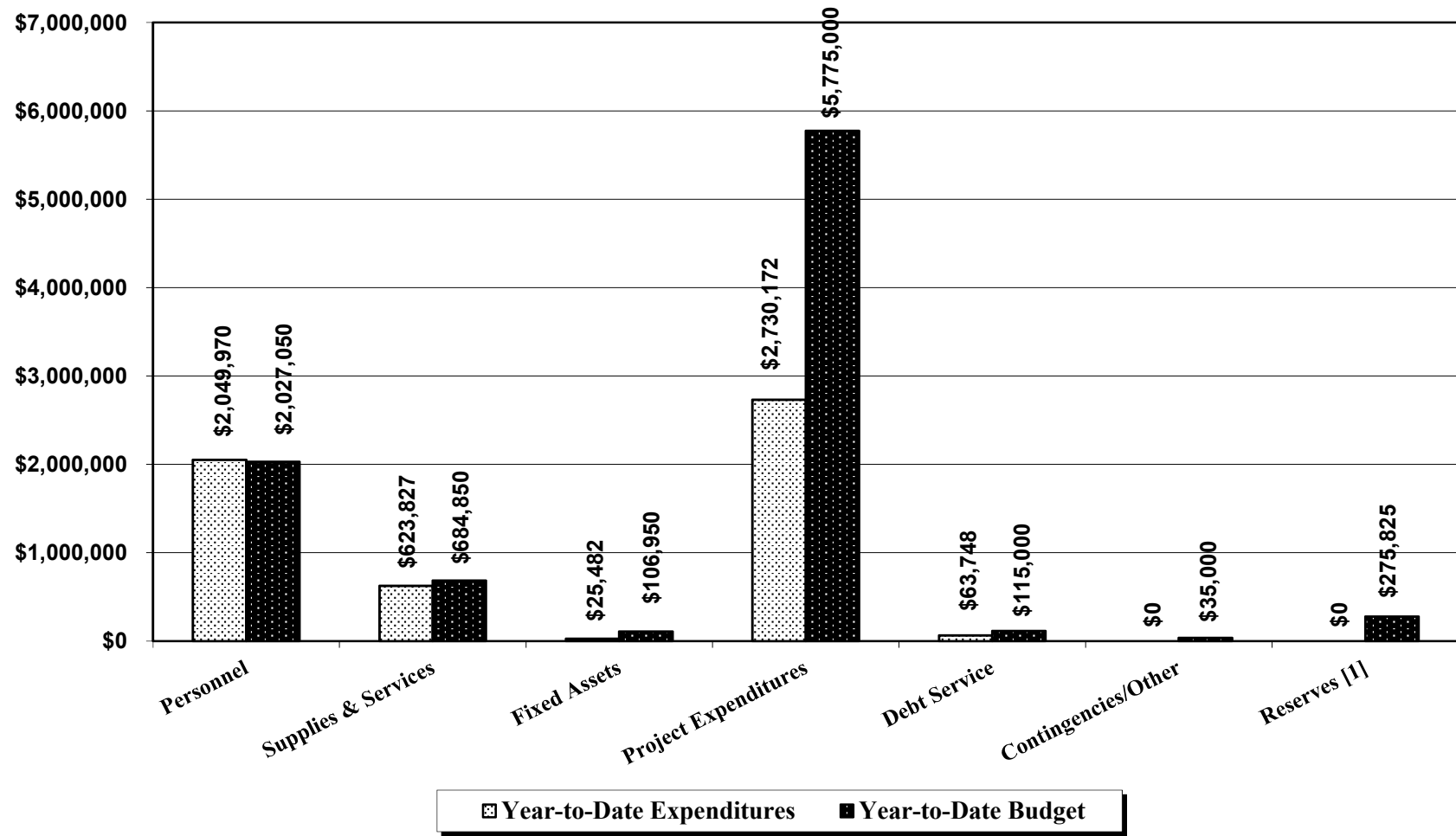
	Year-to-Date <u>Expenditures</u>	Year-to-Date <u>Budget</u>	<u>Variance</u>	Percent of <u>Budget</u>
Personnel	\$2,049,970	\$2,027,050	(\$22,920)	101.1%
Supplies & Services	\$623,827	\$684,850	\$61,023	91.1%
Fixed Assets	\$25,482	\$106,950	\$81,468	23.8%
Project Expenditures	\$2,730,172	\$5,775,000	\$3,044,828	47.3%
Debt Service	\$63,748	\$115,000	\$51,252	55.4%
Contingencies/Other	\$0	\$35,000	\$35,000	0.0%
Reserves [1]	\$0	\$275,825	\$275,825	0.0%
Total Expenditures	<u>\$5,493,199</u>	<u>\$9,019,675</u>	<u>\$3,526,476</u>	<u>60.9%</u>

[1] Budget column includes fund balance, water supply carry forward,
and reserve fund

REVENUES
Fiscal Year Ended December 31, 2019
 Year-to-Date Actual Revenues \$9,019,675
 Year-to-Date Budgeted Revenues \$7,398,763



EXPENDITURES
Fiscal Year Ended December 31, 2019
 Year-to-Date Actual Expenditures \$9,019,675
 Year-to-Date Budgeted Expenditures \$5,493,199



ITEM: CONSENT CALENDAR**10. CONSIDER APPROVAL OF SECOND QUARTER FISCAL YEAR 2019-2020
INVESTMENT REPORT****Meeting Date: February 19, 2020 Budgeted: N/A****From: David J. Stoldt,
 General Manager Program/
 Line Item No.: N/A****Prepared By: Suresh Prasad Cost Estimate: N/A****General Counsel Review: N/A****Committee Recommendation: The Administrative Committee considered this item on February 13, 2020 and recommended approval on a 3 – 0 vote.****CEQA Compliance: This action does not constitute a project as defined by the California Environmental Quality Act Guidelines Section 15378.**

SUMMARY: The District's investment policy requires that each quarter the Board of Directors receive and approve a report on investments held by the District. **Exhibit 10-A** is the report for the quarter ending December 31, 2019. District staff has determined that these investments do include sufficient liquid funds to meet anticipated expenditures for the next six months and as a result this portfolio is in compliance with the current District investment policy. This portfolio is in compliance with the California Government Code, and the permitted investments of Monterey County.

RECOMMENDATION: District staff recommends the Board receive and approve the Second Quarter Fiscal Year 2019-2020 Investment Report.

EXHIBIT**10-A Investment Report as of December 31, 2019**

**MONTEREY PENINSULA WATER MANAGEMENT DISTRICT
INVESTMENT REPORT AS OF DECEMBER 31, 2019**

MPWMD

Issuing Institution Security Description	Purchase Date	Maturity Date	Cost Basis	Par Value	Market Value	Annual Rate of Return	Portfolio Distribution
Local Agency Investment Fund	12/31/19	01/01/20	\$10,092,405	\$10,092,405	\$10,092,405	2.290%	57.39%
Bank of America:							
Money Market	12/31/19	01/01/20	3,355,260	3,355,260	3,355,260	0.000%	
Checking	12/31/19	01/01/20	40,086	40,086	40,086	0.000%	
			\$3,395,346	\$3,395,346	\$3,395,346		19.31%
Wells Fargo Money Market	12/31/19	01/01/20	291,117	291,117	291,117	0.010%	
Wells Fargo Institutional Securities:							
Interest Bearing Certificate of Deposit	02/22/18	02/24/20	\$250,000	\$250,000	\$250,266	2.400%	
Interest Bearing Certificate of Deposit	02/28/18	02/28/20	\$250,000	\$250,000	\$250,269	2.300%	
Interest Bearing Certificate of Deposit	03/05/18	03/05/20	\$250,000	\$250,000	\$250,317	2.350%	
Interest Bearing Certificate of Deposit	03/09/18	03/09/20	\$250,000	\$250,000	\$250,317	2.300%	
Interest Bearing Certificate of Deposit	06/13/18	06/15/20	\$250,000	\$250,000	\$251,254	2.750%	
Interest Bearing Certificate of Deposit	06/28/18	06/29/20	\$250,000	\$250,000	\$251,350	2.750%	
			\$1,791,117	\$1,791,117	\$1,794,890	2.475%	10.18%
Multi-Bank Securities Cash Account	12/31/19	01/01/20	75,179	75,179	75,179	0.000%	
Multi-Securities Bank Securities:							
Interest Bearing Certificate of Deposit	07/03/18	07/06/21	\$246,000	\$246,000	\$250,819	3.000%	
Interest Bearing Certificate of Deposit	06/29/18	06/29/20	\$249,000	\$249,000	\$250,407	2.800%	
Interest Bearing Certificate of Deposit	07/03/18	07/06/21	\$246,000	\$246,000	\$250,819	3.000%	
Interest Bearing Certificate of Deposit	07/06/18	07/06/20	\$249,000	\$249,000	\$250,397	2.750%	
Interest Bearing Certificate of Deposit	08/17/18	02/17/21	\$249,000	\$249,000	\$252,155	2.800%	
Interest Bearing Certificate of Deposit	10/05/18	10/05/21	\$249,000	\$249,000	\$255,058	3.100%	
Interest Bearing Certificate of Deposit	11/21/18	11/22/21	\$246,000	\$246,000	\$253,060	3.250%	
Interest Bearing Certificate of Deposit	01/09/19	01/10/22	\$250,000	\$250,000	\$256,900	3.100%	
Interest Bearing Certificate of Deposit	01/09/19	01/09/20	\$249,000	\$249,000	\$249,085	3.000%	
			\$2,308,179	\$2,308,179	\$2,343,879	2.977%	13.12%
TOTAL MPWMD			\$17,587,048	\$17,587,048	\$17,626,521	1.957%	

CAWD/PBCSD WASTEWATER RECLAMATION PROJECT

Issuing Institution Security Description	Purchase Date	Maturity Date	Cost Basis	Par Value	Market Value	Annual Rate of Return	Portfolio Distribution
US Bank Corp Trust Services:							0.30%
Certificate Payment Fund	12/31/19	01/01/20	816	816	816	0.000%	
Interest Fund	12/31/19	01/01/20	337	337	337	0.000%	
Rebate Fund	12/31/19	01/01/20	19	19	19	0.000%	
			\$1,172	\$1,172	\$1,172	0.000%	
Bank of America:							99.70%
Money Market Fund	12/31/19	01/01/20	386,153	386,153	\$386,153	0.000%	
TOTAL WASTEWATER RECLAMATION PROJECT			\$387,326	\$387,326	\$387,326	0.000%	

These investments do include sufficient liquid funds to meet anticipated expenditures for the next six months as reflected in the FY 2019-2020 annual budget adopted on June 17, 2019.

ITEM: ACTION ITEM**14. RECEIVE 2019 ORDINANCE 152 OVERSIGHT PANEL ANNUAL REPORT****Meeting Date: February 19, 2020 Budgeted: N/A****From: David J. Stoldt General Manager Program/ Line Item No.: N/A****Prepared By: David J. Stoldt Cost Estimate:****General Counsel Approval: 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.**

DISCUSSION: The Ordinance 152 Citizen's Oversight Panel (the "Panel") is a committee formed for the sole purpose of providing a forum for public involvement in the budgeting and expenditure of the District's annual Water Supply Charge. The Panel is directed to meet quarterly and review proposed expenditure of funds for the water supply activities of the District. The Board does not seek consensus from the Panel, but rather input on the ongoing budgeting and expenditure of revenues raised by the water supply charge on water supply related activities. The Panel submits an annual report for consideration by the Board of Directors. **Exhibit 14-A**, attached, serves as the 2019 annual report. In the Panel's by-laws, the report is to be submitted at the September Board meeting, however, beginning 2017 the Panel approved that a calendar year report be submitted.

RECOMMENDATION: The General Manager recommends the Board receive the report.**EXHIBIT****14-A 2019 Annual Report**

EXHIBIT 14-A

Ordinance 152 Citizens Oversight Panel

2019 Annual Report

2019 Recommendations

The following areas of discussion represent five key topics the Panel has identified of particular interest or concern during the recent calendar year.

1. **Measure J Costs:** A portion of the panel believes that the Water Supply Charge was intended for projects to solve the region's longstanding water supply problem and should not be used to fund any of the costs related to Measure J. That includes the cost of the feasibility study, costs related to a "right to take" bench trial, the costs related to a subsequent jury trial to establish fair compensation, and/or the costs of acquisition. The Panel was provided an outside legal opinion that the Water Supply Charge may be used for such Measure J costs and remains divided on the issue.
2. **Mechanics Bank Loan and Other District Obligations:** The Panel urges the District to develop a plan to retire the Mechanics Bank (formerly Rabobank) loan that was initiated to pay for the Aquifer Storage and Recovery water supply project in a timely fashion after the District's User Fee was suspended by the CPUC.
3. **Dual Collection of the Water Supply Charge and District User Fee:** The User Fee began collection in July 2017. The Panel recognizes the plan adopted by the District Board in April 2016 to collect both fees for a 3-year period because: (i) the User Fee would primarily fund programs already in Cal-Am surcharges (District conservation and river mitigation), so there was little "new" revenue; (ii) there were still large near-term expenditures required on water supply projects; and (iii) Cal-Am had a recent history of significant revenue undercollection, so it made sense to have a period of collection until the predictability of the User Fee revenue was better known. However, the Panel reminds the Board that June of 2020 will be the end of the third year of dual collection, therefore it is time to begin a plan for their use, including reductions or possible sunsets of either or both.
4. **Reserve Policies:** The Panel believes that the District should focus on its reserve policies and set criteria and determine funding sources for each and determine the impact, if any, on the sunset of the Water Supply Charge. Such reserves should include capital renewal and replacement, capital equipment, flood/drought reserve, and Pure Water Monterey operating and drought reserves. Reserves for PERS and OPEB liabilities, litigation/insurance, and general fund reserves should also be considered, but such are most likely funded from the District's User Fee.

EXHIBIT 14-A

5. **Local Projects:** The Panel continues to support the use of a portion of the Water Supply Charge for Local Projects, such as the Pacific Grove non-potable water source and the Airport well repurposing. As such, the Panel recommends appropriation of a similar sum of money from the Water Supply Charge from future budgets to the extent projects can be identified.

Respectfully submitted by the Ordinance 152 Citizens Oversight Panel, February 19, 2020.

ITEM: ACTION ITEM**15. CONSIDER REQUEST FOR DELAY OF PAYMENT OF CAPACITY FEES
PAYMENT FOR NON-PROFIT PUBLIC BENEFIT PROJECT – PENINSULA
SHELTER PROJECT, 1292 OLYMPIA AVENUE, SEASIDE**

Meeting Date:	February 19, 2020	Budgeted:	N/A
From:	David J. Stoldt, General Manager	Program/ Line Item No.:	N/A
Prepared By:	Gabriela Bravo Stephanie Locke	Cost Estimate:	N/A

General Counsel Approval: N/A**Committee Recommendation: The Administrative Committee considered this item on February 13, 2020 and recommended approval on a 3 – 0 vote.****CEQA Compliance: This action does not constitute a project as defined by the California Environmental quality Act Guidelines Section 15378.**

SUMMARY: Community Human Services (CHS) and Gathering for Women (GFW) are requesting Board approval for delayed collection of the Capacity Fees associated with a Water Permit for the Peninsula Shelter Project at 1292 Olympia Avenue in Seaside (**Exhibit 15-A**). The project involves converting a 4,500 square-foot building (Group I water use) to a Group III “dormitory” use. The project will house 30 participants in ten bedrooms. The Change of Use results in an increased Water Use Capacity of 0.315 Acre-Feet (AF) of water, and Capacity Fees of \$8,693.07 will be due when the Water Permit is issued.

District Rule 24-H-2 (**Exhibit 15-B**) allows the Board, on a case-by-case basis, to defer payment for projects undertaken by a California Non-Profit Public Benefit Corporation when there is the presence of a substantial financial hardship to the Project proponent such that the development of the project would be jeopardized by the present assessment of the full fees and charges due for the issuance of a Water Permit. When a delay in payment is approved by the Board, a deed restriction is recorded on the property that requires payment of all fees and charges due for the issuance of a Water Permit, together with deferred interest at a rate set by the Board, to be paid in full in the event the project ownership or occupancy is transferred to any entity other than a California Non-Profit Public Benefit Corporation. District Rule 24-H-2 is intended for use in the presence of substantial financial hardship to the project proponent.

CHS and GFW are 501(c)(3) non-profit organizations and qualify for consideration of the delayed permit fees as allowed by District Rule 24-H-2. The applicant states that substantial hardship would occur by requiring payment of the Capacity Fees. Homeless Emergency Assistance Program (HEAP) funding was awarded for the capital development of the property and a few months of shelter operations. The applicants have indicated that the project would present a substantial financial hardship that could negatively affect the ability to complete construction with

the timelines specified by HEAP. The County of Monterey is supporting this project by leasing the property to the organizations at no cost for a period of ten years.

RECOMMENDATION: District staff recommends the Board adopt the Findings of Approval to allow delayed payment of Capacity Fees for the Peninsula Shelter Project at 1292 Olympia Avenue in Seaside. In addition, the Board should approve an interest rate of 4% as the amount of interest that would be charged in the event the project transfers to a for-profit organization in the future. The amount of interest will be stated in the deed restriction recorded on the property. Delayed Capacity Fees, with interest, would become due if and when the property is no longer operated by a California Non-Profit Public Benefit Corporation.

EXHIBITS

15-A Request for Delayed of Payment of Capacity Fees

15-B Rule 24-H-2

15-C Findings of Approval



January 31, 2020

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

**RE: Peninsula Shelter Project, 1292 Olympia Avenue, Seaside, CA
Request for Deferral of Payment under Rule 24-H-2**

Dear Members of the Board:

Community Human Services (CHS) and Gathering for Women (GFW) are partnering to address the homeless crisis on the Monterey Peninsula with the opening of the *Casa de Noche Buena* shelter in Seaside. This shelter program will provide women and families with children a place to live and supportive services for up to 6 months. CHS and GFW case managers will work with them to provide linkages to income, education, employment and housing, as well as assessment and referrals to mental health, substance abuse and other services depending on their individual needs. It is our intent that *Casa de Noche Buena* will provide its residents with a bridge to long-term housing and economic and educational stability. The shelter will accommodate approximately 30 individuals at a time, or about 150 each year.

The County of Monterey is supporting this project by leasing their property at 1292 Olympia Avenue in Seaside at no cost for a period of ten years. Homeless Emergency Assistance Program (HEAP) funding was awarded for the capital development of the property and a few months of shelter operations. However, the HEAP funding does not cover the additional fees of \$8,693.07 for water capacity, as they were not known at the time of application. Additional fundraising is underway through establishment of a special purpose fund at Community Foundation but payment of these fees would present a substantial financial hardship to the project that could negatively affect the ability to complete construction within the timelines specified by HEAP.

Community Human Services is a 501(c)(3) public nonprofit and Joint Powers Authority providing substance abuse and mental health counseling and recovery services to middle and low income individuals and families in Monterey County. Gathering for Women is a 501(c)(3) public benefit corporation providing supportive services to homeless women on the Monterey Peninsula including case management, hot meals, clothing and showers. Both agencies are deeply committed to addressing

the issue of homelessness on the Peninsula and are encouraged by the support we have received from local governments and the community. Letters of support for the project from Monterey County Supervisors representing District 4 and District 5 and from the City of Seaside are included in this correspondence. Also included are minutes from the December 19, 2019 Seaside City Council meeting where the request to reallocate .285 AF of to the project was approved.

In consideration of the financial hardship that payment of the District Capacity Fees of \$8,693.07 would present to the *Casa de Noche Buena* project, we would like to request that the Board of the Monterey Peninsula Water Management District authorize delayed payment under the provisions of Rule 24-H.

If you have any questions or would like any additional information, please contact us at amy@gatheringforwomen.org or by phone at (831) 241-6154.

Sincerely yours,

A handwritten signature in blue ink, appearing to read "Amy Stocker".

Amy Stocker, Finance Director
Gathering for Women

Enclosures

**SEASIDE CITY COUNCIL**

440 Harcourt Avenue
Seaside, CA 93955
www.ci.seaside.ca.us

Telephone 831-899-6707
Fax 831-718-8594

March 28, 2019

Coalition for Homeless Service Providers
Martinez Hall
220 12th Street
Marina, CA 93933
chspmontry@aol.com

RE: HEAP Application Letter of Support

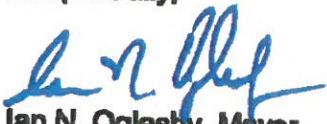
Dear Ms. Katherine Theoni,

The City of Seaside is supportive of the proposal by Community Human Services (CHS) and Gathering for Women (GFW) to rehabilitate County-owned property on Olympia Avenue in Seaside and operate a shelter for homeless women and families with children there.

We encourage the approval of Homeless Emergency Assistance Program (HEAP) funding to both rehabilitate the facility and operate the shelter and ask that the project be funded as requested to ensure that the facility becomes an asset to the City and shelter operations are effective and run smoothly.

We believe CHS and GFW have the experience and expertise to operate the shelter, and will continue to work with them to make this project a success.

Respectfully,


Ian N. Oglasby, Mayor
City of Seaside

MONTEREY COUNTY

BOARD OF SUPERVISORS

MARY L. ADAMS, SUPERVISOR – FIFTH DISTRICT
1200 Aguajito Road, Suite #1, Monterey, CA 93940
E-mail: District5@co.monterey.ca.us
Phone: (831) 647-7755



March 28, 2019

Monterey-San Benito Continuum of Care
c/o The Coalition of Homeless Services Providers
Martinez Hall
220 12th Street
Marina, CA 93933

Re: Letter of Support for Shelter in Seaside

To Whom It May Concern:

I am the Supervisor for District 5, County of Monterey. I am supportive of the proposal by Community Human Services (CHS) and Gathering for Women (GFW) to rehabilitate County-owned property on Olympa Avenue in Seaside and operate a shelter for homeless women and families with children there.

I encourage the approval of Homeless Emergency Assistance Program (HEAP) funding to both rehabilitate the facility and operate the shelter and ask that the project be funded as requested to ensure that the facility becomes an asset to the City of Seaside and shelter operations are effective and run smoothly.

I believe CHS and GFW have the experience and expertise to operate the shelter, and will continue to work with them to make this project a success.

Sincerely,

Mary L. Adams
Board of Supervisors
Fifth District

MONTEREY COUNTY

THE BOARD OF SUPERVISORS

JANE PARKER, SUPERVISOR - FOURTH DISTRICT
MAILING: 2616 1ST AVENUE, MARINA, CA 93933
EMAIL: district4@co.monterey.ca.us PHONE: (831) 883-7570



March 27, 2019

To Whom it May Concern;

I am writing to express my strong support for the proposal from Community Human Services (CHS) and Gathering for Women (GFW) to rehabilitate County-owned property on Olympa Avenue in Seaside and operate a homeless shelter.

This project has support from a wide range of stakeholders, including the Seaside City Council, Seaside residents, Monterey County Board of Supervisors, the Monterey Peninsula Unified School District, and non-profit partners. On behalf of the County, my staff have worked diligently with the City of Seaside to advance this project in a way that is responsive to and garners support from the community. The City of Seaside is to be commended for the process that they used to engage the community in consideration of the project and their commitment to respond to concerns shared by the community.

Community Human Services has a long history of serving families on the Monterey Peninsula and is well respected by their clients and jurisdictional partners. Importantly Community Human Services is uniquely positioned as a Joint Powers Authority to coordinate homeless shelter operations with its member agencies, which include Board representation from each local City and School District. Gatherings for Women, although a newer agency, has proven to be an incredibly effective volunteer-driven non-profit that leverages philanthropic resources in response to the crisis of homelessness. The partnership between Community Human Services and Gatherings for Women is indeed a powerful collaboration.

I understand that there are a great deal of worthwhile proposal to be considered, and urge your strong consideration of this opportunity to establish a much needed homeless shelter on the Monterey Peninsula. I am confident that CHS and GFW have the experience and expertise to operate the shelter, and will continue to work with them to make this project a success.
Sincerely,

Jane Parker

District 4, County Supervisor



DRAFT MINUTES
CITY OF SEASIDE
CITY COUNCIL

REGULAR MEETING
Council Chamber
Thursday, December 19, 2019
7:00 PM

1. CALL TO ORDER

The meeting was called to order at 7:01 p.m.

2. ROLL CALL – ESTABLISHMENT OF QUORUM

PRESENT: OGLESBY, PACHECO, CAMPBELL, WIZARD, KISPERSKY
ABSENT: NONE

3. INVOCATION AND PLEDGE OF ALLEGIANCE

Invocation led by Rev. Harold Lusk / Pledge of Allegiance led by City Attorney Don Freeman

4. REVIEW OF AGENDA

The meeting would be adjourned in memory of Kelvin Garnett and Lloyd Love.

5. PUBLIC COMMENT

PUBLIC COMMENT SPEAKERS: Ray Rearden, Constance Constable, Analisa Mitchell, Allen Caplan, Ruthie Watts, Wanda Parrot, Alvin Edwards, Hector Aspuelta, Peter Kaiser, Rev. Harold Lusk

6. PUBLIC AGENCY COMMUNICATIONS

Chief Abdul Pridgen - Seaside Police Department: announced the SNAACK van provides healthy snacks and sports equipment to Seaside youth residents and a schedule will be provided soon. Chief Pridgen also reported on the "Cookie with a Cop" event that was held on December 16, 2019 at Angelina's Bakery on Fremont Blvd which is an opportunity for members of the community to meet and interact with officers; announcements of public outreach events are on Facebook.

Alvin Edwards - Monterey Peninsula Water Management District (Division 1): December 16, 2019 - the board met on entering into new agreements with consultants to help position the board to vote on a Resolution of Public Necessity sometime next summer for the buying of Cal AM water and work will be done in 5 additional areas of study; on December 12 Pure Water Monterey had a public

hearing on the expansion SEIR and there will be an extension of the public comment period until January 31 2020, also the City Manager is expected to receive an updated water demand forecast for his review and comments and the Board is hoping to make a decision on the item within the first month of 2020; board elections were held and the new chair of the Board is Director Edwards (Division 1 - Seaside), the new Vice Chair is Director Byrant Burns (Division 4 - Pacific Grove); Mr. Edwards wished everyone a Merry Christmas and a Happy New Year!

Mayor Oglesby congratulated Mr. Edwards on his election to Chair of the Board.

Mayor Oglesby, City Attorney Freeman and City Manager Malin responded to the comments from the public.

7. PRESENTATIONS

A. PROCLAMATION HONORING CITY ATTORNEY FREEMAN

Mayor Oglesby and Assistant City Attorney Sheri Damon presented City Attorney Don Freeman with a proclamation and thanked him for his service and work with the City of Seaside. Each Councilmember thanked, congratulated and spoke of their experience in working with Mr. Freeman. Mr. Freeman responded by thanking all for their kind words and dedication to the work of the city and the Community for their engagement throughout the years.

8. CONSENT AGENDA

On motion by Councilmember Campbell and second by Councilmember Pacheco and carried by the following vote, the City Council moved to approve the Consent Agenda with the exception of item 8J.

Item 8J pulled by Councilmember Wizard.

RESULTS: 5-0-0-0

AYES: OGLESBY, PACHECO, CAMPBELL, WIZARD, KISPERSKY

NOES: NONE

ABSTAIN: NONE

ABSENT: NONE

A. APPROVE MINUTES FROM NOVEMBER 21, 2019 AND DECEMBER 5, 2019

Action: Approved

B. APPROVE AND FILE CITY CHECKS

Action: Approved

- C. APPROVE A FEE WAIVER FROM HINDU TEMPLE OF MONTEREY PENINSULA FOR THE USE OF THE LAGUNA GRANDE HALL AND KITCHEN FOR THEIR DIWALI CELEBRATION NIGHT EVENT ON NOVEMBER 07, 2020

Action: Approved

- D. APPROVE A FEE WAIVER FROM MONTEREY COUNTY SOCCER CLUB FOR THE USE OF LLOYD GARNETT FIELD AT CUTINO PARK

Action: Approved

- E. APPROVE A FEE WAIVER FROM WAYNE GARNETT FOR THE USE OF THE LAGUNA GRANDE HALL AND KITCHEN FOR THEIR CELEBRATION OF LIFE FOR KELVIN GARNETT ON DECEMBER 21, 2019

Action: Approved

- F. APPROVE A MAYOR'S YOUTH FUND CONTRIBUTION REQUEST FROM ORCHESTRA IN THE SCHOOLS

Action: Approved

- G. APPROVE A MAYOR'S YOUTH FUND CONTRIBUTION REQUEST FROM INTERNATIONAL SCHOOL OF MONTEREY

Action: Approved

- H. APPROVE REALLOCATING 0.285 AF WATER FROM SMALL COMMERCIAL FUND TO RESERVE FUND, AND APPROVING WAC-19-26: MONTEREY COUNTY, PROPERTY OWNER, AND COMMUNITY HUMAN SERVICES, APPLICANT, 0.285 AF OF WATER FROM RESERVE FOR THE SHELTER AT 1292 OLYMPIA AVENUE LOCATED IN THE COMMERCIAL MIXED-USE (CMX) ZONING DISTRICT. THE PROJECT IS EXEMPT CLASS 1, SECTION 15301.A FROM THE CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA) GUIDELINES.

Action: Approved

- I. APPROVE THE TRAFFIC ADVISORY COMMITTEE (TAC) RECOMMENDATIONS FOR PARKING DESIGNATION ON THERESA STREET

Action: Approved

- J. APPROVE A RESOLUTION APPROVING MAYORAL RECOMMENDATIONS FOR MAYOR PRO TEMPORE AND ANNUAL APPOINTMENTS TO OUTSIDE COMMITTEE ASSIGNMENTS FOR JANUARY 1, 2020 TO DECEMBER 31, 2020.

Councilmember Wizard indicated that he and Councilmember Kispersky were interested in swapping certain assignments with one another.

On motion by Councilmember Wizard and second by Councilmember Kispersky and carried by the following vote, the City Council moved to switch the appointments for Councilmember Wizard to be appointed to the Association of Monterey Bay Area Governments (AMBAG) and Councilmember Kispersky to be appointed to the Seaside County Sanitation District (SCSD).

RESULT: 5-0-0-0

AYES: OGLESBY, PACHECO, CAMPBELL, WIZARD, KISPERSKY

NOES: NONE

ABSTAIN: NONE

ABSENT: NONE

Action: Approved

K. ADOPT A RESOLUTION UPDATING THE LISTING OF BENEFITS FOR DEPARTMENT DIRECTORS

Action: Approved

M. ADOPT RESOLUTION CANCELLING JANUARY 2, 2020 MEETING.

Action: Approved

L. ADOPT A RESOLUTION AUTHORIZING EXECUTION OF A CONTRACT WITH PRECISION CONCRETE CUTTING FOR A COST NOT TO EXCEED \$66,000 FOR SIDEWALK MAINTENANCE AND REPAIR SERVICES

Action: Approved

9. PUBLIC HEARING

A. INTRODUCTION OF AN ORDINANCE AMENDING SEASIDE MUNICIPAL CODE TITLE 13, CHAPTER 10.080 MUNICIPAL WATER SYSTEM – PERMITS TO CONNECT, PARAGRAPH G, AND TITLE 13, SECTION 12 CROSS CONNECTION CONTROL PROGRAM (FIRST READING - ROLL CALL VOTE)

Interim City Engineer Scott Ottmar introduced the item and explained that the cross connection are applicable to the Seaside Municipal Water System in an effort to prevent oversight of a non-City owned water system. There were no questions or comments from the Council or public.

On motion by Councilmember Campbell and second by Councilmember Pacheco and carried by the following roll call vote, the City Council moved to approve the proposed edits that reflects updates to the California Code of Regulations as it pertains to the types of back flow protection devices necessary to maintain the



SEP 30 2019

September 26, 2019

Ms. Amy Stocker
Gathering for Women
147 El Dorado St.
Monterey, California 93940

**Subject: Peninsula Shelter Project, 1292 Olympia Avenue, Seaside, CA
(APN: 012-691-001)**

Dear Ms. Stocker:

A description of the proposed Peninsula Shelter Project was submitted to the District on September 24, 2019. It is my understanding that it was submitted with a request to review the water needs for the project. The following summarizes the Water Permit process for the proposed project:

The District will consider the proposed shelter as a Group III "dormitory" use with a water use factor of 0.02 acre-foot (AF) per one-person bed. The written proposal indicated that there would be 30 participants in ten bedrooms (the submitted floor plan shows 26 beds). For the purpose of calculating the amount of water needed for the project, the District assumes there will be a maximum of 30 beds. Thirty beds at 0.02/AF will result in a Water Use Capacity of 0.60 AF.

The existing 4,500 square-foot building is considered a Group I water use with a water factor of 0.00007 AF/square-foot. This equates to a Water Use Capacity of 0.315 AF. Because there is an increase in the Capacity due to the new use, the City of Seaside will need to authorize 0.285 AF from one of its water Allocations. Seaside has water in three Allocations as of August 30, 2019: The Paralta Allocation (2.149 AF), the Pre-Paralta Allocation (34.438 AF), and the Public Credit Allocation (1.144 AF). All but the Public Credit are subject to the District's Capacity Fee.

The District's Capacity Fee for 0.285 AF during fiscal year 2019-20 is \$8,693.07. This fee may be deferred upon approval of the Board per MPWMD Rule 24-H, Permit Fee Payment Plans. Rule 24-H-2 states:

"...the Board, on a case-by-case basis, may authorize delayed payment for Projects which are solely undertaken by California Non-Profit Public Benefit Corporations provided each such plan shall ensure, by recorded deed restriction which includes the consent of each property owner, that all fees and charges due for the issuance of a Water Permit, together with deferred interest at the rate to be set by the Board, shall be paid in full in the event Project-ownership or occupancy is transferred to any entity other than a California Non-Profit Public Benefit Corporation. This provision is intended for use only in the presence of a substantial financial hardship to the Project proponent such that the development of the Project would be jeopardized by the present assessment of the full fees and charges due for the issuance of a Water Permit."

Ms. Amy Stocker
Page 2 of 2
September 26, 2019

If Gathering for Women wants to request the deferred payment option, a written request will be required. The request should explain the substantial financial hardship behind the request (see above). A public hearing on the request will be scheduled for a meeting of the Board of Directors.

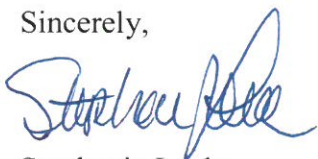
Once the final construction plans have been received by the City of Seaside, the City will release the water and the plans for the District's Water Permit process. The District's process includes recordation of at least one deed restriction on the property before issuance of the Water Permit. Deed restrictions must be signed by an authorized representative of the County of Monterey (and witnessed by a Notary) and may require action by the Board of Supervisors.

To summarize: Based on the description received by the District on September 24, the project Site has an existing Water Use Capacity of 0.315 AF. The new project has a Water Use Capacity of 0.60 AF. The City of Seaside needs to release 0.285 AF from an Allocation for the project. Capacity Fees of \$8,693.07 will be charged for 0.285 AF, but this may be deferred by action of the Board, and a request to delay payment is needed. There will also be processing fees of \$450, plus additional fees for preparing and recording documents. Prior to issuance of the Water Permit, there will be at least one deed restriction that will require the notarized signature(s) of the property owner(s).

The information in this letter is based on the District's current rules and regulations. The District's Rules and Regulations are subject to revision by action of the Board of Directors. New Water Permit applications submitted to the District are subject to the rules in effect at the time the complete application is received.

If you have further questions, please contact Gabby Bravo or Stephanie Kister at 831-658-5601. Gabby and Stephanie will be processing the Water Permit.

Sincerely,



Stephanie Locke
Water Demand Manager

- a. Refunds of less than fifty thousand dollars (\$50,000) shall be processed within thirty (30) days;
- b. Refunds between fifty thousand dollars (\$50,000) and one hundred thousand dollars (\$100,000) shall be processed within forty-five (45) days;
- c. Refunds over one hundred thousand dollars (\$100,000) shall be processed within sixty (60) days.

G. CAPACITY FEE FUND ACCOUNTING

1. The District shall maintain separate accounts in its general fund for Capacity Fees received. Those separate fund accounts shall be maintained and designated as Capacity Fee accounts “A” and “B”. Account “A” shall receive 18.67% of all Capacity Fees collected. Account “B” shall receive 81.33% of all Capacity Fees collected. The proceeds of any connection surcharge shall be transferred to the District’s general fund, without restriction.
2. Capacity Fee funds shall be expended from Capacity Fee accounts “A” and “B” for the sole purpose of planning for, acquiring and/or reserving augmented water supply capacity for District water distribution facilities. It is recognized that such purposes include engineering, hydrologic, geologic, fishery, appraisal, financial, and property acquisition endeavors. Capacity Fee funds may further be used to acquire, maintain, and/or reserve capacity in existing water distribution facilities existing within the District.

H. PERMIT FEE PAYMENT PLANS

1. Except as may be required by operation of law, or as approved by the Board of Directors on a case-by-case basis pursuant to this Rule, the District shall not authorize a payment plan for fees and charges due for the issuance of a Water Permit. This means that no Permit will be issued by the District unless all required fees and charges have first been paid in full to the District. In any circumstance where a Permit has been issued on less than full payment of all fees and charges due from that Parcel, that Permit shall immediately be Suspended and thereafter Revoked. Revocation of a Water Permit shall cause removal or limitation of water service to that Connection.

2. Notwithstanding any provision of this Rule, the Board, on a case-by-case basis, may authorize delayed payment for Projects which are solely undertaken by California Non-Profit Public Benefit Corporations provided each such plan shall ensure, by recorded deed restriction which includes the consent of each property owner, that all fees and charges due for the issuance of a Water Permit, together with deferred interest at the rate to be set by the Board, shall be paid in full in the event Project-ownership or occupancy is transferred to any entity other than a California Non-Profit Public Benefit Corporation. This provision is intended for use only in the presence of a substantial financial hardship to the Project proponent such that the development of the Project would be jeopardized by the present assessment of the full fees and charges due for the issuance of a Water Permit.

Rule added by Ordinance No. 8 (1/14/81); amended by Ordinance No. 9 (2/14/83); Ordinance No. 17 (9/24/84); Ordinance No. 18 (11/12/84); Ordinance No. 20 (12/10/84); Ordinance No. 21 (3/11/85); Ordinance No. 26 (9/8/86); Ordinance No. 33 (3/14/88); Ordinance 34 (5/9/88); Ordinance No. 40 (4/10/89); Ordinance No. 60 (6/15/92); Ordinance No. 71 (12/20/93); Ordinance No. 76 (5/15/95); Ordinance No. 80 (11/20/95); Ordinance No. 98 (4/16/2001); Ordinance No. 111 (1/29/2004); Ordinance No. 114 (5/17/2004); Ordinance No. 125 (9/18/2006); Ordinance No. 145 (9/20/2010); Ordinance No. 157 (12/9/2013); Ordinance No. 162 (8/18/2014); Ordinance No. 164 (4/20/2015); Ordinance No. 170 (5/16/2016); Ordinance No. 176 (1/25/2017); Ordinance No. 177 (9/18/2017); Ordinance No. 182 (5/20/2019)

EXHIBIT 15-C**FINDINGS OF APPROVAL****CONSIDER REQUEST FOR DELAY OF PAYMENT OF CAPACITY FEES PAYMENT
FOR NON-PROFIT PUBLIC BENEFIT PROJECT – PENINSULA SHELTER
PROJECT, 1292 OLYMPIA AVENUE, SEASIDE****February 13, 2020**

It is hereby found and determined as follows:

1. FINDING: Community Human Services (CHS) and Gathering for Women (GFW), both 501(c)(3) California Non-Profit Public Benefit Corporations, requested Board approval to delay payment of Capacity Fees for a Change of Use that will result in an increase in Capacity of 0.315 Acre-Foot at 1292 Olympia Avenue in Seaside.

EVIDENCE: Letter from CHS and GFW dated January 31, 2020, attached as **Exhibit 11-A** that describes the Peninsula Shelter Project at 1292 Olympia Avenue.
2. FINDING: District Rule 24-H-2 allows the Board, on a case-by-case basis, to defer payment for projects undertaken by California Non-Profit Public Benefit Corporations when there is the presence of substantial financial hardship to the project proponent.

EVIDENCE: Letter from CHS and GFW dated January 31, 2020, attached as **Exhibit 11-A** and District Rule 24-H-2 attached as **Exhibit 11-B**.
3. FINDING: The applicants (**Exhibit 11-A**) state that substantial hardship would occur by requiring payment of the Capacity Fees. Homeless Emergency Assistance Program (HEAP) funding was awarded for the capital development of the property and a few months of shelter operations. HEAP funding does not cover the cost of the District's Capacity Fee, which was not known at the time of the HEAP application.

EVIDENCE: The applicants have stated that the project would present a substantial financial hardship that could negatively affect the ability to complete construction with the timelines specified by HEAP.
4. FINDING: Deferred Capacity Fees, along with interest, shall be paid in full in the event project ownership or occupancy is transferred to any entity other than a California Non-Profit Public Benefit Corporation.

EVIDENCE: Rule 24-H-2 attached as **Exhibit 11-B**.

5. FINDING: When a delay in payment of Capacity Fees is approved by the Board, the Board must set an interest rate for the deferred fees. The Board approved this request and set an interest rate at the State of California's legal interest rate of 7 percent on judgments.

EVIDENCE: Minutes of the February 20, 2020, MPWMD Board meeting.

ITEM: ACTION ITEM**16. CONSIDER CHANGE TO PLACEMENT ON SALARY SCHEDULE – ADMINISTRATIVE SERVICES MANAGER – 2019 MOU CONFIDENTIAL STAFF UNIT****Meeting Date:** February 19, 2020 **Budgeted:** Yes**From:** David J. Stoldt,
General Manager **Program/** N/A
Line Item No.:**Prepared By:** Dave Stoldt **Cost Estimate:** N/A**General Counsel Approval:** N/A**Committee Recommendation:** The Administrative Committee reviewed this item on February 13, 2020 and recommended approval on a 3 – 0 vote.**CEQA Compliance:** This action does not constitute a project as defined by the California Environmental Quality Act Guidelines section 15378.

SUMMARY: On January 23rd the Board in closed session reviewed the Administrative Services Manager's most recent performance appraisal, a comparison of salaries for similar positions at comparator agencies, and the General Managers recommendation. A comparison of salaries for similar positions using 2018 data showed that the District compensates below comparator agencies at both the average and median levels.

It was agreed a one-time adjustment to Mr. Prasad's compensation would be a small, but positive, recognition of his importance to the District.

Mr. Prasad is presently at Step E of Range 55 making \$167,640.24 per year. The proposal to shift him to Step D of Range 58, would bring his annual compensation to \$171,933.60 – an increase of \$4,293.36 annually, but would be less than half that amount for the current fiscal year as the increase would be effective the next pay period.

RECOMMENDATION: The General Manager recommends the Board place the Administrative Services Manager on Step D of Range 58 effective the next pay period.

EXHIBIT

None

ITEM: INFORMATIONAL ITEM/STAFF REPORT**17. REPORT ON ACTIVITY/PROGRESS ON CONTRACTS OVER \$25,000****Meeting Date: February 19, 2020 Budgeted: N/A****From: David J. Stoldt, General Manager Program/Line Item No.: N/A****Prepared By: Suresh Prasad Cost Estimate: N/A****General Counsel Review: N/A****Committee Recommendation: The Administrative Committee reviewed this item on February 13, 2020.****CEQA Compliance: This action does not constitute a project as defined by the California Environmental Quality Act Guidelines Section 15378.**

SUMMARY: Attached for review is **Exhibit 17-A**, monthly status report on contracts over \$25,000 for the period December 2019. This status report is provided for information only, no action is required.

EXHIBITS**17-A** Status on District Open Contracts (over \$25k)

EXHIBIT 17-A

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Monterey Peninsula Water Management District Status on District Open Contracts (over \$25K) For The Period December 2019

Contract	Description	Date Authorized	Contract Amount	Prior Period Expended To Date	Current Period Spending	Total Expended To Date	Expected Completion	Current Period Activity	P.O. Number
1 Accela Inc.	Accela Annual Subscription Service 2020	6/17/2019	\$ 32,720.62	\$ -	\$ 32,720.62	\$ 32,720.62		Current period billing for Accela annual subscription service	PO02191
2 Norton Rose Fulbright	Cal-Am Desal Structuring & Financing Order	4/20/2015	\$ 307,103.13	\$ 38,557.29		\$ 38,557.29			PO02197
3 Pueblo Water Resources, Inc.	ASR SMWTF Engineering Services During Construction	10/21/2019	\$ 148,100.00	\$ 3,578.85		\$ 3,578.85			PO02163
4 Specialty Construction, Inc.	ASR SMWTF Construction	10/21/2019	\$ 4,649,400.00	\$ -	\$ 237,226.40	\$ 237,226.40		Current period billing related to ASR treatment facility construction	PO02162
5 Psomas	ASR Construction Management Services	8/19/2019	\$ 190,280.00	\$ -	\$ 3,130.00	\$ 3,130.00		Current period billing related to ASR construction management services	PO02160
6 U.S. Bank Equipment Finance	Copier machine leasing - 60 months	7/15/2019	\$ 52,300.00	\$ 3,552.88	\$ 867.83	\$ 4,420.71	6/30/2024	Current period billing for photocopy machine lease	PO02108
7 Monterey One Water	Supplemental EIR Costs for PWM Expansion Project	3/18/2019	\$ 750,000.00	\$ -		\$ -			PO02095
8 Monterey One Water	Pre-Construction Costs for PWM Expansion Project	11/13/2017	\$ 360,000.00	\$ 312,617.94		\$ 312,617.94			PO02094
9 Deveera Inc.	IT Managed Services	9/16/2019	\$ 46,120.00	\$ 13,836.00	\$ 4,612.00	\$ 18,448.00	6/30/2020	Current period billing for IT managed services	PO02091
10 Hayashi Wayland Accountancy Group	Audit services	6/19/2017	\$ 64,500.00	\$ 27,000.00	\$ 10,000.00	\$ 37,000.00	6/30/2020	Current period billing for auditing services	PO02075
11 Lynx Technologies, Inc	Geographic Information Systems contractual services	6/17/2019	\$ 35,000.00	\$ 13,125.00	\$ 600.00	\$ 13,725.00		Current period gis services	PO02065
12 Regional Government Services	Human Resouces contractual services	6/17/2019	\$ 70,000.00	\$ 24,502.70	\$ 2,086.50	\$ 26,589.20		Current period hr services	PO02064
13 Pueblo Water Resources, Inc.	ASR operations support	7/15/2019	\$ 70,000.00	\$ 2,470.39	\$ 2,293.09	\$ 4,763.48		Current period billing related to ASR operational support services	PO02063
14 MBAS	ASR Water Quality	7/15/2019	\$ 60,000.00	\$ 11,451.75		\$ 11,451.75			PO02062
15 TBC Communications & Media	Public Outreach services retainer	6/17/2019	\$ 42,000.00	\$ 17,500.00	\$ 7,000.00	\$ 24,500.00		Current period retainer	PO02055
16 The Ferguson Group LLC	2019-20 - Legislative and Administrative Services	6/17/2019	\$ 100,000.00	\$ 40,378.79	\$ 8,097.56	\$ 48,476.35		Current period retainer	PO02028
17 John Arriaga	Contract for Legislative and Administrative Services - FY 19-20	6/17/2019	\$ 35,000.00	\$ 12,500.00	\$ 2,500.00	\$ 15,000.00		Current period retainer	PO02026
18 DUDEK	Consulting Services for Prop 1 grant proposal	4/15/2019	\$ 95,600.00	\$ 74,397.55	\$ 8,228.75	\$ 82,626.30		Current period billing related to Prop 1 grant proposal services	PO01986
19 Denise Duffy & Associates	Consulting Services IRWM plan update	12/17/2018	\$ 55,000.00	\$ 53,322.32		\$ 53,322.32			PO01985
20 United States Geologic Survey	Carmel River Basin Hydrologic Model	3/18/2019	\$ 75,000.00	\$ 51,240.00		\$ 51,240.00			PO01973
21 Pueblo Water Resources, Inc.	Design water treatment facilities ASR Santa Margarita	2/21/2019	\$ 300,662.00	\$ 287,119.19	\$ 12,565.75	\$ 299,684.94		Current period billing related to ASR treatment facility design services	PO01912
22 Colantuono, Highsmith, & Whatley, PC	Legal Services for MCWD vs PUC Matter for FY 2018-2019	7/1/2018	\$ 60,000.00	\$ 54,161.30		\$ 54,161.30	6/30/2020		PO01874
23 Ecology Action of Santa Cruz	IRWM HEART Grant	4/16/2018	\$ 152,600.00	\$ 86,362.33		\$ 86,362.33			PO01824
24 Pueblo Water Resources, Inc.	ASR Backflush Basin Expansion, CM services	7/16/2018	\$ 96,034.00	\$ 68,919.39		\$ 68,919.39			PO01778
25 Rural Community Assistance Corporation	IRWM DAC Needs Assessment	4/16/2018	\$ 100,000.00	\$ 61,705.57		\$ 61,705.57			PO01777
26 Mercer-Fraser Company	Sleepy Hollow Intake upgrade project	7/16/2018	\$ 1,802,835.00	\$ 1,631,080.87		\$ 1,631,080.87			PO01726
27 Fort Ord Reuse Authority	ASR Backflush basin expansion project UXO support	7/16/2018	\$ 55,215.00	\$ 5,005.64		\$ 5,005.64			PO01686

EXHIBIT 17-A

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**Monterey Peninsula Water Management District
Status on District Open Contracts (over \$25K)
For The Period December 2019**

Contract	Description	Date Authorized	Contract Amount	Prior Period Expended To Date	Current Period Spending	Total Expended To Date	Expected Completion	Current Period Activity	P.O. Number
28	Pueblo Water Resources, Inc.	ASR operations support	1/24/2018	\$ 70,000.00	\$ 68,652.56		\$ 68,652.56		PO01645
29	Pueblo Water Resources, Inc.	Seaside Groundwater Basin Geochemical Study	1/24/2018	\$ 68,679.00	\$ 35,295.25	\$ 1,500.00	\$ 36,795.25	Current period services related to Geochemical study	PO01628
30	Big Sur Land Trust	Update of the IRWMP Plan	4/16/2018	\$ 34,000.00	\$ 12,305.67		\$ 12,305.67		PO01620
31	Pueblo Water Resources, Inc.	SSAP Water Quality Study	8/21/2017	\$ 94,437.70	\$ 44,318.11		\$ 44,318.11		PO01510
32	Normandeau Associates, Inc.	Assistance with IFIM Study	11/13/2017	\$ 35,000.00	\$ 24,050.00		\$ 24,050.00		PO01509
33	Accela Inc.	Acquisition of Water Demand Database System	11/13/2017	\$ 676,377.00	\$ 669,227.81		\$ 669,227.81	6/30/2020	PO01471
34	Balance Hydrologics, Inc	Design Work for San Carlos Restoration Project	6/19/2017	\$ 51,360.00	\$ 50,894.32		\$ 50,894.32		PO01321
35	AECOM Technical Services, Inc.	Los Padres Dam Alternatives Study	1/25/2017	\$ 700,700.00	\$ 505,766.50		\$ 505,766.50		PO01268
36	Denise Duffy & Assoc. Inc.	MMRP Services for Monterey Pipeline	1/25/2017	\$ 80,000.00	\$ 73,144.06		\$ 73,144.06		PO01202
37	Goodin,MacBride,Squeri,Day,Lamprey	User Fee PUC Proceedings Legal Fee	7/1/2016	\$ 50,000.00	\$ 33,411.85		\$ 33,411.85	6/30/2020	PO01100
38	Whitson Engineers	Carmel River Thawleg Survey	9/19/2018	\$ 52,727.43	\$ 49,715.00		\$ 49,715.00		PO01076
39	HDR Engineering, Inc.	Los Padres Dam Fish Passage Study	4/18/2016	\$ 310,000.00	\$ 295,003.20		\$ 295,003.20		PO01072
40	Michael Hutnak	GS Flow Modeling for Water Resouces Planning	8/19/2013	\$ 56,800.00	\$ 55,940.00		\$ 55,940.00		PO00123
41	Justin Huntington	GS Flow Modeling for Water Resouces Planning	8/19/2013	\$ 59,480.00	\$ 53,918.98		\$ 53,918.98		PO00122

ITEM: INFORMATIONAL ITEM/STAFF REPORT**18. MONTHLY PROGRESS REPORT – SANTA MARGARITA WATER TREATMENT FACILITY.****Meeting Date: February 19, 2020 Budgeted: N/A****From: David J. Stoldt Program/ N/A
General Manager Line Item:****Prepared By: Maureen Hamilton 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: This status report is provided for information only, no action is required.**Completed work:**

- The cellar floor was poured.
- Drainage outside the cellar was installed and the area backfilled.
- The mezzanine floor was poured.
- Potholing for pipelines was conducted.
- Installation of site drainage is in progress.
- Sixty submittals have been received; forty-seven of those submittals have been reviewed and closed.
- No change orders have been initiated.
- The construction schedule shows the facility will be ready for Cal Am to conduct its SCADA installation and implementation beginning July 23, 2020. Facility startup and testing is estimated to begin the following month.

EXPENDITURES:

	Board Authorization	Commitments	Remaining
Contract	\$4,797,500	\$237,226.40 (5%)	\$4,560,237.6
Contingency (10%)	\$479,750	\$0 (0%)	\$479,750

ITEM: INFORMATIONAL ITEM/STAFF REPORT**19. LETTERS RECEIVED****Meeting Date: February 19, 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 January 11, 2020 and February 13, 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
Peter Le	MPWMD Board	2/13/2020	Why Marina must oppose the proposed expansion of the Pure Water Monterey
George M. Soneff	David Stoldt	2/10/2020	MPWMD Potential Effort to Condemn the Monterey Water System
Hans Uslar	David Stoldt	2/5/2020	Availability of Water for Affordable Housing in the City of Monterey
Hans Uslar	David Stoldt	2/4/2020	Supply and Water Demand for the Monterey Peninsula
Hans Uslar	David Stoldt	2/4/2020	Monterey Peninsula city Managers Respond to Supply and Water Demand for the Monterey Peninsula
Aaron Blair	David Stoldt	1/30/2020	City of Sand City response to the December 3, 2019 report on Supply and Demand for Water on the Monterey Peninsula
Ben Harvey	David Stoldt	1/27/2020	City of Pacific Grove Response to December 3, 2019 report on Water Supply and Demand for the Monterey Peninsula
George M. Soneff	David Stoldt	1/27/2020	Monterey Peninsula Water Management District's Potential Effort to Condemn the Monterey Water System
Fred Meurer	MPWMD Board	1/21/2020	Express concern re the report on Supply and Demand for Water on the Monterey Peninsula
Maddie Halloran	MPWMD	1/8/2020	Thanks for support of 38 th Annual Salmonid Restoration Conference

ITEM: INFORMATIONAL ITEM/STAFF REPORT**20. COMMITTEE REPORTS**

Meeting Date:	February 19, 2020	Budgeted:	N/A
From:	David J. Stoldt, General Manager	Program/ Line Item No.:	N/A
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 20-A** through **20-C**, are final minutes of the committee meetings listed below.

EXHIBITS

20-A	January 15, 2020 Administrative Committee Meeting Minutes
20-B	January 14, 2020 Water Supply Planning Committee Meeting Minutes
20-C	October 10, 2019 Ordinance No. 152 Citizens Oversight Panel Meeting Minutes



EXHIBIT 20-A

FINAL MINUTES Monterey Peninsula Water Management District Administrative Committee January 15, 2020

Call to Order

The meeting was called to order at 4:02 PM in the District Conference Room.

Committee members present: George Riley – Chair
Gary Hoffmann

Committee members absent: Molly Evans

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

Oral Communications

None

Items on Board Agenda for January 23, 2020

1. **Consider Adoption of Minutes of November 13, 2019 Committee Meeting**
On a motion by Riley and second by Hoffmann, the minutes of the November 13, 2019 meeting were approved on a vote of 2 – 0 by Riley and Hoffmann.
2. **Receive Pension Reporting Standards Government Accounting Standards Board Statement No. 68 Accounting Valuation Report**
The committee received the report and took no further action.
3. **Receive Government Accounting Standards Board Statement No. 75 Accounting and Financial Reporting for Postemployment Benefits Other than Pensions**
The committee received the report and took no further action.
4. **Consider Approval of Annual Update on Investment Policy**
On a motion by Riley and second by Hoffmann, the committee voted to recommend the Board approve the District's Investment Policy. The motion was approved on a vote of 2 – 0 by Riley and Hoffmann.
5. **Semi-Annual Report on the CAWD/PBCSD Wastewater Reclamation Project**
This report was presented for informational purposes only. No action was taken by the committee.
6. **Consider Adoption of Treasurer's Report for November 2019**
On a motion by Riley and second by Hoffmann, the committee voted to recommend the Board adopt

the November 2019 Treasurer’s Report and financial statements, and ratification of the disbursements made during the month. The motion was approved on a vote of 2 – 0 by Riley and Hoffmann.

7. 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.

8. Status Report on Measure J/Rule 19.8 Spending

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

9. Monthly Progress Report – Santa Margarita Water Treatment Facility

Committee members Hoffmann and Riley reported that they received the monthly progress report for the Santa Margarita Water Treatment Facility at the January 14, 2020 Water Supply Planning Committee and stated it was not needed to be presented to them at the January 15 Administrative Committee meeting.

Other Items

10. Review Draft January 23, 2020 Regular Board Meeting Agenda

A revised agenda was distributed to the committee and changes were presented by the General Manager. No changes were made by the committee.

Adjournment

The meeting adjourned at 5:58 PM.

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EXHIBIT 20-B

FINAL MINUTES

Water Supply Planning Committee of the Monterey Peninsula Water Management District *January 14, 2020*

Call to Order: The meeting was called to order at 10:00 am.

Committee members present: Gary Hoffmann, P.E.
Jeanne Byrne
George Riley

Committee members absent: None

Staff members present: David J. Stoldt, General Manager
Jonathan Lear, Water Resources Division Manager
Maureen Hamilton, Water Resources Engineer
Arlene Tavani, Executive Assistant

District Counsel present David Laredo, DeLay and Laredo

Comments from the Public: No comments.

Action Items

1. **Consider Adoption of October 8, 2019 and December 3, 2019 Committee Meeting Minutes**
On a motion by Riley and second of Byrne, the minutes were approved on a unanimous vote of 3 – 0 by Riley, Byrne and Hoffmann.

Discussion Items

2. **Status of ASR Well #1 Repair**
Jon Lear reported that the District requested quotes from three firms. The responses would be forwarded to Pueblo, the project manager, to recommend the preferred consultant. This process should be complete by February or March 2020. Staff has contacted the California State Department of Drinking Water (DDW) to obtain the agency's comments regarding the project.
3. **Update on ASR Construction**
A summary of Maureen Hamilton's presentation is on file at the District office and can be viewed on the agency's website. She reported on progress made on construction of the Santa Margarita water treatment facility, and stated the project was two-weeks ahead of schedule.

4. Discuss September Ranch

General Manager Stoldt explained that the proposed residential community would be located between Rancho San Carlos Road and Valley Greens. The County of Monterey conditioned approval of the project on a requirement that the water supply be limited to one well sourced separately the Carmel River Alluvial aquifer. The plan was to form a mutual water company. The DDW now requires redundancy in the water supply. California American Water has refused to de-annex the property from its boundary, neither will it provide redundancy due to the CDO and the County's conditions. A mutual water company must be formed prior to submittal of the final subdivision map this summer, and no additional extensions will be allowed. The District was scheduled to meet on January 23, 2020 with the DDW and representatives of September Ranch in order to develop a solution.

5. Update on Pure Water Monterey Project

General Manager Stoldt reported that over 100 gallons of water from the Pure Water Monterey project were submitted for water quality testing. A report on the results would be submitted to the DDW, which was scheduled to conduct a final inspection of the facility on February 4, 2020. Staff could receive verbal approval from the DDW by February 7, 2020 and then injection would begin.

6. Suggest Items to be Placed on Future Agendas

There was consensus that at a future meeting, the committee should discuss whether the Board of Directors should make a recommendation to the California Coastal Commission on the Monterey Peninsula Water Supply Project. One Director also suggested that project updates provided at the committee level should be presented to the entire Board, as all Directors would benefit from the information.

Adjournment: The meeting was adjourned at 10:50 am.

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EXHIBIT 20-C

FINAL MINUTES

Ordinance No. 152 Oversight Panel of the Monterey Peninsula Water Management District *October 10, 2019*

Call to Order The meeting was called to order at 10 am in the conference room at the offices of the Monterey Peninsula Water Management District.

Committee members present:

John Bottomley
Paul Bruno (arrived at 10:04)
Jason Campbell
Birt Johnson, Jr.
Karen Paull (arrived at 10:03)
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
Patie McCracken

Comments from the Public:

No comments were directed to the committee.

Action Items

1. Consider Adoption of July 11, 2019 and Amended April 1, 2019 Committee Meeting Minutes

Tilley offered a motion that was seconded by Johnson to approve the minutes as presented. The motion was adopted on a vote of 5 – 2 by Tilley, Johnson, Bottomley Campbell and Schiavone. Bruno abstained as he was absent from the April 1, 2019 meeting, and Paull abstained as she was not appointed to the committee until April 15, 2019.

2. Develop List of Topics for Annual Report to the Board of Directors

The committee indicated support for inclusion of the following topics: (a) disagreement on committee regarding use of Water Supply Charge to fund the Measure J effort; (b) continuance/sunset of Water Supply Charge and User Fee; (c) recommendations for payment of Rabobank loan; (d) support for continuance of the Local Water Supply Project Grant program; and (e) interest in discussion on the use of District reserve funds.

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

Prasad reviewed Exhibit 4-A, User Fee Revenue Collections FY 2019-2020 and responded to questions.

5. Discuss Plan to Defease Rabobank Loan

Stoldt summarized the issue and noted that the Board of Directors has shown a preference for Option 4, establishment of a sinking fund to accumulate the full pay-off balance beginning FY2020-21. The committee members expressed interest in several alternatives: payoff loan with reserve funds; establishment of a hybrid sinking fund that would allocate a portion to pay down the loan and a portion saved for costs at maturity; Option 6 - pre-payment; refinance the loan at the current rate; pay off with Water Supply Charge; Option 4 – sinking fund defeasance; and if conditions are right refinance the loan and secure with the user fee.

Panel members also made the following observations: (a) concerned that payoff of the low interest loan would not be wise as it could be difficult to borrow money at that low rate in the future; (b) it would be prudent to collect the Water Supply Charge and User fee for a three-year period; (c) pay off the loan with Water Supply Charge receipts so they could not be used for Measure J expenditures; and (d) concern that using Water Supply Charge funds to pay Measure J costs may leave little remaining to pay off the Rabobank loan when it reaches maturity.

Stoldt and Prasad responded to questions and comments from the committee. Reserve funds are needed to pay project costs that will be due in 2021. The Rabobank loan is secured by the Water Supply Charge; however, if the loan were to be refinanced the use of user fees might be considered. The difference between Option 3 and Option 4 is that under Option 4 it would be difficult to allocate those funds to a different purpose if the need arose; however, it may not be feasible to fund either Option. It may be possible to reduce the Water Supply Charge in the future when funding has been completed for projects currently in progress such as the Sleepy Hollow Fish Rearing Facility, Pure Water Monterey, and Pure Water Monterey Expansion.

The committee also expressed concern about the adequacy of the District's pension reserve. Prasad explained that the District is in compliance with the requirements of GASB68 as outlined in the most recent audit. Annually, \$100,000 is placed in each of the OPEB and pension fund reserves. Because the District has less than 100 employees, it is part of a pool that determines the agency's liability as a whole. It does not assess the liability of each staff member. Each year the District budgets for its annual contribution to PERS.

6. Preliminary Discussion on Sunset of Water Supply Charge

Stoldt summarized the issue in a presentation that is on file at the District office and can be viewed on the agency website. He stated that in the future, the Water Supply Charge or User Fee could be reduced or a decision could be made to stop collection for a period of time. The District would not deauthorize either funding mechanism. Stoldt reported that if the District moved forward on the buyout of California American Water, it would need to show the court all revenue sources. However, neither the Water Supply Charge or User Fee would be sufficient to cover the annual debt for the buyout. Stoldt also explained that should the Measure J effort fail in the courts, all legal and other accumulated costs would be paid by the District's residents.

Other Items

7. Water Supply Project Update

In response to a question from the committee, Stoldt briefly discussed the future operation and maintenance cost of the Aquifer Storage and Recovery project.

Adjourn: The meeting was adjourned at 11:55 pm.

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ITEM: INFORMATIONAL ITEM/STAFF REPORT**21. MONTHLY ALLOCATION REPORT**

Meeting Date:	February 19, 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 January 31, 2020, a total of **17.724** acre-feet (**5.2%**) of the Paralta Well Allocation remained available for use by the Jurisdictions. Pre-Paralta water in the amount of **35.923** acre-feet is available to the Jurisdictions, and **28.849** acre-feet is available as public water credits.

Exhibit 21-A shows the amount of water allocated to each Jurisdiction from the Paralta Well Allocation, the quantities permitted in January 2020 (“changes”), and the quantities remaining. The Paralta Allocation had no debits in January 2020.

Exhibit 21-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 21-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 21-C**.

EXHIBITS**21-A** Monthly Allocation Report**21-B** Monthly Entitlement Report**21-C** District’s Water Allocation Program Ordinances

EXHIBIT 21-A
MONTHLY ALLOCATION REPORT
Reported in Acre-Feet
For the month of January 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	0.022	15.874	0.000	0.065	0.087
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	0.167	34.438	0.000	34.438	2.693	0.000	1.144	35.749
TOTALS	342.720	0.000	17.724	101.946	0.000	35.923	90.142	0.000	28.839	82.486

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	9.413	3.347

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

EXHIBIT 21-B
MONTHLY ALLOCATION REPORT
ENTITLEMENTS
Reported in Acre-Feet
For the month of January 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	220.880	0.652	31.302	189.578
Del Monte Forest Benefited Properties ² (Pursuant to Ord No. 109)	144.120	0.205	55.982	88.138
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	0.857	102.113	277.887

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	6.366	199.634
Malpaso Water Company	80.000	0.177	16.056	63.944
D.B.O. Development No. 30	13.950	2.513	3.697	10.253
City of Pacific Grove	38.390	0.074	0.570	37.820
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 21-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**22. WATER CONSERVATION PROGRAM REPORT****Meeting Date: February 19, 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 **50** property transfers that occurred between January 1, 2020, and January 31, 2020, were added to the database.

B. Certification

The District received **84** WCCs between January 1, 2020, and January 31, 2020. Data on ownership, transfer date, and status of water efficiency standard compliance were entered into the database.

C. Verification

From January 1, 2020, to January 31, 2020, **57** properties were verified compliant with Rule 144 (Retrofit Upon Change of Ownership or Use). Of the **57** verifications, **24** properties verified compliance by submitting certification forms and/or receipts. District staff completed **51** Site inspections. Of the **51** properties inspected, **33 (64%)** passed inspection. **None** of the properties that passed inspection involved more than one visit to verify compliance with all water efficiency standards.

Savings Estimate

Water savings from HET retrofits triggered by Rule 144 verified from January 1, 2020, to January 31, 2020, are estimated at **0.600** Acre-Foot annually (AFA). Water savings from

retrofits that exceeded the requirement (i.e., HETs to Ultra High Efficiency Toilets) is estimated at **0.100** AFA (5 toilets). Year-to-date estimated savings from toilet retrofits is **0.700** AFA.

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 January, District inspectors performed **20** inspections. Of the **20** inspections certified, **14** were in compliance. **None** of the properties that passed inspection involved more than one visit to verify compliance with all water efficiency standards; the remainder complied without a reinspection.

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 January 2020, MPWMD referred **four** properties to Cal-Am for verification of outdoor Rate BMPs.

E. Water Waste Enforcement

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

II. WATER DEMAND MANAGEMENT

A. Permit Processing

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 **49** Water Permits from January 1, 2020 to January 31, 2020. **Eleven** Water Permits were issued using Water Entitlements (Pebble Beach Company, Malpaso Water, etc.). **No** Water Permits involved a debit to a Public Water Credit Account.

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. All Water Permit recipients with property supplied by a California American Water Distribution System will continue to be provided with the disclaimer.

District Rule 24-3-A allows the addition of a second bathroom in an existing Single-Family Dwelling on a Single-Family Residential Site. Of the **49** Water Permits issued from January 1, 2020 to January 31, 2020, **five** were issued under this provision.

B. Permit Compliance

District staff completed **42** Water Permit final inspections during January 2020. **Seven** of the final inspections failed due to unpermitted fixtures. Of the **29** passing properties, **29** passed inspection on the first visit. In addition, **four** pre-inspections were conducted in response to Water Permit applications received by the District.

C. Deed Restrictions

District staff prepares deed restrictions that are recorded on the property title to provide notice of District Rules and Regulations, enforce Water Permit conditions, and provide notice of public access to water records. In April 2001, the District Board of Directors adopted a policy regarding the processing of deed restrictions. District staff provided Notary services for **57** Water Permits with deed restrictions.

D. Rebates

The following table summarizes Rebate activity for this month:

REBATE PROGRAM SUMMARY		January-2020				1997 - Present		
I. <u>Application Summary</u>								
A.	Applications Received	70						27,510
B.	Applications Approved	58						21,451
C.	Single Family Applications	51						24,557
D.	Multi-Family Applications	7						1,467
E.	Non-Residential Applications	0						355
		Number of devices	Rebate Paid	Estimated AF	Gallons Saved	Year to Date Number	Year to Date Paid	Year to Date Estimated AF
II. <u>Type of Devices Rebated</u>								
A.	High Efficiency Toilet (HET)	13	\$950.00	0.065000	21,180	13	\$950.00	0.065000
B.	Ultra HET	0		0.000000	0	0	\$0.00	0.000000
C.	Toilet Flapper	0		0.000000	0	0	\$0.00	0.000000
D.	High Efficiency Dishwasher	14	\$1,750.00	0.042000	13,686	14	\$1,750.00	0.042000
E.	High Efficiency Clothes Washer - Res	27	\$13,500.00	0.434700	141,647	27	\$13,500.00	0.434700
F.	High Efficiency Clothes Washer - Com	0		0.000000	0	0	\$0.00	0.000000
G.	Instant-Access Hot Water System	3	\$500.00	0.015000	4,888	3	\$500.00	0.015000
H.	Zero Use Urinals	0		0.000000	0	0	\$0.00	0.000000
I.	Pint Urinals	0		0.000000	0	0	\$0.00	0.000000
J.	Cisterns	1	\$1,725.00	0.000000	0	1	\$1,725.00	0.000000
K.	Smart Controllers	2	\$249.00	0.000000	0	2	\$249.00	0.000000
L.	Rotating Sprinkler Nozzles	0		0.000000	0	0	\$0.00	0.000000
M.	Moisture Sensors	0		0.000000	0	0	\$0.00	0.000000
N.	Lawn Removal & Replacement	1	\$1,900.00	0.000000	0	1	\$1,900.00	0.000000
O.	Graywater	0		0.000000	0	0	\$0.00	0.000000
R.	Other			0.000000	0	0	\$0.00	0.000000
III. <u>TOTALS</u>		61	\$20,574.00	0.556700	181,401	61	\$20,574.00	0.556700

ITEM: INFORMATIONAL ITEM/STAFF REPORT**23. CARMEL RIVER FISHERY REPORT FOR JANUARY 2020****Meeting Date: February 19, 2020 Budgeted: N/A****From: David J. Stoldt, General Manager Program/ Line Item No.: N/A****Prepared By: Beverly Chaney Cost Estimate: N/A****General Counsel Review: N/A****Committee Recommendation: N/A****CEQA Compliance: This action does not constitute a project as defined by the California Environmental Quality Act Guidelines Section 15378.**

AQUATIC HABITAT AND FLOW CONDITIONS: After a wet December that saw Los Padres Reservoir fill and spill and the lagoon open all in a few days, January conditions have been mild. Mainstem flows slowly dropped during the month, but steelhead passage and rearing conditions remained “good” allowing the return of migrating adult sea-run steelhead to the upper watershed.

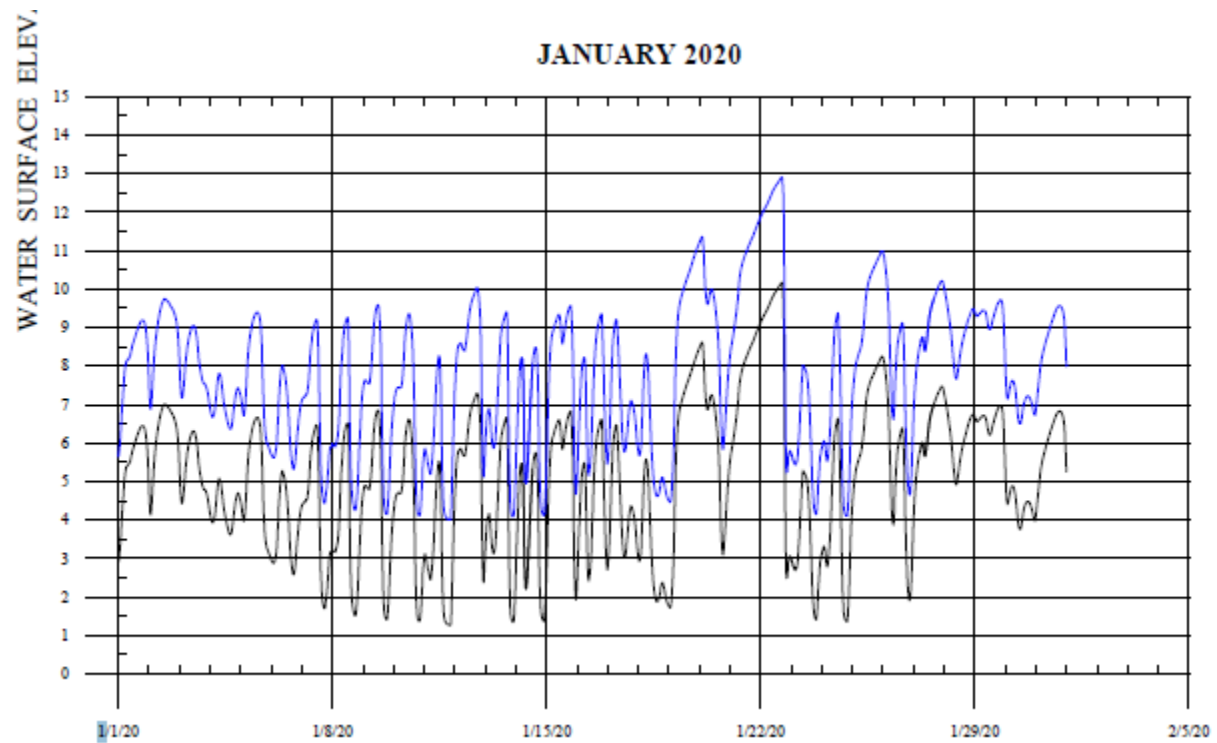
January’s mean daily streamflow at the Sleepy Hollow Weir dropped from 132 to 72 cubic-feet-per-second (cfs) (monthly mean 94 cfs) resulting in 5,770 acre-feet (AF) of runoff. Mean daily streamflow at the Highway 1 gage dropped from 144 to 75 cfs (monthly mean 97 cfs) resulting in 5,960 acre-feet (AF) of runoff.

There were 1.25 inches of rainfall in January as recorded at the San Clemente gauge. The rainfall total for WY 2020 (which started on October 1, 2019) is 11.48 inches, or 103% of the long-term year-to-date average of 11.17 inches.

LOS PADRES DAM ADULT STEELHEAD COUNT: The Los Padres fish ladder and trap started operating on December 12, 2019. As of January 31st, 12 adult steelhead have been trapped and transported above the dam, seven of those were tagged by NMFS crews.

CARMEL RIVER LAGOON: The lagoon mouth opened on December 3, 2019. The lagoon’s water surface elevation (WSE) was variable in January, primarily from wave and tidal action, ranging from ~4 – 12.9 feet (North American Vertical Datum of 1988; NAVD 88) (See graph below).

Water quality depth-profiles were conducted at five sites on January 21, 2020 while the lagoon mouth was closed due to large wave and tidal action, the water surface elevation was ~6.5 feet and filling, and river inflow was 92 cfs. Steelhead rearing conditions were generally “fair” throughout the lagoon due to the high salinity levels below 0.5m depth from the tidal and wave action (range was 2 - 28 ppt). Dissolved oxygen (DO) levels (8 – 11 mg/l) and water temperatures (50 - 53 degrees F) were excellent.

Carmel River Lagoon Plot:

ITEM: INFORMATIONAL ITEM/STAFF REPORT**24. MONTHLY WATER SUPPLY AND CALIFORNIA AMERICAN WATER PRODUCTION REPORT****Meeting Date:** February 19, 2020 **Budgeted:** N/A**From:** David J. Stoldt,
General Manager **Program/** N/A
Line Item No.:**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 24-A shows the water supply status for the Monterey Peninsula Water Resources System (MPWRS) as of **February 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 24-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 **January 2020** totaled **1.25 inches** and brings the cumulative rainfall total for WY 2020 to **11.48 inches**, which is **103%** of the long-term average through **January**. Estimated unimpaired runoff through **January** totaled **13,072 acre-feet (AF)** and brings the cumulative runoff total for WY 2020 to **20,082 AF**, which is **103%** of the long-term average through **January**. Usable storage for the MRWPRS was **30,520 acre-feet**, which is **101%** of average through **January**, and equates to **81%** 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 **January**, using the CDO accounting method, Cal-Am has produced **2,465 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 **January**, Cal-Am has produced **992 AF** from the Seaside Groundwater Basin. Through **January**, **418 AF** of Carmel River Basin groundwater have been diverted for Seaside Basin injection; **0 AF** have been recovered for customer use, and **88 AF** have been diverted under Table 13 water rights. Cal-Am has produced **3,049 AF** for customer use from all sources through **January**. **Exhibit 24-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 **9,765 AF**, which is below the rationing trigger of **10,130 AF** for WY 2020.

EXHIBITS**24-A** Water Supply Status: **January 1, 2019****24-B** Monthly Cal-Am Diversions from Carmel River and Seaside Groundwater Basins: WY 2020**24-C** Monthly Cal-Am production by source: WY 2020

EXHIBIT 24-A

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

Factor	Oct - Jan 2020	Average To Date	Percent of Average	Oct – Jan 2019
Rainfall (Inches)	11.48	11.14	103%	25.27
Runoff (Acre-Feet)	20,082	19,485	103%	26,400
Storage ⁵ (Acre-Feet)	30,520	30,180	101%	30,210

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 37,639 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		Ajudication Compliance	ASR Recovery	Table 13 ⁷		Sand City ³
Target	2,485	900	0	900	3,385	0	62	100	162
Actual ⁴	2,465	890	101	992	3,457	0	88	10	98
Difference	20	10	-101	-92	-72	0	-26	90	64
WY 2019 Actual	2,195	928	86	1,014	3,209	0	81	66	148

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, 418 AF and 88 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							
Mar-20							
Apr-20							
May-20							
Jun-20							
Jul-20							
Aug-20							
Sep-20							
Total	1,954	992	0	88	10	6	3,049
WY 2019	1,812	1,014	0	81	66	33	3,006

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	9,765	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	745	-177	199	150	20	100	0	-50	-20	892	845	-47	0	25	25
Jan-20	155	552	100	810	-55	258	92	19	100	0	8	-19	818	1,010	192	10	25	15
Feb-20																		
Mar-20																		
Apr-20																		
May-20																		
Jun-20																		
Jul-20																		
Aug-20																		
Sep-20																		
To Date	332	2,127	100	2,485	-232	358	890	101	900	0	10	-101	3,451	3,485	34	10	100	90

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	870	-22
Jan-20	828	1,035	207
Feb-20			
Mar-20			
Apr-20			
May-20			
Jun-20			
Jul-20			
Aug-20			
Sep-20			
To Date	3,461	3,585	124

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 2/13/2020 MPWMD Board Packet

Attached are copies of letters received between January 11, 2020 and February 13, 2020. These letters are listed in the February 19, 2020 Board packet under Letters Received.

Author	Addressee	Date	Topic
Peter Le	MPWMD Board	2/13/2020	Why Marina must oppose the proposed expansion of the Pure Water Monterey
George M. Soneff	David Stoldt	2/10/2020	MPWMD Potential Effort to Condemn the Monterey Water System
Hans Uslar	David Stoldt	2/5/2020	Availability of Water for Affordable Housing in the City of Monterey
Hans Uslar	David Stoldt	2/4/2020	Supply and Water Demand for the Monterey Peninsula
Hans Uslar	David Stoldt	2/4/2020	Monterey Peninsula city Managers Respond to Supply and Water Demand for the Monterey Peninsula
Aaron Blair	David Stoldt	1/30/2020	City of Sand City response to the December 3, 2019 report on Supply and Demand for Water on the Monterey Peninsula
Ben Harvey	David Stoldt	1/27/2020	City of Pacific Grove Response to December 3, 2019 report on Water Supply and Demand for the Monterey Peninsula
George M. Soneff	David Stoldt	1/27/2020	Monterey Peninsula Water Management District's Potential Effort to Condemn the Monterey Water System
Fred Meurer	MPWMD Board	1/21/2020	Express concern re the report on Supply and Demand for Water on the Monterey Peninsula
Maddie Halloran	MPWMD	1/8/2020	Thanks for support of 38 th Annual Salmonid Restoration Conference

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Arlene Tavani

From: PETER LE <peter381@sbcglobal.net>
Sent: Thursday, February 13, 2020 11:52 AM
To: Arlene Tavani
Subject: Why Marina must oppose the proposed expansion of the Pure Water Monterey

Dear Ms. Tavani:

Please provide this letter to all Directors of your Board.
 Thank you.

Peter Le

February 13, 2020

Why Marina must oppose the proposed expansion of the Pure Water Monterey (PWM) Advanced Water Purification (AWP) Plant (or Phase 2) and demand changes to the proposed expansion?

Many people and organizations did not support the proposed Cal Am desalination plant. Instead, they support the proposed alternative expansion of the Pure Water Monterey (PWM) advanced water purification plant (or Phase 2). There are many valid reasons to support this expansion alternative (or Phase 2) and I do not need to repeat the valid reasons here. Phase 1 has recently obtained approval to inject 3,500 AFY and 200 AFY reserve to the Seaside aquifers.

Essentially, the proposed expansion of the PWM advanced water purification plant will produce an additional 2,250 acres feet per year (AFY) that will be injected into the Seaside basin and later extracted for use by Monterey Peninsula cities. This new supply will satisfy water demands for many years.

Monterey One Water (M1W), in conjunction with Monterey Peninsula Water Management District (MPWMD), has prepared and distributed for comments the Draft Supplemental Environmental Impact Report (DSEIR) for this expansion alternative (or Phase 2).

The deadline to submit comments on the Draft Supplemental EIR was January 31, 2020. Marina Coast Water District has submitted written comments on the Draft Supplemental Environmental Impact Report (DSEIR) to Monterey One Water on January 30, 2020. You should review the comments from MCWD to obtain further information and details.

So, what are the real reasons that we, all Marina Coast Water District (MCWD) ratepayers and all Marina residents, must oppose the proposed expansion of the PWM advanced water purification plant and demand changes to this proposed expansion? Some of the main reasons are listed below:

1. Monterey One Water (M1W) has entered into contracts to supply Marina Coast Water District (MCWD) with 1,427 acres feet per year of recycled water or advanced treated water. Monterey One Water supplies MCWD 600 AFY in Phase 1. Now M1W needs to honor the senior contractual rights of MCWD and supply MCWD with an additional 827 acres feet per year (AFY) of advanced treated

water before supplying any additional advanced treated water to Cal Am. That means M1W can only inject 1,423 AFY into the Seaside basin, NOT 2,250 AFY as proposed. The Draft Supplemental EIR conveniently ignored the existing contracts and MCWD's senior contractual rights.

2. Monterey One Water must delete or eliminate all proposed Cal Am distribution system elements in the Draft Supplemental EIR since these proposed Cal Am facilities appear to serve the proposed Cal Am desalination plant and do not serve the proposed PWM expansion. Monterey One Water seems to violate California Environmental Quality Act (CEQA) in including these Cal Am new elements that serve the proposed Cal Am desalination plant in this Draft Supplemental EIR.
3. The proposed modifications to Cal Am's distribution system listed in the Draft Supplemental EIR appear to accommodate the proposed Cal Am desalination plant will need to submit to California Public Utilities Commission (CPUC) for review and approval and for conformance to CEQA laws. These Cal Am facilities cannot be included in this Draft Supplemental EIR. Both Monterey One Water and Cal Am appear to violate California Environmental Quality Act (CEQA) in doing so. Cal Am paid Monterey One Water about \$341,000 to include Cal Am's new desalination facilities in this Draft Supplemental EIR; thus, appears to circumvent CEQA's laws and also appears to circumvent CPUC regulations and restrictions placed on Cal Am desalination project.
4. The PWM expansion needs to consider and use of existing MCWD 100% owned pipelines instead of construction new pipelines unnecessarily in conformance with CEQA. CEQA laws require Monterey One Water to consider alternatives.
5. The existing conveyance pipe which was owned 100% by Marina Coast Water District (MCWD) was designed to carry 3,500 AFY and 200 AFY reserve for Monterey One Water, and 1,427 AFY (600 AFY for Phase 1 and 827 AFY for Phase 2, the proposed expansion) for MCWD for a total of 5,127 AFY. Now Monterey One Water assumed that this pipe can carry an additional 2,250 AFY for a total of 7,377 AFY. The Draft Supplemental EIR did not include any engineering analysis showing that it is feasible to carry an additional 2,250 AFY.
6. The PWM expansion needs approval from MCWD Board of Directors for conveying additional water in MCWD's owned pipes and using the existing reservoir owned by MCWD assuming these usages do not adversely impact existing MCWD facilities as demonstrated in all engineering analysis that have not been done and nor included in the Draft Supplemental EIR. The Draft Supplemental EIR did not describe or show the need to obtain approval from MCWD.
7. Additionally, M1W must pay MCWD for additional capital costs, operation and maintenance costs to carry and store additional advanced treated water in MCWD 100% owned facilities.
8. M1W must credit MCWD for overpayment of capital cost of the existing advanced water treatment plant and overpayment of the maintenance and operating costs of the existing advanced water treatment plant if the proposed expansion proceeds.
9. Additionally, all existing agreements between Monterey One Water and MCWD need to be amended to reflect new changes, after the proposed expansion has been changed appropriately and deemed feasible, and all the capital costs, operation and maintenance costs need to be updated, and the current shared costs also need to be updated.
10. Again, Marina is being taken advantaged by Monterey One Water, Monterey Peninsula Water Management District and Peninsula cities. That is another example of environmental INJUSTICE.

Public Water Now which represents Cal Am customers is unlikely to oppose the proposed expansion and/or demand changes to the proposed expansion since the proposed expansion benefits them greatly at the expense of MCWD ratepayers.

Citizens Just for Water which represents all MCWD ratepayers needs to re-examine this proposed expansion more thoroughly and evaluates the negative and adverse impacts to Marina residents such as ignoring senior contractual rights to supply additional water to MCWD and MCWD ratepayers are required to pay more than its fair share on the proposed expansion. At the very least, Citizens Just for Water needs to have at least one public meeting to discuss and address the above adverse impacts to Marina residents instead of keeping silence on this matter.

Citizens Just for Water should invite the General Manager of Monterey One Water to this public meeting to answer the above concerns. If a public meeting is not possible, Citizens for Just Water should obtain written answers from Monterey One Water and communicate their responses to its members and all Marina residents the reasons why it still supports this proposed expansion while there are so much inequities to Marina residents and such potential violations of CEQA laws by Monterey One Water and Cal Am on this proposed expansion as described in details above.

Ratepayers of MCWD already had bad deals from Monterey One Water in Phase 1. Monterey One Water charges Cal Am about \$2,200 per acre foot for the advanced treated water while it costs MCWD about \$3,200 per acre foot for the same water. In 2019 even though MCWD does not use a drop of this water because it does not have distribution systems to deliver this water to parks and landscaped areas, MCWD still has to pay Monterey One Water about two million dollars. Will Monterey One Water use 600 AF of MCWD's water and supply it to Cal Am?

The proposed expansion project is very complicated. I only highlight the above comments within the time I had. I believe that there are other adverse issues that impact MCWD ratepayers I will discover later. It's worth noting that all project documents and executed agreements between various public agencies are public documents and most of them are not included in the agenda packets and/or posted on agencies' websites of Monterey One Water, Marina Coast Water District, Monterey Peninsula Water Management District, Monterey County Water Resources Agency, Fort Ord Reuse Authority, County of Monterey, and California Public Utilities Commission.

The above comments are my own. These comments are not from any other individual or from any private or public organizations, and do not necessarily represent the views of Marina Coast Water District or its Board of Directors.

Peter Le

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manatt

George M. Soneff
Manatt, Phelps & Phillips, LLP
Direct Dial: (310) 312-4186
gsoneff@manatt.com

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FEB 11 2020

MPWMD

February 10, 2020

VIA FEDERAL EXPRESS & EMAIL (DSTOLDT@MPWMD.NET)

David J. Stoldt, General Manager
Monterey Peninsula Water Management District
5 Harris Court, Bldg. G
Monterey, CA 93940

Re: Monterey Peninsula Water Management District's Potential Effort to Condemn
the Monterey Water System

Dear Mr. Stoldt:

Thank you for your February 5 email on behalf of the Monterey Peninsula Water Management District ("District") in response to my January 27 letter.

As you are no doubt aware, Monterey LAFCO's Municipal Services Review recognizes the class of services provided and the functions of the District:

"The Monterey Peninsula Water Management District (MPWMD) is a water resource planning/management entity, and does not provide water service to retail customers. The principal retail water purveyor on the Monterey Peninsula is the California American Water (CAW), which is an investor-owned private utility. The District provides technical support and regulatory oversight to CAW, and other smaller water systems.

"Most of the District's functions are regulatory in nature. . . ."

(LAFCO of Monterey County Final Municipal Services Review for the Monterey Peninsula Area, January 4, 2007, p. 123)

My January 27 letter asked that the District acknowledge its obligation to obtain LAFCO approval before it may expand its services and functions, and to confirm that the District will obtain that approval prior to considering adoption of a Resolution of Necessity to condemn Cal Am's Monterey Peninsula water system.

Your February 5 email was not responsive to our request about this vital process, suggesting that the District may believe it is exempt from the LAFCO review and approval obligations outlined in my letter.

David J. Stoldt
 February 10, 2020
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Review of expansion proposals by special districts is among the LAFCO core “watchdog” functions. The process can be expected to add considerable time and costs to the District’s proposed project. Another special district, the South San Joaquin Irrigation District, spent many years and many millions of dollars in that LAFCO process when it attempted to expand into providing retail electric service using eminent domain, and in 2018 its project was ultimately rejected in court as a result of its failure to obtain valid LAFCO approval. Attachment A to this letter provides further legal background about the California Legislature’s 2009 changes to the LAFCO Act that strengthened the required review as a result of the irrigation district’s expansion proposal in San Joaquin.

We believe your Board of Directors and the public you represent deserve a forthright answer to whether the District contends it is exempt from the LAFCO process for special district expansion, and how that process will affect your published budgets and timelines. None of the timelines and budgets circulated thus far by the District acknowledge the need to comply with that process. Your email does not provide the transparency the public deserves, especially given the \$1 million plus in public funds that the District has already committed to its expansion plan. If the District does intend to comply with the LAFCO process, your Board and the public should be able to see that process reflected in the timelines and budgets the District presents, along with a discussion about the ramifications and costs of potential disapproval by LAFCO.

Accordingly, Cal Am renews the requests made in my January 27 letter for an answer about the District’s intentions concerning this mandatory regulatory process.

Sincerely,



George M. Soneff
 Manatt, Phelps & Phillips, LLP

cc: David Laredo, Esq., MPWMD Counsel (dave@laredolaw.net)
 Kate McKenna, AICP, Executive Officer, Monterey LAFCO
 (mckennak@monterey.lafco.ca.gov)
 Alvin Edwards – Chair (alvinedwards420@gmail.com)
 George Riley (georgetriley@gmail.com)
 Molly Evans (water@mollyevans.org)
 Jeanne Byrne – Vice Chair (jcbarchfaia@att.net)
 Gary D. Hoffmann, P.E. (gqhwd1000@gmail.com)
 Dave Potter - Mayoral Representative (dpotter@ci.carmel.ca.us)
 Mary Adams - Monterey Co. Board of Supervisors Rep. (district5@co.monterey.ca.us)

David J. Stoldt
 February 10, 2020
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ATTACHMENT A

Additional Background re Need for LAFCO Review

The District should recognize that the LAFCO Act was amended just over a decade ago, in 2009, to strengthen the need for LAFCO review in situations such as this. The amendments were introduced and adopted as Assembly Bill 2484 as a response to South San Joaquin Irrigation District's legal challenge (*South San Joaquin Irrigation District v. Superior Court*, 162 Cal.App.4th 146 [2008]). The legislative record shows the amendments were designed to impose both procedural and fiscal discipline on LAFCOs' review of special district expansion proposals. The procedural discipline is achieved by requiring LAFCO to treat the applications as a request for "change of organization," which requires that specific "determinations" be made by Resolution. The fiscal discipline is manifest by the requirement that LAFCOs must reject a proposal unless "sufficient revenues" were either demonstrated by the special district or mandated by LAFCO through a new "sufficient revenue source" approved by LAFCO through specific conditions. (Govt. Code §56824.14[a].)

First, as to the procedures required. The 2009 amendments added new subdivision (h) to §56021, mandating that proposals by a special district seeking to add new services (i.e., proposals such as the District's) constitute a **Change of Organization**.¹ This means that the District's proposal must be processed by Monterey LAFCO in the same manner and under the same procedures as, for example, a city incorporation, consolidation of cities, or formation or dissolution of a special district. (See, Govt. Code §56021(a), (b), (h) and (i).) All LAFCO determinations concerning a "Change of Organization" must comply with the provisions of Part 3, Ch. 6 of the LAFCo Act (Govt. Code §§56880-56898). The Chapter (labeled "COMMISSION DECISION") requires, for example, that in deciding upon a Change of Organization, LAFCO "shall adopt a resolution making determinations approving or disapproving the proposal" within 35 days after the hearing (§56880), and shall then mail a copy of the resolution to the affected parties (§56882).

Second, as to fiscal review required of LAFCO. The 2009 legislation amended §56824.14(a) to require that when a special district applies to expand its services, LAFCO must determine whether the special district will have "sufficient revenues" to carry out the new service. The statute provides that proposals which fail to prove sufficient revenues "shall not be approved," but also gives LAFCO the ability to issue a "conditional approval" based upon the concurrent approval of other revenue sources. The statute—with the additions made in 2009 in boldface—states in relevant part:

¹ In 2011, the subdivision was renumbered, and is now §56021(m).

David J. Stoldt
 February 10, 2020
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(a). . The commission shall not approve a proposal for the establishment of new or different functions or class of services within the jurisdiction boundaries of a special district unless the commission determines that the special district will have sufficient revenues to carry out the proposed new or different functions or class of services except as specified in paragraph (1).

(1) The commission may approve a proposal for the establishment of new or different functions or class of services within the jurisdictional boundaries of a special district where the commission has determined that the special district will not have sufficient revenue to provide the proposed new or different functions or class of services, if the commission conditions its approval on the concurrent approval of sufficient revenue sources pursuant to Section 56886. In approving a proposal, the commission shall provide that if the revenue sources pursuant to Section 56886 are not approved, the authority of the special district to provide new or different functions or class of services shall not be established. (§56824.14(a)(1); underlined emphasis added.)

The June 4, 2008 report from the Senate Local Government Committee evidencing legislative intent explains the reasoning behind these changes, stating in relevant part:

SENATE LOCAL GOVERNMENT COMMITTEE

Senator Gloria Negrete McLeod, Chair

BILL No. AB 2484

HEARING: 6/4/08

AUTHOR: Caballero

FISCAL: No

VERSION: 5/21/08

CONSULTANT: Detwiler

SPECIAL DISTRICTS' POWERS

Background and Existing Law

Local agency formation commissions (LAFCOs) are the Legislature's watchdogs over cities and special districts' boundary changes which are known as 'changes of organization.'

Most special districts provide fewer services than those authorized by the state laws creating them. In the past, a special district could start delivering one of its so-called latent powers even if another local government already

David J. Stoldt
February 10, 2020
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provided the same service in the same area. To avoid duplication, the Legislature allowed LAFCOs to gain control over special districts' latent powers as a condition of adding representatives of independent special districts as LAFCO members.

After receiving a major study of LAFCOs' powers, the Legislature rewrote the procedures for control over special districts' latent powers. A special district that wants to provide a new or different service must hold a noticed public hearing before formally applying to the LAFCO. The district's application must include a five-part plan for services. The LAFCO must hold its own noticed public hearing before acting on the district's application. The LAFCO can approve, approve with conditions, or disapprove the district's latent powers application (AB 948, Kelley, 2001). When a district challenged the San Joaquin LAFCO's authority to control its latent power to provide retail electric service, the District Court of Appeal upheld the statute in April 2008.

Some LAFCOs and special districts want further statutory changes. They want LAFCOs to treat latent powers applications the same way that they handle boundary changes. They want to make sure that LAFCO doesn't approve a latent powers request if the district can't afford the new service. They want to require LAFCO approval before a district divests itself of a service.

Proposed Law

Assembly Bill 2484 prohibits a local agency formation commission (LAFCO) from approving a special district's application to establish new or different functions or classes of services unless LAFCO determines that the district will have sufficient revenues. If the district lacks those revenues, AB 2484 allows LAFCO to approve the district's application if it imposes a condition that requires the approval of sufficient revenue sources. If the revenue sources are not approved, the district cannot provide the new services. (emphasis added.)

The bill expands the definition of a "change of organization" to include a special district's proposal to provide new services or divest itself of existing services. The bill clarifies that only a special district's legislative body can apply to LAFCO to provide a new service or divest itself of a service. The bill expands the required contents of a district's plan for services by requiring officials to explain which services they intend to provide or stop providing. (emphasis added.)

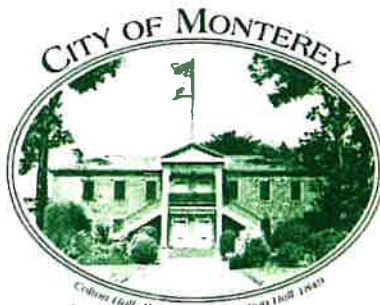
David J. Stoldt
February 10, 2020
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* * *

Comments

1. No hollow shells. AB 2484 fills the gap between local enthusiasm and fiscal reality. The bill's key reform requires LAFCO to deny a district's request to exercise a latent power if the district can't pay for the new service. When local boosters want their special district to deliver a popular service, AB 2484 requires LAFCO to ask the tough question: who's going to pay? Unless the district can point to revenues from special taxes, benefit assessments, or fees, the bill requires LAFCO to say "no." By imposing fiscal discipline on LAFCOs and special districts, AB 2484 avoids what some observers call hollow shells; governments with promising surfaces, but empty inside. (emphasis added.) * * *

Thus, it will be essential for Monterey LAFCO to make the determination about whether the District can demonstrate that it will have "sufficient revenues" to provide retail water service after prosecuting what will be the largest eminent domain action in the state's history, taking account of all costs and operational challenges the District would encounter.



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MAILED

Mayor:
CLYDE ROBERSON

Councilmembers:
DAN ALBERT
ALAN HATFA
ED SMITH
TYLER WILLIAMSON

City Manager:
HANS USLAR

February 5, 2020

David Stoldt
General Manager
Monterey Peninsula Water Management District
P.O. Box 85
Monterey, California 93940

Re: Availability of Water for Affordable Housing in the City of Monterey

Dear Dave,

I am writing to inform you of the decision of the Monterey City Council at the January 21, 2020 Council meeting to authorize City staff to request that the Monterey Peninsula Water Management District allocate 17 AF water to the City for the development of affordable housing on City owned properties. It is our intent to issue a RFP, which makes this commitment of available water. We hope that you will place this item on the Board's agenda for decision making.

The State and the City of Monterey are currently experiencing both high housing costs and a low inventory of affordable housing units. Our City has a Regional Housing Needs Assessment (RHNA) goal of building 650 housing units by 2023, and is currently on track to produce only 380 units, missing the RHNA goal by 270 units. Although the City is on track to produce enough market rate homes, it is not currently on track to meet the moderate, low, and very low income targets established in the RHNA goal.

The Council's direction comes as a result of a staff analysis of City owned properties and their potential to be redeveloped for affordable housing. The analysis was included was presented to the Council at the January 21 meeting. A key finding of the analysis is that the City owned sites under consideration lack the quantity of water credits needed to support redeveloping the sites for affordable housing. Based on the initial analysis, the City owned sites have combined water credits of 1.02 acre feet, but construction of the new affordable housing units would require 17 acre feet of water.

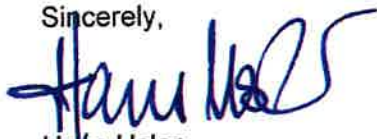
After reviewing the staff analysis of City owned sites, the City Council made the determination that the lack of available of water credits is an impediment to developing affordable housing in the City of Monterey.

The City Council believes that by identifying adequate sites and securing water and funding, the City may have an opportunity to partner with one or more developers to construct new affordable housing on City owned sites. With City staff having identified viable sites for affordable housing, the next step is to identify additional water credits to support the development of the needed affordable housing units.

Additionally, at the public meeting, we also received a letter from the developer of 2600 Garden Road, Monterey. The current project has water to create 59 new residential 2 or 3 bedroom units. Currently 12 units will be allocated to affordable housing. The developer has informed us that he could add another 35 units to the build out, make them ALL affordable units if he would receive an additional allocation of 1.68af of water. Pending verification from the Water District, we urge you and the board to consider allowing the additional water for this site. Imagine 94 units with 47 of them affordable. Imagine how many residents, commuters, constituents could possibly benefit from this project. Please work with your board to find a path forward to allocate the requested drop of water.

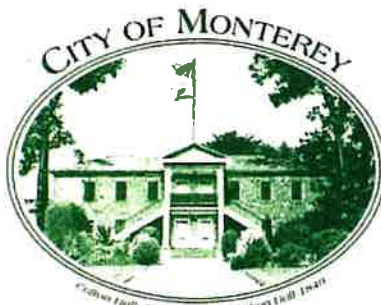
I look forward to hearing from you and District staff.

Sincerely,

A handwritten signature in blue ink, appearing to read "Hans Usler", with a stylized flourish at the end.

Hans Usler
City Manager

cc: Monterey City Council
Kim Cole, Community Development Director



FEB 10 2020

MAY 10 2020

Mayor:
CLYDE ROBERSON

Councilmembers:
DAN ALBERT
ALAN HAFER
ED SMITH
TYLLER WILLIAMSON

City Manager:
HANS USLAR

February 4, 2020

David Stoldt
General Manager
Monterey Peninsula Water Management District
P.O. Box 85
Monterey, CA 93940

Re: Supply and Water Demand for the Monterey Peninsula

Dear Dave,

The City of Monterey staff appreciates the opportunity to review and comment on the Monterey Peninsula Water Management District's report titled "Supply and Water Demand for the Monterey Peninsula".

Mr. Stoldt requested that staff should review the AMBAG housing growth scenarios.

The bottom line: The use of AMBAG's growth scenario is not advisable for a variety of reasons outlined below. The described path for the peninsula water supply will not match tomorrow's State mandate for thousands of additional housing units.

AMBAG's growth scenario, established six years ago, does not consider current and planned legislative mandates to increase the construction of housing. As such, while the AMBAG numbers are applied correctly, it is clear from our current housing and homeless crisis that the Supply and Demand numbers need to be achieved very soon. Figure 3 of the GM's memo projects that the underlying water solutions will need 30 years to catch up with the current AMBAG housing numbers. Waiting 30 years is not an option because local governments need to provide more housing solutions today.

The weakness of using the RHNA allocation is that the City will receive an increased RHNA allocation every 7-8 years pending certification. The water requirements will be cumulative. Recent literature indicates that we could expect our RHNA allocation to increase beyond 650 units every 7-8 years. Over a twenty-year period, we may have a minimum need of 1,625 new units or 250 af of water (0.15af per unit).

A current estimate developed in 2020 by Economic Planning Systems (EPS) for the City of Monterey defines a need of an additional 1,700 housing units by the end of 2030 with 40% of them for affordable housing. This represents a need for 255 af within the next 10 years.

In 2019 only 14 new accessory dwelling units were constructed. ADUs should be part of the solution to the affordable housing crisis but this immediate solution is currently stymied by water supply constraints. As a conservative estimate we believe that Monterey could become home to 250 to 500 ADUs in the next five years if water is provided. These units should be seen as additional resources of needed housing above and beyond the RHNA estimates.

It is also important to note that the City has a Water Waiting List. The City has not accepted new water waiting list applications since 2018. The current list requires approximately 36 acre feet to exhaust and is attached as Attachment 2. This data is not part of the water memo yet.

Sincerely,



Hans Uslar
City Manager

cc: Monterey City Council
Kim Cole, Community Services Director
Grant Leonard, Administrative Analyst, Housing & Property Management

Attachment 1

Address	AM	M	L	VL	Year Entitled	Year Finaled
Various SF Homes	55					2015
Various SF Homes	2					2016
Various SF Homes	2					2017
255 Foam	6				2013	2018
201 Cannery Row	5				2015	2018
777 Taylor	1				2015	2018
669 Van Buren		1		18	2015	2017
457 Wave	4				2016	
103 Flagg Hill	1				2018	2019
Tyler and Pearl	5		1		2018	
606 Anthony	1				2018	
551 Foam	2				2018	
471 Wave	4				2018	
1230 Sixth	1				2019	
442 Hawthorne	1				2019	
2200 North Fremont	32		8		2019	
200 Glenwood	40				2019	
22 Spray	1				2019	
595 Munras	8	1	1		2019	
799 Cannery Row	4				2019	
851 Cannery Row	1				2019	
300 Cannery Row	8		2		2019	
591 East Franklin	3	1	2	1	2020	

2000 Garden Road	29	4	3	2020	
2560 Garden Road	41	6	6	2020	
2600 Garden Road	47	5	5	2020	
ADU's					
960 Alameda Avenue	1			2017	
480 San Bernabe	1			2017	
47 Via Cimarron	1			2017	
13 El Caminito del Norte	1			2017	
40 Cielo Vista Drive	1			2017	
35 Linda Vista Drive	1			2017	
821 Filmore	1			2017	
816 Jessie	1			2017	
448 Ramona Avenue	1			2018	
575 Oak Street	1			2018	
1420 Munras	1			2018	
76 Cuesta Vista	1			2018	
923 Fountain Avenue	1			2018	
7 Greenwood	1			2019	
Total	304	32	28	19	383
RHNA					
Monterey	272	119	102	157	650

Attachment 2

WATER WAITING LIST COMBINED CHART LISTED CHRONOLOGICALLY

	PROJECT/ NAME	TYPE OF PROJECT	ADDRESS	DATE SUBMITTED	WATER REQUEST (AF)	PROPOSED WATER USE (AF)	CUMULATIVE TOTAL
1	Sumida	New SFR	36 Via Castanada	2/7/2003	0.242	0.242	0.242
2	St. John's Greek Church	New Comm	3051 Monterey/Salinas Hwy	4/6/2003	0.706	0.706	0.948
3	Real	New SFR	50 Porta Vista Pl	7/15/2003	0.166	0.249	1.114
4	Real	New SFR	48 Porta Vista Pl	7/15/2003	0.166	0.249	1.28
5	Real	New SFR	54 Porta Vista Pl	7/15/2003	0.166	0.249	1.446

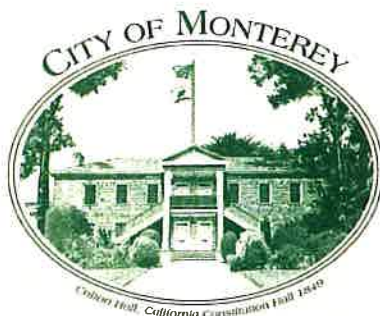
6	Real	New SFR	52 Porta Vista Pl	7/15/2003	0.166	0.249	1.612
7	Takigawa	New SFR	689 Newton St	7/28/2003	0.242	0.242	1.854
8	Tringali	New SFR	780 Lyndon St	8/21/2003	0.249	0.249	2.103
9	Real	SFR Remodel	46 Porta Vista	8/26/2003	0.043	0.154	2.146
10	Carey Trust	New SFR	845 Filmore St	9/14/2003	0.201	0.201	2.347
12	Jack Stracuzzi	New Comm	798 Wave Street	4/12/2004	0.267	0.267	2.614
13	S. Shaw/Hare on Houston	Comm TI	578 B Houston Street	4/30/2004	0.057	0.034	2.671
14	Richards, Robt & Richard	New SFR	879 Newton Street	5/7/2004	0.245	0.245	2.916
15	Dinner, Chris & Denice	New SFR	418 High Street	2/11/2005	0.249	0.249	3.165
16	Hamilton, Maurice & Vivian	New SFR	23 Yerba Buena Ct	2/14/2005	0.246	0.246	3.411

17	Cardinale, Frank	SFR Remodel	774 Spencer St	7/11/2005	0.039	0.166	3.45
18	Ocean View Plaza	New Comm	457-470-570 Cannery Row	7/21/2005	27.89	27.89	31.34
19	Khalsa, Satkirtan	SFR Remodel	643 Ramona Ave	10/17/2005	0.101	0.234	31.441
20	Hallisey, Mary	New SFR	747 Filmore St	2/13/2006	0.219	0.219	31.66
21	Baldwin, Richard & Margaret	New SFR	4 Cramden Drive	3/8/2006	0.243	0.243	31.903
22	Machado, Stephen & Jennifer	New Multi Res	801 Lyndon St	3/23/2006	0.392	0.392	32.295
23	Mickel, Steve	New SFR	78 Via Ventura	3/24/2006	0.164	0.164	32.459
24	Giammanco, Vince	New SFR	30 Boronda Lane	5/30/2006	0.074	0.181	32.533
25	Mr. & Mrs. Galt	SFR Remodel	119 Montecito	8/14/2006	0.167	0.328	32.7
26	Dr. Jorge Duarte	New Comm	499 Webster	9/1/2006	0.058	0.274	32.758

27	Dale & Tracy Hogan	New SFR	140 Tide Ave	6/23/2007	0.047	0.248	32.805
28	Aburndale, LLC	SFR Remodel	17 Mar Vista Dr	9/24/2007	0.02	0.164	32.825
29	Lavorini Four LLC	New SFR	136 Tide Ave	10/16/2007	0.2475	0.2475	33.073
30	Natalie Webb	SFR Remodel	835 Oak Street	3/13/2009	0.047	0.181	33.12
31	Davi	SFR Remodel	2050 Marsala Circle	5/17/2008	0.023	0.162	33.143
32	Tackabery	New SFR	132 Tide Avenue	8/8/2008	0.231	0.231	33.374
33	Beardsley	New Mixed- Use	201 Cannery Row	1/15/2009	0.01306	0.614	33.387
34	Henry's BBQ	Comm TI	401 Lighthouse Avenue	1/29/2009	0.5	0.74	33.887
35	Malibu Tan & Surf	Comm TI	2024 Del Monte Ave #B	9/10/2009	0.2128	0.3969	34.099
36	Strangio	New Multi Res	600 Irving Avenue	10/21/2009	0.5295	0.6165	34.629

37	Smith, Rick	New SFR	140 Stephen Place	1/15/2013	0.248	0.248	34.877
38	Kashti, Rick & Christine	SFR Remodel	416 English Ave	2/5/2014	0.02		34.897
39	Olsen, Monique	New SFR	1880 Prescott Ave	10/9/2015	0.174	0.174	35.0709
40	Dale & Tracy Hogan	New SFR	150 Seafoam Ave	12/22/2016	0.091	0.091	35.1619
41	Adrian	Existing SFR on well	5 Overlook Place	12/19/2018	0.307	0.307	35.4689

Total: 35.4689



Mayor:
CLYDE ROBERSON

Councilmembers:
DAN ALBERT
ALAN HAFFA
ED SMITH
TYLLER WILLIAMSON

City Manager:
HANS USLAR

February 4, 2020

David Stoldt
General Manager
Monterey Peninsula Water Management District
P.O. Box 85
Monterey, CA 93940

**Re: Monterey Peninsula City Managers Respond to Supply and Water Demand
for the Monterey Peninsula**

Dear Dave,

The following proposal is submitted on behalf of the City Managers of the Cities of Carmel by the Sea, Del Rey Oaks, Monterey, Pacific Grove, City of Sand and Seaside.

First of all, thank you again for allowing us to review the Supply and Demand Memo. We appreciate the opportunity to verify the correct use of the AMBAG numbers in the memo. This letter proposes an additional process of verification of the numbers used in the memo. We feel that this approach is appropriate and timely.

Our group of Monterey Peninsula City Managers has discussed the memo titled "Supply and Demand for Water on the Monterey Peninsula". It is in the best interest of our communities to ensure that our future water supply allows our elected officials the highest degree of flexibility in making policy decisions on various levels. Stated more simply: today's water constraints and restrictions clearly show that our current water supply affects our peninsula's quality of life. Two examples: The existing water supply prohibits compliance with State laws mandating increased affordable housing projects, thus driving up rents as housing inventory becomes more and more scarce. Likewise, commercial property owners cannot provide entrepreneurial opportunities to businesses based on market needs, but instead are restricted to comply with water usage tied to the individual property.

Here is what we propose:

First, we request sufficient time to allow a professional independent third party with requisite expertise to review the Supply and Demand memo. We do not have the expertise on staff to adequately assess the various water sources and associated supplies mentioned in your memo. It is necessary to have a peer review conducted by experts selected by our Cities. We know that our suggested peer review will be non-controversial and will provide clarity between your forecast model as well as Cal-Am's analysis conducted by Hazen & Sawyer.

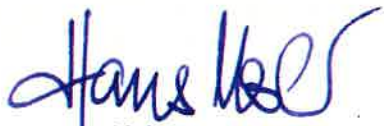
Secondly, we suggest that the District simultaneously submit the Supply and Demand Memo to the State Water Resources Control Board (SWRCB) for review and ask if the SWRCB would consider lifting the CDO and meter moratorium based on the presented rationale. This would allow us all the benefit of any questions posed by the SWRCB, as well as their view of the memo's impact on the lifting of the CDO.

Third, we suggest that the District also submit the Supply and Demand Memo to the Watermaster TAC and Board to review the content and to respond to any assumptions or implications of the document on the Seaside Basin and its management, and in particular, the availability of non-native water to address potential basin issues.

It would help all stakeholders to have these steps implemented in order to inform the discussion of the Water Management District in the consideration of the water resources and acreages as outlined in the Supply and Demand Memo.

Our suggested path forward is respectfully requesting that our Cities be allowed a thorough review. The future of our peninsula and the quality of life of our residents requires this prudent approach.

On behalf of the Monterey Peninsula City Managers,



Hans Usler
City of Monterey

cc: Chip Rerig, City Administrator, City of Carmel
Dino Pick, City Manager, City of Del Rey Oaks
Craig Malin, City Manager, City of Seaside
Aaron Blair, City Manager, City of Sand City
Ben Harvey, City Manager, City of Pacific Grove

Carmel City Council
Del Rey Oaks City Council
Seaside City Council
Sand City Council
Pacific Grove City Council
Monterey City Council

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FEB 05 2020

MPWMD



January 30, 2020

Mr. David J. Stoldt
General Manager
Monterey Peninsula Water Management District
MPWMD
P.O. Box 85
Monterey, CA 93942-0085

Re: City of Sand City response to the December 3, 2019 report on Supply and Demand for water on the Monterey Peninsula

Dear Mr. Stoldt,

Thank you for the opportunity to review and respond to the Monterey Peninsula Water Management District's report titled "Supply and Demand for Water on the Monterey Peninsula" dated December 3, 2019 (attached).

After reviewing the report, I do have a couple concerns with the use of AMBAG's growth scenario as the sole method for determining the long-term water needs of the municipalities within the Monterey Peninsula for a variety of reasons, including:

The current and planned legislative State mandates for thousands of additional housing units and accessory dwelling units (ADUs) throughout our region will likely have the effect of increasing housing density far beyond AMBAG's projected growth scenario. The changes required by the new state laws will necessarily increase water demand.

Additionally, the City of Sand City is uniquely positioned regionally to serve not only as a hub for transit solutions, but as a hub for smart growth housing developments as seen with the approved South of Tioga project on ten acres. This project alone has been projected to add at least 800-900 residents to our City, and includes a hotel with 216 rooms, two multi-family residential developments that will provide 356 residential units which includes 52 affordable units.

We look forward to participating in future discussions and decisions regarding long term Water Supply and Demand needs that affect Sand City.

Please feel free to call me with any questions,

Sincerely,

A handwritten signature in blue ink, appearing to read 'Aaron Blair', with a stylized flourish extending to the right.

Aaron Blair
City Manager, Sand City, CA
1 Pendergrass Way Sand City, CA 93955
Ph. 831.394.3054

Attachments

1. December 3, 2019 Supply and Demand for Water on the Monterey Peninsula report

Cc: Honorable Mayor Mary Ann Carbone
George Riley, Division 2, Monterey Peninsula Water Management District Board of Directors
Vibeke Norgarrd, City Attorney



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JAN 31 2020

MPWMD

CITY OF PACIFIC GROVE
300 Forest Avenue □ Pacific Grove, California

January 27, 2020

Mr. David J. Stoldt
General Manager
Monterey Peninsula Water Management District
MPWMD
P.O. Box 85
Monterey, CA 93942-0085

RE: City of Pacific Grove response to December 3, 2019 report on Water Supply and Demand for the Monterey Peninsula

Dave
Dear Mr. Stoldt:

Thank you for the opportunity to review and respond to your December 3, 2019 Supply and Demand for Water on the Monterey Peninsula report (attached).

In January of 2005, the Pacific Grove City Council authorized the submittal (attached) of the Long-Term Water Needs Estimates December 2004 for Monterey Peninsula Water Management District. Since that time, the City *has not* undertaken a comprehensive effort of its own to review, analyze or update its stated long-term water needs.

Much has changed since the 2005 long-term water needs submittal, that suggests anticipated water demand has and will increase. Notably, there is a state-wide heightened push for affordable housing that affects Pacific Grove. To facilitate this, the housing permit process is being streamlined, and substantive land-use changes are under consideration that encourage affordable housing development within Pacific Grove. These changes will necessarily increase water demand. Legislation relating to accessory dwelling units and lot subdivisions are key components of this effort.

Other changes will impact the City's water demand as well. The City's Regional Housing Needs Allocation numbers, cited in Appendix B of the December 3, 2019 report, will likely increase. In addition, just this month, the City Council approved its own Local Coastal Plan, bringing Coastal Development Permit (CDP) authority to the City once anticipated California Coastal Commission certification takes place in March of 2020. The City anticipates transfer of authority from the Coastal Commission to the City will stimulate development activity, thereby increasing water demand.

It is important to note that the City's General Plan is out of date, having last been updated in 1994. The City anticipates undertaking a General Plan update in the near future, which will likely increase water demand.

Beyond legislative changes, additional economic development has come to Pacific Grove since 2005, notably (but not limited to) two large (2) proposed hotel projects. Plans have been approved for the 125 room Hotel Durrell located within the downtown, and environmental review is underway for a completed application for a proposed 225 room luxury hotel and related uses at the American Tin Cannery (ATC) site.

The City also notes regulatory changes are underway that may cause transfer of federal facilities within the City that are likely to increase water use.

Accordingly, for the City to properly furnish the Monterey Peninsula Water Management District with a thoughtful and comprehensive revised water demand, the City must first undertake a formal effort to quantify new and expanded water uses based upon authorization received from the City Council.

The City looks forward to participating in future discussions and decisions regarding long term Water Supply and Demand needs that affect Pacific Grove and surrounding land-use jurisdictions.

Please feel free to contact me with any questions or concerns about this matter that you may have.

Sincerely,



Ben Harvey
City Manager

Attachments

1. December 3, 2019 Supply and Demand for Water on the Monterey Peninsula report
2. City of Pacific Grove Long-Term Water Needs Estimates December 2004 for Monterey Peninsula Water Management District

cc: Honorable Mayor and Members of the City Council
Jeanne Byrne, Vice Chair, Monterey Peninsula Water Management District Board of Directors
Anastazia Aziz, Community Development Director
David C. Laredo, City Attorney
John Kuehl, Chief Building Official

Supply and Demand for Water on the Monterey Peninsula

Prepared by David J. Stoldt, General Manager
Monterey Peninsula Water Management District
Revised December 3, 2019

At its September 16, 2019 meeting, the Board accepted a report titled *"Supply and Demand for Water on the Monterey Peninsula"*, which was Exhibit 9-A of the Board packet. The report was reviewed by members of the public, local organizations, and state agencies. While publicly vetted, only three sets of comments were received: (a) California American Water provided a comment letter October 15, 2019, and (b) The Coalition of Peninsula Businesses provided letters September 15, 2019 and September 24, 2019. All three comment letters argued that the findings in the report contradict those of the California Public Utilities Commission, but the letters did not provide any substantive alternate assumptions or facts. The District's General Manager has encouraged the parties to provide their own forecast of growth and/or market absorption of water demand, but they have failed to do so.

At the November 14, 2019 Coastal Commission hearing former Pacific Grove mayor Bill Kampe did raise two substantive issues regarding the report: (a) pre-Cease and Desist Order (CDO) market absorption of water demand may have been constrained in some jurisdictions due to a lack of water allocation, and (b) new statewide focus on housing will require water.

Additionally, subsequent to the release of the initial report the 2019 water year was completed, providing an additional data point on current customer demand.

This revised report provides an update intended to address three items:

1. What is average current demand with the additional water year in the data?
2. What water will be required to meet future housing needs?
3. What might be the market absorption of water based on an objective third-party growth forecast?

As a result, certain figures or tables from the September 2019 *Supply and Demand for Water on the Monterey Peninsula* report were updated and included in this revision.

With the approval of the Monterey Peninsula Water Supply Project (MPWSP) and the continued environmental work on Pure Water Monterey (PWM) expansion as a back-up option, it is an opportune time to examine available supplies and their ability to meet current and long-term demand. This memorandum will also look at the changing nature of demand on the Monterey Peninsula, the underlying assumptions in the sizing of the water supply portfolio, and indicators of the market's ability to absorb new demand.

Supply

Available sources of supply are shown in Table 1 below and are described in the discussion that follows. Despite the California Supreme Court's decision to not hear the two petitions for writ of review, there remains the risk of additional legal challenges and not all permits have been issued for California American Water's (Cal-Am) MPWSP desalination plant. For these reasons, supply has been shown with both desalination and with PWM expansion.

Table 1
Monterey Peninsula Available Supply
(Acre-Feet Annually)

Supply Source	w/ Desalination	w/ PWM Expansion
MPWSP Desalination Plant	6,252	0
Pure Water Monterey	3,500	3,500
PWM Expansion	0	2,250
Carmel River	3,376	3,376
Seaside Basin	774	774
Aquifer Storage & Recovery (ASR)	1,300	1,300
Sand City Desalination Plant	94	94
Total Available Supply	15,296	11,294

There also exists approximately 406 additional acre-feet of other available supplies as discussed on the next page.

Desalination: The 6.4 million gallon per day (MGD) MPWSP desalination plant is expected to deliver 6,252 acre-feet annually (AFA).¹ It is likely to begin deliveries in mid-2022, considering final permits in early 2020, a 21-month construction period, and 6-month commissioning and start-up window.²

Pure Water Monterey: Monterey One Water's (M1W) project is expected to come online in February 2020 and begin deliveries of 3,500 AFA to Cal-Am in mid-2020. It completed its 14-day test in December 2019.

Pure Water Monterey Expansion: The expansion of Pure Water Monterey is expected to yield 2,250 AFA.³ The Notice of Preparation indicates source waters for the expansion are secure: "No new source water diversion and storage sites are necessary to achieve the Expanded

¹ CPUC Decision 18-09-017, September 13, 2018, page 70; Amended Application of California-American Water Company (U210W), Attachment H, March 14, 2016

² www.watersupplyproject.org/schedule

³ Notice of Preparation of a Supplemental Environmental Impact Report and Public Scoping Meeting Notice, page 4, May 15, 2019

PWM/GWR Project's recycled water yield objective of an additional 2,250 AFY of replacement supplies. The Expanded PWM/GWR Project is designed to utilize existing M1W contractual rights to source waters and wastewaters. There are several different configurations of source waters that could be utilized for the expansion, but one proposed alternative is 81% contractual rights to wastewater and excess secondary effluent and 19% of Blanco Drain and Reclamation Ditch waters. This project could come online by January 2022.

Carmel River: Cal-Am has legal rights to 3,376 AFA from the Carmel River comprised of 2,179 AFA from License 11866, 1,137 AFA of pre-1914 appropriative rights, and 60 AFA of riparian rights. This does not include what is referred to as Table 13 rights, discussed under "*Other Available Supplies*" below.

Seaside Basin: The 2006 Seaside Groundwater Basin adjudication imposed triennial reductions in operating yield for Standard Producers such as Cal-Am until the basin's Natural Safe Yield is achieved. The last reduction will occur in 2021 and Cal-Am will have rights to 1,474 AFA. However, with the delivery of a long-term permanent water supply, the company would like to begin replacing its accumulated deficit of over-pumping by in-lieu recharge by leaving 700 AFA of its production right in the basin for 25 years. Hence, only 774 AFA is reflected as long-term supply available, although the additional 700 AF becomes available again in the future.

Aquifer Storage & Recovery: There are two water rights that support ASR. Permit 20808A allows maximum diversion of 2,426 AFA and Permit 20808C allows up to 2,900 AFA for a total of 5,326 AFA. However, these are maximums that may only be close to being achieved in the wettest of years. Based on long-term historical precipitation and streamflow data, ASR is designed to produce 1,920 AFA on average. The MPWSP assumes a lesser amount of 1,300 AFA to be conservative.

Sand City Desalination Plant: The Sand City plant was designed to produce a nominal 300 AFA, but has failed to achieve more than the 276 AF in 2011. Due to source water quality issues and discharge permit requirements the plant has averaged 188 AFA the past four years including water year 2019. The intakes will likely be augmented and production increased (see "*Other Available Supplies*", below.) Here only the 94 AFA of long-term production legally committed to offset Carmel River pumping is included.

Other Available Supplies: In 2013, Cal-Am received Permit 21330 from the State Water Board for 1,488 AFA from the Carmel River. However, the permit is seasonally limited to December 1 through May 31 each year and subject to instream flow requirements. As a result, actual production will vary by water year. Here, we have assumed 300 AFA on average. For the Sand City desalination plant the amount produced in excess of 94 AFA is available for general Cal-Am use and eventually to serve growth in Sand City. With new intakes, we have assumed average production of 200 AFA or 106 AFA of other available supply. There is also available unused

capacity in the Seaside Basin which annually is reallocated to the Standard Producers such as Cal-Am as “Carryover Credit” under the adjudication decision. Such Carryover capacity has been on the order of 400 AFA recently. While not insignificant, Carryover Credit has not been included in the 406 AFA of “Other Available Supplies” stated earlier.

Historical Water Demand for which MPWSP Desalination Plant is Sized

The MPWSP was initially sized solely as a replacement supply⁴ for current customer demand, but this has changed over time as described below. Consideration was also given to peak month and peak day. Additional demand was recognized to accommodate legal lots of record, a request by the hospitality industry to anticipate a return to occupancy rates similar to that which existed prior to the World Trade Center tragedy, and to shift the buildout of Pebble Beach off the river.⁵ Table 2 below shows the demand assumptions used in sizing the MPWSP. Each component is discussed below.

Table 2
Water Demand Assumed in Sizing the MPWSP
(Acre-Feet Annually)

Demand Component	Acre-Feet Annually
Average Current Customer Demand	13,290
Legal Lots of Record	1,181
Tourism Bounce-Back	500
Pebble Beach Buildout	325
Total Water Demand	15,296

Average Current Customer Demand: The Application of Cal-Am to the California Public Utilities Commission (CPUC) in April 2012 utilized 13,290 AFA which was the 5-year average demand for 2007-2011.⁶ As stated earlier, this was to be replacement supply and the Application stated “At this point future demands of the Monterey System have not been included in the sizing of the plant.”⁷ At that time, the 5-year average maximum month was 1,388 AF and the highest month was 1,532 AF.⁸

In a January 2013 CPUC filing, average demand was reiterated by Cal-Am to be 13,290 AFA but Cal-Am added that the plant would need to be increased larger by approximately 700 acre-feet per year for the in-lieu recharge of the Seaside Basin.⁵ However, as can be seen in comparing

⁴ Direct Testimony of Richard C. Svindland, April 23, 2012, pages 4,5,7

⁵ Supplemental Testimony of Richard C. Svindland, January 11, 2013, pages 4-5

⁶ Direct Testimony of Richard C. Svindland, April 23, 2012, page 21

⁷ Direct Testimony of Richard C. Svindland, April 23, 2012, page 36

⁸ Direct Testimony of Richard C. Svindland, April 23, 2012, page 22

Tables 1 and 2 above, supply equals demand at 15,296 AFA without changing the size of the plant from the initial Application.

In a 2016 update to the CPUC, Cal-Am recognized that average demand had declined in the intervening three years.⁹ The 5-year average had declined to 10,966 AFA and the maximum month declined to 1,250 AF. At the time of the 2016 update, Cal-Am suggested that it should size the plant based on the backward-looking 10-year average demand and maximum month, instead of the 5-year average in the original Application, as well as several alternate assumptions about return of water to the Salinas Valley. They concluded *“we do not believe the size of the plants should be changed.”*¹⁰

In a September 2017 filing to the CPUC, Cal-Am acknowledged continuing declines in demand, but indicated that the plant sizing remained appropriate saying *“We anticipate demand to rebound over time after these new water supplies are available, the drought conditions continue to subside, the moratorium on new service connections is lifted, and strict conservation and water use restrictions are eased.”*¹¹ The company also for the first time introduced the use of future population and demand as a way to “normalize” the average demand used in sizing, a departure from the “replacement supply” basis under the initial Application in 2012.¹² This resulted in their estimate of average “current” system demand of 12,350 AFA. This amount, combined with the same lots of record, tourism bounce-back, and Pebble Beach buildout results in demand of 14,355 AFA – a reduction from the initial Application – but the company asserted that the plant need not be resized because this would allow it to run at 86% capacity, a more reasonable operating rate compared to the 95% posed in the original Application. The CPUC, in its September 2018 Decision, determined that Cal-Am’s overall future water demand will be approximately 14,000 AFA¹³ and agreed that “current” demand was 12,350 AFA, therefore the 6.4 MGD desalination plant is warranted.

Legal Lots of Record: The 2012 Application to the CPUC also included 1,181 AFA for Legal Lots of Record.^{14, 5} Legal lots of record are defined as lots resulting from a subdivision of property in which the final map has been recorded in cities and towns, or in which the parcel map has been recorded in Parcels and Maps or Record of Surveys. Lots of record may include vacant lots on vacant parcels, vacant lots on improved parcels, and also included remodels on existing improved, non-vacant parcels. Ultimately, not all legal lots are buildable. While the District is the source of the 1,181 AFA estimated demands for the lots of record, the number was lifted from the 2009 Coastal Water Project environmental impact report.

⁹ Supplemental Testimony of Richard C. Svindland, April 14, 2016 (Errata), pages 7-11

¹⁰ Supplemental Testimony of Richard C. Svindland, April 14, 2016 (Errata), page 9

¹¹ Direct Testimony of Ian Crooks Errata Version, September 27, 2017, page 10

¹² Direct Testimony of Ian Crooks Errata Version, September 27, 2017, pages 11-13

¹³ CPUC Decision 18-09-017, September 13, 2018, page 68

¹⁴ Direct Testimony of Richard C. Svindland, April 23, 2012, pages 22, 37.

Tourism Bounce-Back: The 500 AFA for economic recovery was originally proffered by the hospitality industry to handle a recovery of occupancy rates in the tourist industry in a post-World Trade Center tragedy setting.^{15, 5} The industry felt that their most successful occupancy rates were in the three years prior to September 11, 2001 and felt 500 AFA would provide a buffer for a return to that level.

Pebble Beach Buildout: Ever since the State Water Board issued Order 95-10 and the Cease and Desist Order (CDO) it has recognized the Pebble Beach Company's investment in the Reclamation Project and the Company's right to serve its entitlements from the Carmel River. However, the State Water Board has stated a desire to have the Pebble Beach entitlements shifted away from the river and be satisfied by a new supply. At the time of the 2012 Application, the Pebble Beach company had approximately 325 AF of entitlements still available.

Current Water Demand Assumptions

The original MPWSP desalination project plant sizing was done almost eight years ago in 2012. With the passage of time and the opportunity to perform deeper research, it is possible to revisit the assumptions about consumer demand for water in the current context.

Average Current Customer Demand: Figure 1 on the next page shows water production for customer service, a proxy for customer demand, for the past twenty-one-year period, updated for 2019 data. As can be seen, demand has been in decline, but somewhat leveled out over the past five years.

¹⁵ Direct Testimony of Richard C. Svindland, April 23, 2012, page 37

Figure 1
Annual Water Production for Customer Service (Demand)
Last 21 Years
(Acre-Feet)

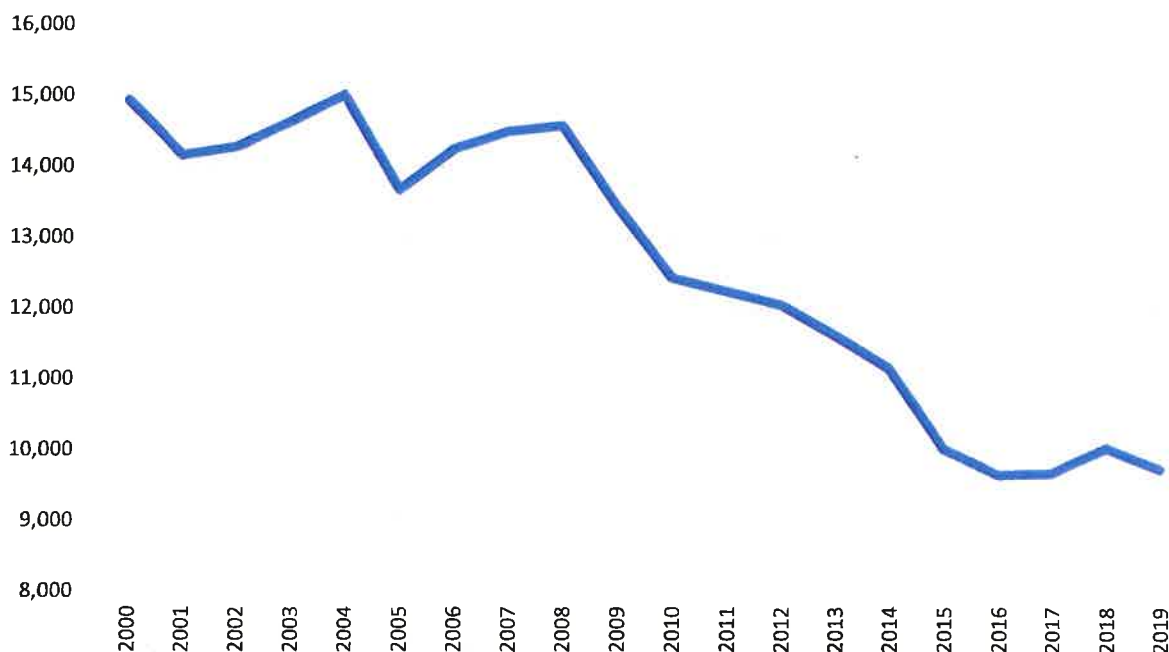


Table 3 shows how the 10-, 5-, and 3-year average demand compares to the CPUC and Cal-Am's most recent 12,350 AFA assumption.

Table 3
Alternate Average Current Customer Demand Assumptions
Updated for 2019 Water Year
(Acre-Feet)

Period	Amount	Difference to CPUC/Cal-Am #
CPUC/Cal-Am Assumption	12,350	
10-Year Average - Actual	10,863	1,487
5-Year Average - Actual	9,825	2,525
3-Year Average - Actual	9,817	2,533

The trend is similar for peak month demand: 10-year maximum month through 2018 was 1,111 AF, the 5-year max was 966 AF, and the 3-year max was 950 AF, requiring approximately 15 MGD of firm capacity. By comparison, the maximum month at the time the plant was first sized was 1,532 AF. The proposed desalination plant, in conjunction with the other production

facilities can meet peak month/peak day requirements. Pure Water Monterey expansion adds 4 new extraction wells, two for production and two for redundancy. Preliminary analysis shows that peak month/peak day can be met with both supply alternatives.

Hence, the case could be made that the average customer demand assumption in the sizing of the MPWSP should be 9,817 to 10,863 AFA.

Legal Lots of Record: The 1,181 number is derived from the October 2009 Coastal Water Project Final Environmental Impact Report and references a 2001 District analysis as the source. It was actually sourced from a Land Systems Group Phase II February 2002 interim draft report that used the number 1,181.438 AF. A calculation error was corrected and the report was subsequently updated in June 2002 and the number was revised to 1,210.964. However, the earlier number seems to have been used going forward. Both versions did not include vacant lots on improved parcels in the unincorporated County. Table 4 shows how the corrected number was calculated.

Table 4
Legal Lots of Record Estimates (2002)
Unincorporated County Not Included
(Acre-Feet)

Type of Parcel	Amount
Vacant Lots on Vacant Parcels	729.9
Vacant Lots on Improved Parcels	288.2
Anticipated Remodels (10 years)	192.8
Total	1,210.9

Table 5
Assumptions Driving the Legal Lots of Record Conclusions

Category	Units on Vacant Parcels	Units on Improved Parcels	Estimated Number of Remodels	Water Use Factor	Total Water Usage
Single Family Dwellings	688	152		0.286 AF	240.2
Multi-Family Dwellings	846	204		0.134 AF	140.7
Commercial/Industrial	556	288		0.755 AF	637.2
Residential Remodels			3765	0.029 AF	109.2
Commercial Remodels			513	0.163 AF	83.6
	2,091	789	4,278		1,210.9

Since the study, the District's conservation programs have resulted in reductions in the average water use factors. For example, with single-family water use at 0.2 AFA, multifamily use at 0.12 AFA, and commercial customer connections averaging 0.66 AFA (2016 data), these changes

alone would reduce the total above by 167.1 AF. Further, some of these lots may have been built upon, others determined unbuildable. Many of the remodels have likely occurred. General plans have been rewritten and housing elements recalculated. These factors taken together could result in another 150 AF reduction in the assumption.

Compared to the 1,890 units from the 2002 Land Systems Group study shown above, going forward, AMBAG's Regional Housing Needs Allocation (RHNA) Plan: 2014-2023 showed 1,271 additional housing units expected in the 6 cities for a ten-year period. This is shown in Appendix B of this report. Assuming single-family water use at 0.2 AFA and multifamily use at 1.2 AFA, this equates to approximately 395-405 AFA over a 20-year period¹⁶. Most of AMBAG's projected growth occurs in Seaside and Monterey, which if slated for the former Fort Ord would not be served by Cal-Am. Unfortunately, it is not possible to accurately distinguish the Cal-Am served housing growth from the non-Cal-Am housing growth, but the 405 AFA likely overstates the Cal-Am growth. The AMBAG assumptions appear consistent with the Land Systems Group estimates. The RHNA is expected to be updated soon and the allocation could change. The water for housing can be thought of as captured within the population growth component of the third-party growth forecast discussed later in this report and in Appendix A.

The case could be made that the legal lots of record demand assumption in the sizing of the MPWSP should be 864 to 1,014 AFA.

Tourism Bounce-Back: As stated earlier, the 500 AFA for economic recovery was originally suggested by the hospitality industry to account for a recovery of occupancy rates in the tourist industry in a post-World Trade Center tragedy setting.^{5, 15} Representatives of the Coalition of Peninsula Businesses indicated in testimony that the hospitality industry was hurt by the recent recession and that occupancy rates needs to increase by 12 to 15 percent to re-attain the levels of decades ago.¹⁷ It is true that the Salinas-Monterey market was one of five California markets, out of 22, to experience double digit declines after the events of 2001, from 71.8% in 2000 to 63.0% in 2001.¹⁸ It is also true that the decline persisted and was still down when the MPWSP desalination plant was sized, with occupancy rates of 62.8% in 2011-12 and 64.1% in 2012-13.¹⁹ However, occupancy rates have since recovered with no notable increase in water demand. Hotel occupancy locally is back at approximately 72% and is estimated by Smith Travel Research to be higher for better quality properties on the Monterey Peninsula.^{20, 21} The commercial sector water demand is shown below in Table 6 for the year prior to the World Trade Center tragedy, the year of the MPWSP plant sizing, and the most recent year. As can be

¹⁶ Appendix B of this report

¹⁷ Testimony of John Narigi (to CPUC), September 29, 2017, page 5

¹⁸ HVS San Francisco, August 19, 2003

¹⁹ Monterey County Convention and Visitors Bureau Annual Report 2012-13, page ii

²⁰ Fiscal Analysis of the Proposed Hotel Bella Project, Applied Development Economics, April 6, 2016

²¹ Cannery Row Company, January 9, 2019

seen, commercial demand, which is heavily influenced by the hospitality industry remains in decline, despite the already absorbed “bounce-back” in occupancy rates.

Table 6
Commercial Sector Water Demand
Selected Years
(Acre-Feet)

Year	Demand
2001	3,387
2012	2,770
2018	2,442

There is a secular change in commercial demand that is due to permanent demand reductions resulting from targeted rebate programs, conservation standards for the visitor-serving sector since 2002, mandatory conservation standards for other commercial businesses instituted in 2013, and commercial inspection/enforcement by the District. A “bounce-back” of 500 AFY would represent an increase in water use demand of 20% in the entire commercial sector, not just the hospitality industry. The District does not view this as likely in the near-term, nor due to a return to higher occupancy rates.

Hence, the case could be made that the tourism bounce-back demand assumption in the sizing of the MPWSP should be 100 to 250 AFA.

Pebble Beach Buildout: As cited earlier, at the time of the 2012 Application, the Pebble Beach company had approximately 325 AF of entitlements still available and that number was added to the MPWSP sizing needs. However, the final environmental impact report certified in 2012 envisioned 145 AFA for the buildout projects and 154 AFA in other entitlement demand.²²

The other entitlement demand goes away when a new water supply comes online because homeowners will have no reason to pay \$250,000 per AF for an entitlement when connecting directly to Cal-Am is possible when the moratorium on new service connections is lifted. In the ten years since the CDO was imposed, Pebble Beach entitlement water demand has averaged 4.9 AF added each year. It is reasonable to assume only another 15 AFA during the next three years before a permanent water supply is online.

The project buildout is 145 AFA not 325 AFA used in project sizing. Further, the buildout number includes estimated water use that may never materialize in decades, if ever. Table 7 shows the elements that comprise the Pebble Beach buildout.

²² Pebble Beach Final Environmental Impact report (FEIR), April 2012, Appendix H “Water Supply and Demand Information for Analysis”

Table 7
Components of Pebble Beach Buildout
(Acre-Feet)

Project	Demand
Lodge	13.11
Inn at Spanish Bay	12.85
Spyglass Hotel	30.59
Area M Residential	10.00
Other Residential	77.00
Driving Range	0.33
Roundabout	0.70
Total	144.58

Two elements of the project warrant greater discussion: "Other Residential" includes 66 single family residences at 1.0 AF each and 24 residences at 0.50 AF each (and a decrement of 1 AF in the total calculation for other reasons.) District research in 2006 determined the average large lot Pebble Beach home utilized 0.42 AFA. Building conservation standards have increased since then. Many of the proposed homes are not utilized year-round. The estimate could be overstated by one-third or more. Spyglass Hotel is not currently being pursued and there are no plans to do so in the near-term. The project could be a decade or two away, if ever.

Hence, the case could be made that the Pebble Beach buildout demand assumption in the sizing of the MPWSP should be 103 to 160 AFA.

Summary of Demand v. Supply

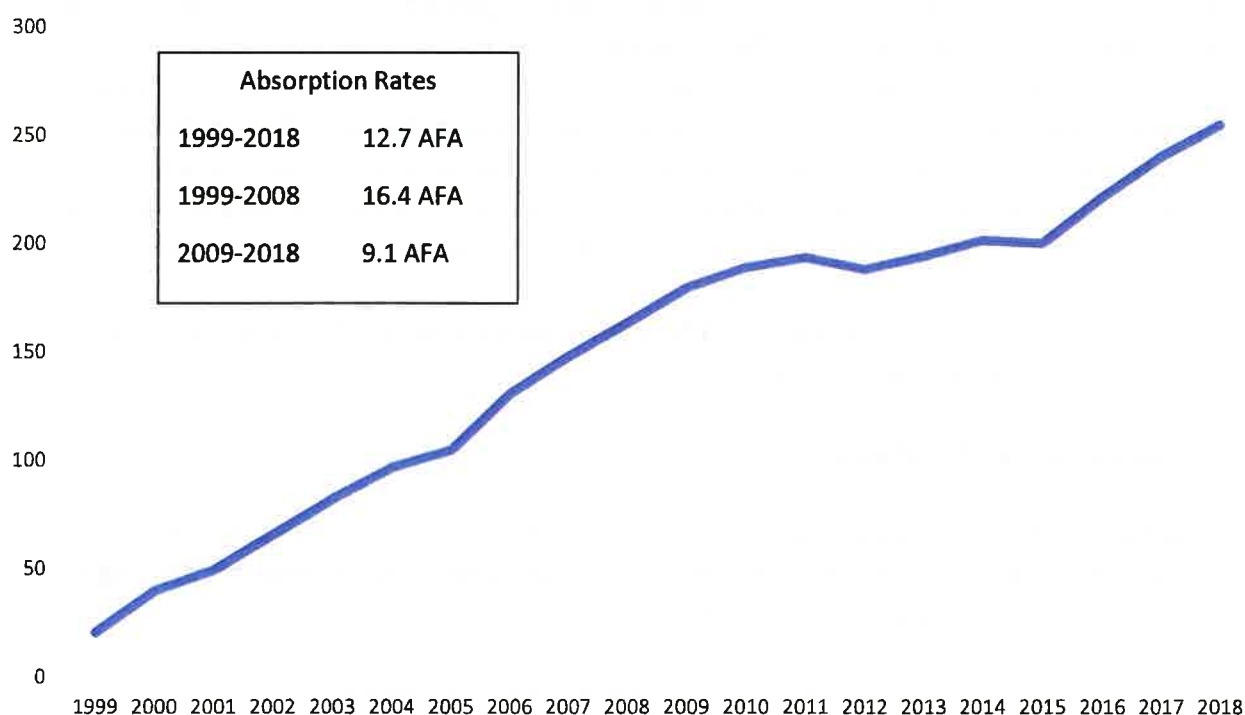
Table 8 shows the range of demand estimates that have been established in the foregoing analysis. These long-term demand estimates can be compared to existing current demand to determine how much water supply is needed.

Table 8
Range of Potential Demand Scenarios in MPWSP Sizing
(Acre-Feet)

Demand Component	Current Project	Revised High	Revised Low
Average Current Customer Demand	13,290	10,863	9,817
Legal Lots of Record	1,181	1,014	864
Tourism Bounce-Back	500	250	100
Pebble Beach Buildout	325	160	103
Total Water Demand	15,296	12,287	10,884

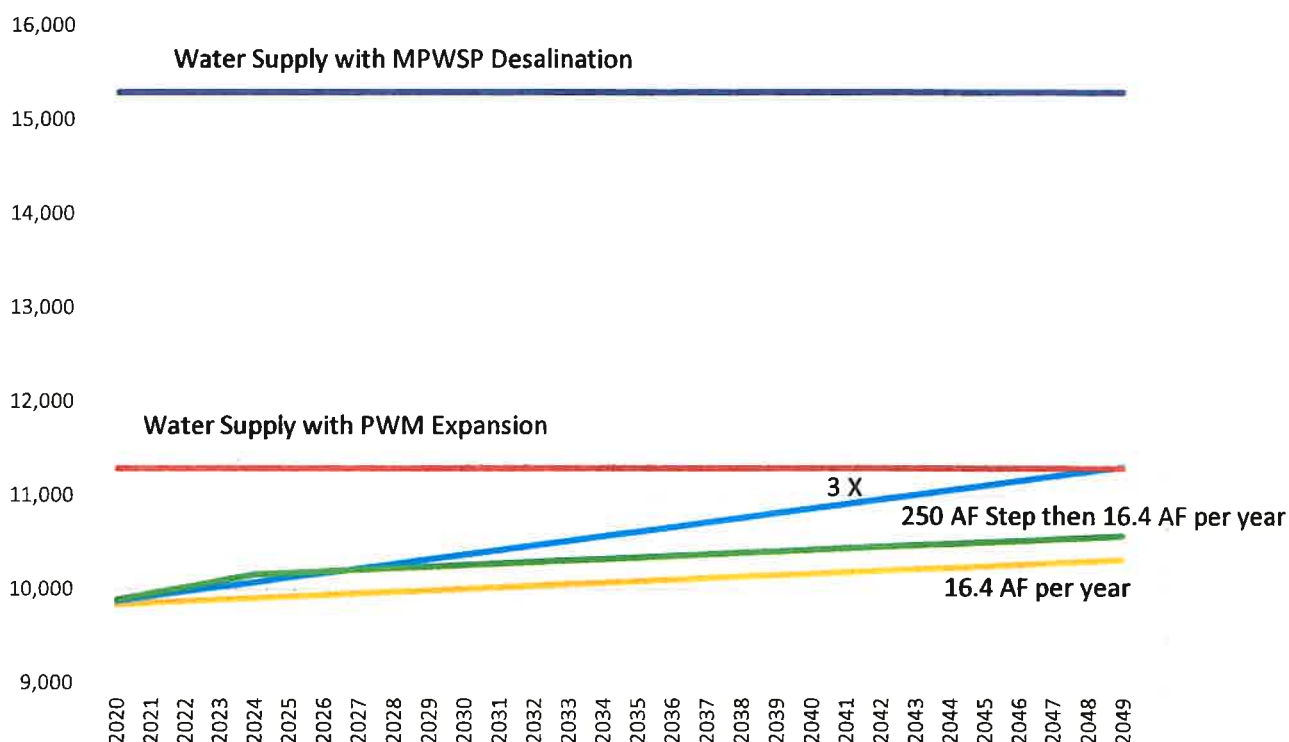
However, the ability of the Monterey Peninsula to generate or “absorb” the housing and commercial growth will help determine when such water supply is needed. Figure 2 shows the past 20 years of market absorption of water demand based on water permits issued. The average growth or absorption in water use was 12.7 AF per year. The first decade preceded the CDO and was a period of relative economic stability, available property, no moratorium on new service connections, and lower water rates resulting in 16.4 AF per year of absorption. The second decade was after the CDO and moratorium on service connections and understandably had a lower absorption rate of 9.1 AF per year.

Figure 2
Market Absorption of Water Demand
Last 20 Years
(Acre-Feet)



By adopting assumptions about current demand and market absorption rates, it can be determined the sufficiency of certain supply alternatives over time. In Figure 3, the current demand assumption of 9,825 AF (most recent 5-year average) is shown with three market absorption rates: (a) 16.4 AF per year (pre-CDO decade rate), (b) three times that rate, and (c) 250 AF over the first five years on top of the pre-CDO rate. These are also compared to the two supply alternatives in Table 1.

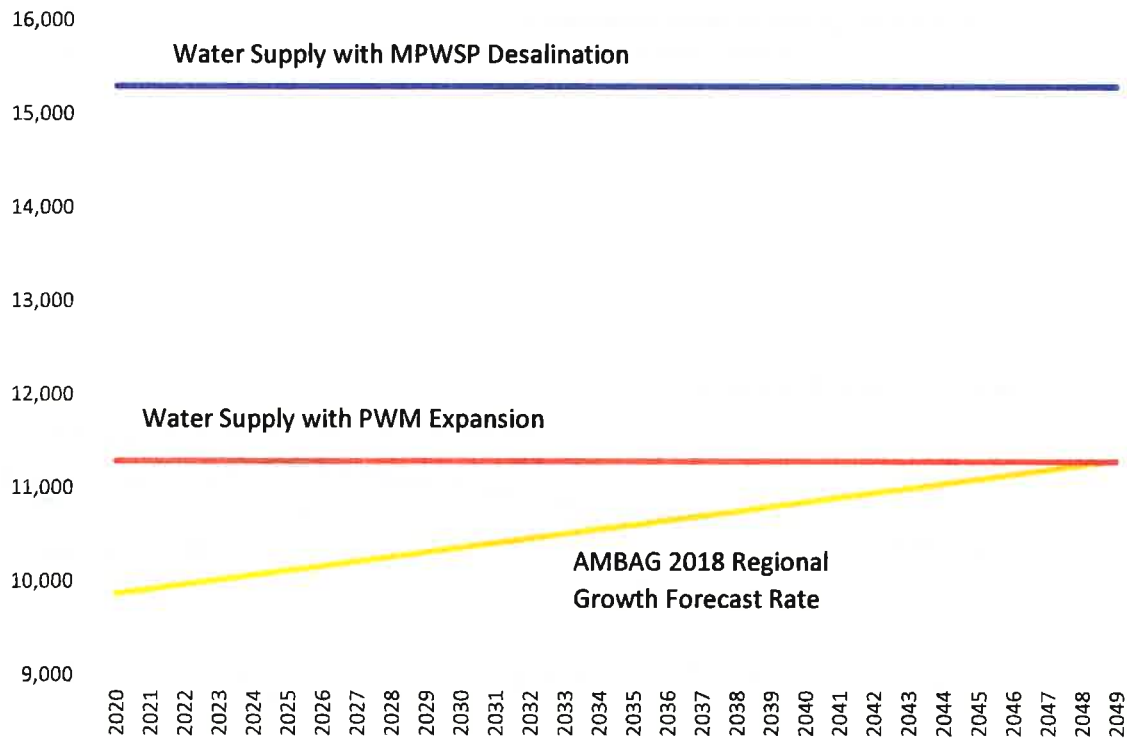
Figure 3
Market Absorption of Water Demand Compared to Water Supply
Current Demand at 5-Year Average
(Acre-Feet)



This chart shows that, assuming a starting current demand at the 5-year average, both water supply alternatives meet 30-year market absorption at the historical rate, 250 AF in the first 5 years on top of the historical rate, and at 3-times the historical absorption rate.

Rather than to rely on pre-CDO absorption of water demand or alternative theoretical future demand scenarios, as was done in the September report, it is instructive to instead look at a regional growth forecast by an objective third-party. Here, as shown in Appendix A, we evaluated AMBAG's 2018 Regional Growth Forecast, specifically the subregional population forecast as a proxy for residential water demand, and the subregional employment forecast, using job growth as a proxy for commercial water demand. (Certainly, other factors could be considered.) Using this methodology, the total water demand increase in the 20 year study period is 984 AF or 49.2 AFA. Applying the 49.2 AFY linearly across a 30-year horizon results in the demands shown in Figure 4 on the next page.

Figure 4
Market Absorption of Water Demand Compared to Water Supply
Current Demand at 5-Year Average
AMBAG 2018 Regional Growth Forecast
(Acre-Feet)



This chart shows that, assuming a starting current demand at the 5-year average (inclusive of water year 2019), both water supply alternatives meet 30-year market absorption at the AMBAG 2018 Regional Growth Forecast rate.

Additional Factors Affecting Future Demand

Cost: The future water supply will significantly impact rates. It is expected that the combined cost of new water supply and regular annual rate increases will almost double a residential ratepayer's water bill by 2023. Rules of price elasticity suggest the cost of water might dampen demand. The cost of each major component of supply is shown below:

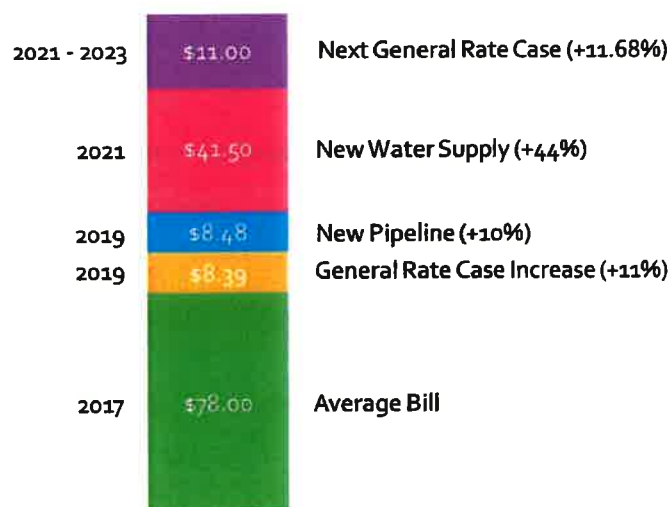
Desalination Plant	\$6,094 per acre-foot ²³
Carmel River:	\$271 per acre-foot ²⁴
Seaside Basin:	\$130 per acre-foot ²⁵
Pure Water Monterey:	\$1,976 per acre-foot ²⁶
PWM with Expansion:	\$2,077 per acre-foot ²⁵

Further, if the desalination plant capacity is not fully utilized, the cost per acre-foot rises due to the fixed costs, as shown below.

Production by Desal Plant – AF	<u>6,252</u>	<u>5,000</u>	<u>4,300</u>
Variable Cost (\$ Million)	7.8	6.2	5.4
Fixed Cost (\$ Million)	<u>30.3</u>	<u>30.3</u>	<u>30.3</u>
Total Annual Cost to Customer	38.1	36.5	35.7
Cost per Acre-Foot	\$6,094	\$7,308	\$8,294

The rate impact can be seen in Figure 5 below, which is calculated based on full utilization of the desalination plant.

Figure 5
Ratepayer Impacts of New Water Supply²⁷



²³ Attachment C-3 California American Water Company Advice Letter 1220 "Total Yr 1 Cost to Customer" \$38.1 million, divided by 6,252 acre-feet per year

²⁴ MPWSP Model- V 2.1 submitted to CPUC; February 2018 and October 2017 versions, 6.4 MGD scenario, "Avoided Costs" worksheet

²⁵ MPWSP Model- V 2.1 submitted to CPUC; February 2018 and October 2017 versions, 6.4 MGD scenario, "Avoided Costs" worksheet

²⁶ Presentation by Monterey One Water at June 27, 2019 Monterey Peninsula Regional Water Authority meeting

²⁷ "Your Rates Are Changing" California American Water mailer, April 2019 and "Notice of General Rate Case Application filed" July 2019

Legislation: On May 31, 2018, Governor Brown signed two bills which build on the ongoing efforts to “make water conservation a California way of life.” SB 606 (Hertzberg) and AB 1668 (Friedman) reflect the work of many water suppliers, environmental organizations, and members of the Legislature. The mandates will fall on urban water suppliers – not customers.

Specifically, the bills call for creation of new urban efficiency standards for indoor use, outdoor use, and water lost to leaks, as well as any appropriate variances for unique local conditions. Each urban retail water agency will annually, beginning November 2023, calculate its own *objective*, based on the water needed in its service area for efficient indoor residential water use, outdoor residential water use, commercial, industrial and institutional (CII) irrigation with dedicated meters, and reasonable amounts of system water loss, along with consideration of other unique local uses (i.e., variances) and “bonus incentive,” or credit, for potable water reuse, using the standards adopted by the State Water Board.

The indoor water use standard will be 55 gallons per person per day (gallons per capita daily, or GPCD) until January 2025; the standard will become stronger over time, decreasing to 50 GPCD in January 2030. For the water use objective, the indoor use is aggregated across population in an urban water supplier’s service area, not each household. Presently, the average June 2014–May 2019 gallons per capita per day for the Cal-Am Monterey system is 57 gpcd. Hence, existing users are unlikely to increase their water consumption with the availability of new water supply.

Principal Conclusions

- Either supply option can meet the long-term needs of the Monterey Peninsula
- Either supply option is sufficient to lift the CDO
- The long-term needs of the Monterey Peninsula may be less than previously thought
- Several factors will contribute to pressure on decreasing per capita water use

Appendix A

Water Required to Meet AMBAG 2018 Regional Growth Forecast

Water Required for Population Growth²⁸

	Monterey	Pacific Grove	Carmel-by-the-Sea	Sand City	Seaside	Del Rey Oaks	County ²⁹	TOTAL
Population in 2020	28,726	15,349	3,833	544	34,301	1,949	7,182	91,884
Population in 2040	30,976	16,138	3,876	1,494	37,802	2,987	7,541	100,814
Increase	2,250	789	43	950	3,501	1,038	359	8,930
GPCD ³⁰	56.8	56.8	56.8	56.8	56.8	56.8	56.8	56.8
Acre-Feet per Year	143 AF	50 AF	3 AF	60 AF	223 AF	66 AF	23 AF	568 AF

*: Likely overstates population growth in Cal-Am service area due to some growth attributable to the Fort Ord build-out.

Water Required for Employment Growth³¹

	Monterey	Pacific Grove	Carmel-by-the-Sea	Sand City	Seaside	Del Rey Oaks	County ³²	TOTAL
Jobs in 2020	34,434	5,093	2,998	1,569	10,161	371	4,300	58,926
Jobs in 2040	40,173	5,808	3,378	1,810	11,299	432	4,845	67,745
Increase	16.7%	14.0%	12.7%	15.4%	11.2%	16.4%	12.7%	
Commercial Consumption in 2019 ³³	1,371 AF	248 AF	203 AF	54 AF	282 AF	21 AF	651 AF	2,830 AF
Commercial Consumption in 2040 ³⁴	1,600 AF	283 AF	229 AF	62 AF	314 AF	24 AF	734 AF	3,246 AF
Increase	229 AF	35 AF	26 AF	8 AF	32 AF	3 AF	83 AF	416 AF

Using this methodology, total water demand increase in 20 year period is 984 AF or 49.2 AFY.

²⁸ Association of Monterey Bay Area Governments. 2018. "2018 Regional Growth Forecast." Table 8, page 32

²⁹ Uses Cal-Am service area population reported in SWRCB June 2014 – September 2019 Urban Water Supplier Monthly Reports (Raw Dataset), minus urban areas, escalated at 5%.

³⁰ SWRCB June 2014 – September 2019 Urban Water Supplier Monthly Reports (Raw Dataset); Average gallons per capita per day for August 2018 – July 2019; www.waterboard.ca.gov

³¹ Association of Monterey Bay Area Governments. 2018. "2018 Regional Growth Forecast." Table 7, page 30

³² California Employment Development Department, Monthly Labor Force Data for Cities and Census Designated Places. November 15, 2019. Sum of Carmel Valley Village CDP and Del Monte Forest CDP. Escalated at same rate as Carmel-by-the-Sea.

³³ Cal-Am. 2019. "Customers and Consumption by Political Jurisdiction"

³⁴ Assumes escalation at same rate as job growth 2020 to 2040

A

Regional Growth Forecast

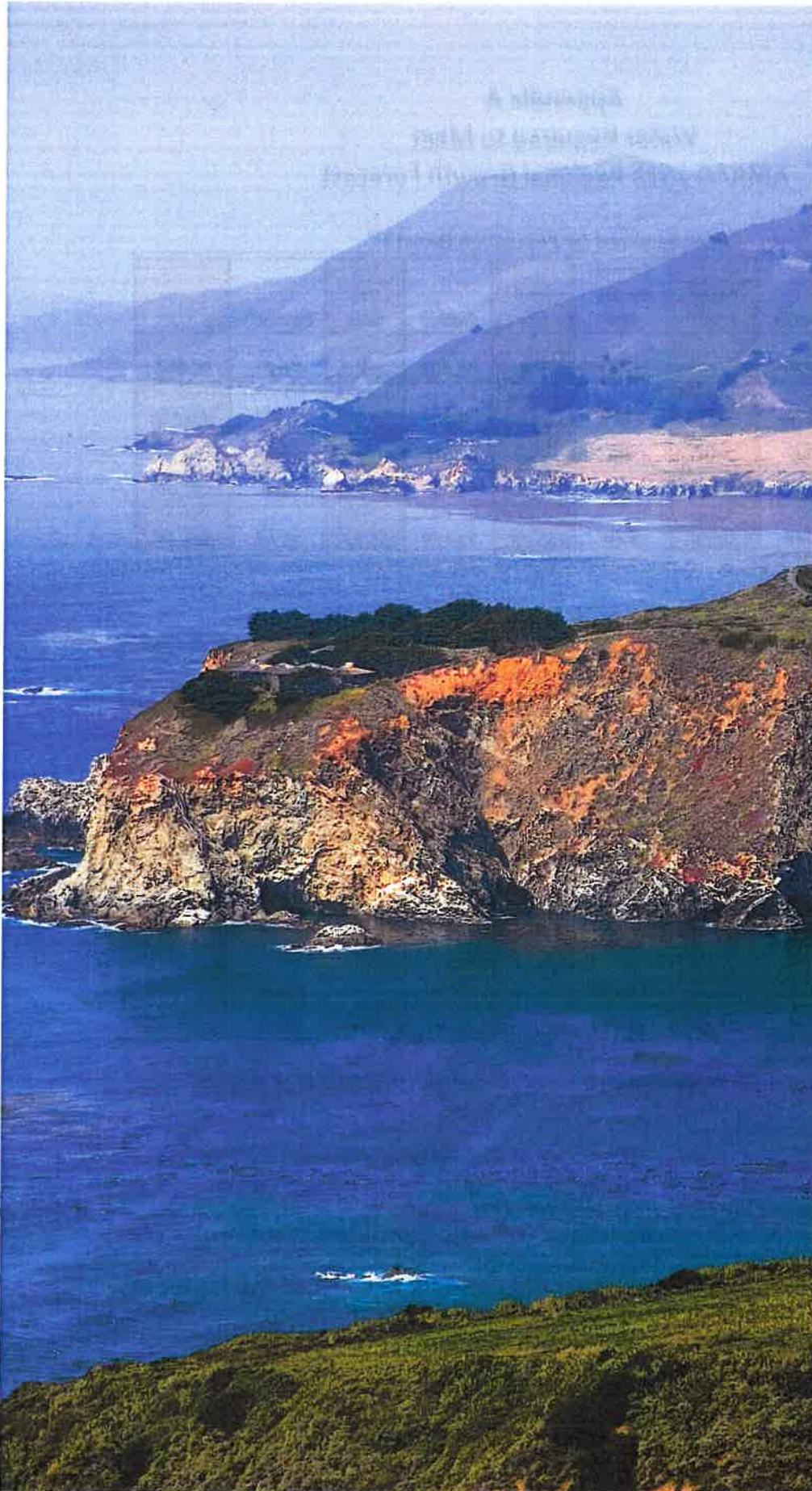


Table 7: Subregional Employment Forecast

Geography	2015	2020	2025	2030	2035	2040	Change 2015-2040	
							Numeric	Percent
AMBAG Region	337,600	351,800	363,300	374,100	384,800	395,000	57,400	17%
Monterey County	203,550	211,799	218,203	224,207	230,212	235,822	32,272	16%
Carmel-By-The-Sea	2,935	2,998	3,096	3,195	3,289	3,378	443	15%
Del Rey Oaks	359	371	387	404	418	432	73	20%
Gonzales	4,477	4,963	5,064	5,166	5,278	5,371	894	20%
Greenfield	7,024	7,552	7,729	7,813	7,911	7,982	958	14%
King City	4,441	4,692	4,862	5,013	5,154	5,287	846	19%
Marina	6,340	6,649	6,886	7,140	7,373	7,620	1,280	20%
Monterey	34,030	34,434	35,970	37,405	38,814	40,173	6,143	18%
Pacific Grove	5,000	5,093	5,272	5,466	5,637	5,808	808	16%
Salinas	64,396	67,270	69,660	71,958	74,160	76,294	11,898	18%
Sand City	1,517	1,569	1,633	1,698	1,758	1,810	293	19%
Seaside	9,650	10,161	10,455	10,726	11,020	11,299	1,649	17%
Soledad	3,442	3,584	3,694	3,786	3,885	3,978	536	16%
Balance Of County	59,939	62,503	63,497	64,438	65,516	66,390	6,451	11%
San Benito County	18,000	19,240	19,957	20,617	21,264	21,913	3,913	22%
Hollister	13,082	14,035	14,608	15,132	15,650	16,172	3,090	24%
San Juan Bautista	559	591	615	639	662	685	126	23%
Balance Of County	4,359	4,614	4,734	4,846	4,951	5,056	697	16%
Santa Cruz County	116,050	120,761	125,141	129,275	133,324	137,265	21,215	18%
Capitola	7,062	7,199	7,464	7,727	7,979	8,228	1,166	17%
Santa Cruz	40,986	43,090	44,647	46,153	47,616	49,085	8,099	20%
Scotts Valley	7,475	7,612	7,820	8,004	8,180	8,349	874	12%
Watsonville	22,644	23,482	24,382	25,200	26,008	26,772	4,128	18%
Balance Of County	37,883	39,339	40,826	42,191	43,541	44,831	6,948	18%

Sources: Data for 2015 from InfoUSA and the California Employment Development Department.

Forecast years were prepared by AMBAG and PRB.

Table 8: Subregional Population Forecast

Geography	2015	2020	2025	2030	2035	2040	Change 2015-2040	
							Numeric	Percent
AMBAG Region	762,676	791,600	816,900	840,100	862,200	883,300	120,624	16%
Monterey County	432,637	448,211	462,678	476,588	489,451	501,751	69,114	16%
Carmel-By-The-Sea	3,824	3,833	3,843	3,857	3,869	3,876	52	1%
Del Rey Oaks	1,655	1,949	2,268	2,591	2,835	2,987	1,332	80%
Gonzales	8,411	8,827	10,592	13,006	15,942	18,756	10,345	123%
Greenfield	16,947	18,192	19,425	20,424	21,362	22,327	5,380	32%
King City	14,008	14,957	15,574	15,806	15,959	16,063	2,055	15%
Marina	20,496	23,470	26,188	28,515	29,554	30,510	10,014	49%
Marina balance	19,476	20,957	22,205	22,957	23,621	24,202	4,726	24%
CSUMB (portion)	1,020	2,513	3,983	5,558	5,933	6,308	5,288	518%
Monterey	28,576	28,726	29,328	29,881	30,460	30,976	2,400	8%
Monterey balance	24,572	24,722	25,324	25,877	26,456	26,972	2,400	10%
DLI & Naval Postgrad	4,004	4,004	4,004	4,004	4,004	4,004	0	0%
Pacific Grove	15,251	15,349	15,468	15,598	15,808	16,138	887	6%
Salinas	159,486	166,303	170,824	175,442	180,072	184,599	25,113	16%
Sand City	376	544	710	891	1,190	1,494	1,118	297%
Seaside	34,185	34,301	35,242	36,285	37,056	37,802	3,617	11%
Seaside balance	26,799	27,003	27,264	27,632	28,078	28,529	1,730	6%
Fort Ord (portion)	4,450	4,290	4,340	4,490	4,690	4,860	410	9%
CSUMB (portion)	2,936	3,008	3,638	4,163	4,288	4,413	1,477	86%
Soledad	24,809	26,399	27,534	28,285	29,021	29,805	4,996	20%
Soledad balance	16,510	18,100	19,235	19,986	20,722	21,506	4,996	30%
SVSP & CTF	8,299	8,299	8,299	8,299	8,299	8,299	0	0%
Balance Of County	104,613	105,361	105,682	106,007	106,323	106,418	1,805	2%
San Benito County	56,445	62,242	66,522	69,274	72,064	74,668	18,223	32%
Hollister	36,291	39,862	41,685	43,247	44,747	46,222	9,931	27%
San Juan Bautista	1,846	2,020	2,092	2,148	2,201	2,251	405	22%
Balance Of County	18,308	20,360	22,745	23,879	25,116	26,195	7,887	43%
Santa Cruz County	273,594	281,147	287,700	294,238	300,685	306,881	33,287	12%
Capitola	10,087	10,194	10,312	10,451	10,622	10,809	722	7%
Santa Cruz	63,830	68,381	72,091	75,571	79,027	82,266	18,436	29%
Santa Cruz balance	46,554	49,331	51,091	52,571	54,027	55,266	8,712	19%
UCSC	17,276	19,050	21,000	23,000	25,000	27,000	9,724	56%
Scotts Valley	12,073	12,145	12,214	12,282	12,348	12,418	345	3%
Watsonville	52,562	53,536	55,187	56,829	58,332	59,743	7,181	14%
Balance Of County	135,042	136,891	137,896	139,105	140,356	141,645	6,603	5%

Sources: Data for 2015 are from the U.S. Census Bureau and California Department of Finance.

Forecast years were prepared by AMBAG and PRB.

Appendix B

Water Required to Meet Regional Housing Needs Allocation Plan: 2014-2023

2014-2023 RHNA Goals by Local Jurisdiction³⁵

	Monterey	Pacific Grove	Carmel-by-the-Sea	Sand City	Seaside	Del Rey Oaks	TOTAL
Total Allocation	650	115	31	55	393	27	1,271
Very Low (24.1%)	157	28	7	13	95	7	307
Low (15.7%)	102	18	5	9	62	4	200
Moderate (18.2%)	119	21	6	10	72	5	233
Above Moderate (42%)	272	48	13	23	164	11	531

*: Does not include unincorporated Monterey County, which might be 15-25 additional AFY to full build-out

Estimated Water Required to Meet RHNA Goals on the Monterey Peninsula

	TOTAL RHNA GOAL	Water Required (AFY) ³⁶	Factor Used
Very Low (24.1%)	307	37	0.12 AFA (multi-family)
Low (15.7%)	200	24	0.12 AFA (multi-family)
Moderate (18.2%)	233	37	0.16 (half single family/half multi-family)
Above Moderate (42%)	531	92	0.173 (2/3 single family/1/3 multi-family)
Total Allocation/Water Required	1,271	190	

Over two similar 10-year periods, total water required for housing calculated with this methodology is 380 AF over twenty years, or 395 – 405 AF including estimate for unincorporated County (footnote above.)

³⁵ Association of Monterey Bay Area Governments. ND. "Regional Housing Needs Allocation Plan: 2014-2023." Available at: https://ambag.org/sites/default/files/documents/RHNP%202014-2023_Final_revised.pdf.

³⁶ Calculated based on the RHNA goals for the six cities in the Monterey Peninsula and MPWMD's water use factors for single family units (0.2 AFA) and multi-family units (0.12 AFA).



REGIONAL HOUSING NEEDS ALLOCATION PLAN: 2014 - 2023

ASSOCIATION OF MONTEREY BAY AREA GOVERNMENTS

Regional Housing Needs Allocation Plan: 2014 - 2023

RHNA Allocation

Geography	Total Allocation	Very Low (24.1%)	Low (15.7%)	Moderate (18.2%)	Above Moderate (42.0%)
AMBAG Region	10,430	2,515	1,640	1,900	4,375
Monterey County	7,386	1,781	1,160	1,346	3,099
Carmel-By-The-Sea	31	7	5	6	13
Del Rey Oaks	27	7	4	5	11
Gonzales	293	71	46	53	123
Greenfield	363	87	57	66	153
King City	180	43	28	33	76
Marina	1,308	315	205	238	550
Monterey	650	157	102	119	272
Pacific Grove	115	28	18	21	48
Salinas	2,229	538	350	406	935
Sand City	55	13	9	10	23
Seaside	393	95	62	72	164
Soledad	191	46	30	35	80
Balance Of County	1,551	374	244	282	651
Santa Cruz County	3,044	734	480	554	1,276
Capitola	143	34	23	26	60
Santa Cruz	747	180	118	136	313
Scotts Valley	140	34	22	26	58
Watsonville	700	169	110	127	294
Balance Of County	1,314	317	207	239	551



CITY COUNCIL AGENDA REPORT

TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL

FROM: COMMUNITY DEVELOPMENT DIRECTOR

MEETING DATE: JANUARY 5, 2005

SUBJECT: Long Term Water Needs Estimates for Pacific Grove

RECOMMENDATION

Authorize Submittal of Long Term Water Needs Estimates to the Monterey Peninsula Water Management District.

DISCUSSION

The Monterey Peninsula Water Management District (MPWMD) has requested that Pacific Grove provide long-term water needs estimates based on build-out projections contained in our General Plan. These long-term water estimates, along with estimates from other communities on the Monterey Peninsula, will be used in planning for the Monterey Peninsula's future water needs.

Attached with this Agenda Report is the Long Term Water Needs Assessment Report. The estimates contained in the report were based on general plan projections and projections of a former Water Issues Committee from 1999 that developed water needs estimates for a twenty-year period. The MPWMD also asked that Pacific Grove provide a "contingency" amount of water. Staff used a contingency of 20% feeling that this would provide sufficient water to have on hand in the event of an unanticipated water need and to cover reductions in water use tracking due to conservation efforts.

Although the MPWMD requested only counts in various categories, staff has also provided the related water demand in acre-feet using Water Management District factors. The City's representative on the MPWMD Technical Advisory Committee, which includes membership from other jurisdictions in the service area of the MPWMD, has advised that other jurisdictions are intending to provide this same information.

It is expected that the estimates contained in the Long Term Water Assessment will be the precursor to future projections and requests for additional information. Staff will keep Council informed of developments as they occur.

FISCAL IMPACT

Undetermined.

RESPECTFULLY SUBMITTED BY:

REVIEWED BY:

JON M. BIGGS
COMMUNITY DEVELOPMENT DIRECTOR

ROSS G. HUBBARD
CITY MANAGER



CITY OF PACIFIC GROVE

LONG TERM WATER NEEDS ASSESSMENT DECEMBER 2004

for MONTEREY PENINSULA WATER MANAGEMENT DISTRICT

	<u>Number</u>	<u>WMD Water² Use Factor</u>	<u>Acre Feet</u>
1. <u>Potential new dwelling units in single-family districts¹</u>			
• Building sites from multiple lot parcels, (hidden lots/vacant lots on improved parcels)	133	.286	38.04
• New subdivisions, SFD	61	.286	17.45
• Second units	3,426	.087 ³	298.06
• Vacant sites	68	.286	19.45
Water needs: Single-Family Districts -			373.00
2. <u>Potential new dwelling units in multi-family and commercial districts¹</u>			
• Commercial districts	1,128	.134	151.15
• Under-utilized multi-family sites	566	.134	75.84
• Building sites derived from multiple lot parcels in R-2 Districts	12	.134	1.61
• Vacant sites	37	.134	4.96
Water needs: Multi-Family and Commercial District Dwelling Units -			233.56
3. <u>Single-Family residential additions and remodels⁴, including demolition/rebuild⁵</u>			
• Remodel—one additional full bath	362	.047	17.01
• Remodel—two additional full baths	362	.094	34.03
• Demolition/rebuild: 2005-2025	200	.094	18.80
Water needs: remodels, additions, Rebuilds-			69.84
(This equates to 6,984 Fixture Units)			
4. <u>Commercial water requirements⁶</u>			
• Group I Commercial Uses – Low to Moderate	635,000 sf	.00007	44.45
• Group II Commercial Uses – High Use	635,000 sf	.0002	127.00
• Visitor Accommodations ⁷	318 rooms	.21	66.78
Water needs: Commercial -			238.23

	<u>Acre Feet</u>
5. <u>Public water requirements</u>	25.00
<i>Estimated Long Term Water Needs</i>	939.63
Contingency: 20% of Base Water Needs	187.93
Total estimated water needs, 2000-2020	1127.56

Notes:

1. Projections are based on the City of Pacific Grove General Plan, adopted 1994. See: *Figure 2-4, Residential Unit Development Potential, p. 12.*

2. Water factors are those used by Land Systems Group in their calculation of potential water use on vacant lots for the Monterey Peninsula Water Management District. See: *Table 4: Water Requirements of Vacant Lots by Zoning. Final Report to MPWMD (Lot Study) p. 23.*

3. This water use factor is based on typical secondary unit water demand in Pacific Grove.

4. There was an annual average of 580 remodels/additions in Pacific Grove during the years 1999-2003 and, on average, 6.25% of these projects included the addition of plumbing fixtures. It is estimated that during the time period 2005 – 2025 there will be 724 projects involving remodels and additions that will include the addition of plumbing fixtures. It is further estimated that half the projects would add one bath and half would add two baths.

5. A building trend that has been noted in Pacific Grove is demolition of older, non-historic houses to make way for new, usually larger, dwellings. This trend is expected to continue. Demolition/rebuilds are estimated to occur at the rate of ten per year and during the 2005-2025 time frame. Each new unit is estimated to require .094 more fixture units than the structure it replaces.

6. "In 1988, the City estimated that remaining commercially-zoned, vacant parcels could accommodate about 270,000 square feet of new commercial development. In addition, the amount of commercial space that could be added under the General Plan and zoning theoretically could exceed one million square feet." Pacific Grove General Plan, Land Use, Chapter 2, p 12.

7. In 1999 the City estimated 270 guest rooms for the one Downtown block occupied by the Holman Building, which was approved for a hotel use in a 1994 ballot measure. The General Plan estimates an additional net gain of 48 motel units on four sites in the R-3-M Zone. Pacific Grove General Plan, Land Use, Chapter 2, p 17.

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January 27, 2020

VIA FEDERAL EXPRESS & EMAIL (DSTOLDT@MPWMD.NET)

David J. Stoldt, General Manager
Monterey Peninsula Water Management District
5 Harris Court, Bldg. G
Monterey, CA 93940

**Re: Monterey Peninsula Water Management District's Potential Effort to Condemn
the Monterey Water System**

Dear Mr. Stoldt:

We are counsel for California American Water ("Cal Am").

Following the November 6, 2018 passage of Measure J, the Monterey Peninsula Water Management District ("District") has been analyzing the feasibility of using the power of eminent domain to take Cal Am's Monterey Water System and replacing Cal Am as the retail water provider for Monterey.

Our review of the publicly available documents reveals numerous flaws in the District's feasibility analysis. This letter addresses one particularly glaring flaw: the District's failure to account—in terms of necessity, time or cost—for the fact that it lacks the legal authority to replace Cal Am as the water provider absent approval from the Monterey County Local Agency Formation Commission ("Monterey LAFCO"), as more fully explained below. We ask that the District agree to commence the LAFCO approval process forthwith, prior to expending any more public funds pursuing a project which Monterey LAFCO may or may not approve, with or without conditions that could materially affect the viability of the project.

Background

Cal Am has repeatedly informed the District that the Monterey Water System is not for sale. Thus, the only means available to the District to obtain ownership is by taking the facilities through eminent domain litigation. That litigation will be complex and costly. The court will first conduct a trial to decide whether, under the Eminent Domain Law, the District will be entitled to take the facilities. If the District prevails in the first trial, a second trial, probably decided by jury, will then be held to determine the amount of just compensation that must be paid to Cal Am for the system. While the District has estimated the water system value at

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approximately \$513 million (Raftelis, "Monterey Peninsula Water Management District, Preliminary Valuation and Cost of Service Analysis Report," Public Version Released 11-6-19, p. E-3 ["Raftelis Report"]), it acknowledges that the estimate does not include a computation of severance damages, which are likely to be substantial.¹ The District's valuation estimate is hundreds of millions of dollars below what we estimate would be awarded in an eminent domain action.

In November 2019, after spending nearly \$650,000 on its analysis, the District concluded that its project is "financially feasible." (December 16, 2019 MPWMD Board Meeting Agenda, Action Item No. 12.) The District previously decided financial feasibility was a threshold issue that must be answered before it would continue considering acquisition of the Monterey Water System.² In December 2019, the District allocated an additional \$1,241,000 in public dollars to further study its acquisition and operation of the Monterey Water System, with the goal of considering passage of a Resolution of Necessity in the summer of 2020 as part of the process of taking the system by eminent domain. (*Id.*) Before the District continues down this path and expends any more public funds, it must acknowledge the role Monterey LAFCO plays.

Necessity of Project Approval Under the LAFCO Act

As a special district, the District is subject to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (Govt. Code §§56000 *et seq.*) (the "LAFCO Act"). Under the LAFCO Act, county Local Agency Formation Commissions provide essential oversight over local agencies to prevent waste of public resources and ill-advised expansion of

¹ The District acknowledges its legal obligation to pay severance damages to Cal Am for the financial harm caused to "satellite water systems" outside of the District's jurisdictional boundaries and which will not be taken through eminent domain. (Raftelis Report, p. E-4.) However, the District's analysis fails to attribute a dollar figure to this cost because it claims Cal Am "could mitigate some or all of its severance damages through the CPUC ratemaking process" (*Id.*) The District errs in the assumption it can force Cal Am's remaining ratepayers to pay for the damages the District itself will cause if it proceeds with its takeover attempt. The District is the entity that must pay for the severance damages caused by its condemnation of property. (Code Civ. Proc. §§1263.410 *et seq.*)

² The District has stated that four factors must be satisfied to demonstrate "feasibility" under Measure J: (a) financial feasibility, (b) operational quality and delivery of service, (c) governance, and (d) legal permissibility. (MPWMD's Report of the General Manager Required By Measure J, August 19, 2019, pp. 6-7.) The District decided that it would determine "financial feasibility" as an initial threshold matter: "The effort will be to first determine financial feasibility, and then consider operations, governance, and legal permissibility, before making a decision to move forward with preparation of a formal appraisal and presentation of an offer of just compensation." (*Id.*, p. 7.) The District states that financial feasibility will be demonstrated if the District's overall cost of retail water service will be less under the District's ownership of the Monterey Water System and if "those savings inure to the ratepayers relatively quickly." (*Id.*, p. 6.)

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powers. “LAFCOs have been described as watchdogs, guarding against the wasteful duplication of services that results from indiscriminate formation of new local agencies or haphazard annexation of territory to existing local agencies.” *San Joaquin County Local Agency Formation Comm’n v. Superior Court*, 162 Cal.App.4th 159, 166-67 (2008).

In *South San Joaquin Irrigation District v. Superior Court*, 162 Cal.App.4th 146 (2008), the Court of Appeal addressed the question of whether the South San Joaquin Irrigation District (a special district), which was statutorily authorized to provide electric service, was required to obtain approval from San Joaquin County LAFCO before it could legally expand to become the retail electric service provider in its district boundaries. The irrigation district’s plan was to provide the service by taking PG&E’s electric system using the eminent domain power. The Court held that LAFCO review and approval was a legal prerequisite, notwithstanding the district’s statutory authorization. The Court explained LAFCO oversight as to a special district’s exercise of its “latent” statutory powers:

“Special districts often are granted authority to provide services that they do not immediately exercise. For instance, a water district may be given the authority to provide sewer service, but does not in fact do so initially. Such powers are referred to as ‘latent powers.’ **A district’s decision to engage in new or different functions by exercising some or all of its latent powers has the potential to impact the balance of services in a County. [The LAFCO Act] requires special districts, prior to exercising latent powers, to present LAFCO with a detailed plan and to receive written approval from a LAFCO.**

* * *

“This conclusion is consistent with the purposes of LAFCOs as ‘the watchdog’ the Legislature established to guard against the wasteful duplication of services” *Id.* at 156-57 (emphasis added)

Here also, the District’s proposed expansion of services—*i.e.*, to supplant Cal Am and become the retail water service provider in Monterey—would require the exercise of a latent statutory power as defined in the LAFCO Act. Specifically, since the District is not currently the retail water service provider, undertaking such a service would be deemed a “new or different function or class of service.” (Govt. Code, Art. 1.5, §§56824.10 *et seq.*)

Consistent with the legal authorities above, before it can become the retail water provider in Monterey, the District would have to submit an application to the Monterey LAFCO for approval. Such application must include a detailed plan for providing services, setting forth among other things (1) the total estimated cost to provide retail water service; (2) the cost to

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customers (i.e., by customer class); and (3) the District's plan for financing its project to become the retail water provider. (Govt. Code §56824.12.) Monterey LAFCO must then, after a public hearing, approve or disapprove the District's application. Monterey LAFCO may approve the District's proposal only if it determines, based on the evidentiary record, that the District will have sufficient revenues to implement its proposal.. (Govt. Code §56824.14[a].) If the District cannot make such a showing to Monterey LAFCO's satisfaction, then the application can be granted only if Monterey LAFCO concurrently conditions its approval on the District obtaining sufficient revenue and/or capital from other sources. (*Id.*)

Unless and until the Monterey LAFCO approves the District's proposal to become Monterey's retail water provider, the District cannot adopt a Resolution of Necessity to authorize the filing of an eminent domain action to attempt to take the facilities necessary to provide the service because the District would lack the legal authority to undertake the "project" that would be the basis for the Resolution of Necessity. Moreover, on a practical level, until the Monterey LAFCO determines what financial or other conditions it will impose, the District cannot know whether its takeover is financially feasible.

The District appears to have overlooked the requirement for Monterey LAFCO's approval. Continuing to expend substantial public funds to pursue the project in disregard of the mandatory LAFCO review process is unjustifiable. Accordingly, Cal Am requests that the District immediately acknowledge its obligation to obtain LAFCO approval, and to confirm that the District will undertake the process for that approval prior to considering adoption of a Resolution of Necessity. If the District contends that LAFCO approval is not required, we request that it explain its reasoning so that we can understand the District's position and evaluate whether a declaratory relief action would be in the interest of all concerned. We look forward to your timely response.

Sincerely,



George M. Soneff

cc: David Laredo, Esq., MPWMD Counsel (dave@laredolaw.net)
Kate McKenna, AICP, Executive Officer, Monterey LAFCO
(mckennak@monterey.lafco.ca.gov)



Monterey Bay Defense Alliance
P.O. Box 924
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21 Jan 2020

Monterey Peninsula Water Management District
5 Harris Ct, Bldg. G
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Mike Clancy

I am writing on behalf of the Monterey Bay Defense Alliance (MBDA) to express our concern about the water supply and demand report prepared by Mr. Stoldt. If this report becomes the District's basis for determining the sizing and composition of our future water supply portfolio, we believe it will jeopardize the long term viability of important Department of Defense missions and organizations in Monterey.

The Department of Defense and each of the Services have issued guidance that critical infrastructure such as water supply must be reliable, resilient and capable of supporting both current and future missions. This is also a reasonable and responsible goal for each of our communities' future. Mr. Stoldt's recommend approach would not meet these goals.

Mr. Stoldt's faulty analysis has led him to conclude that the desalination plant is not needed. If the District were to follow his recommendation, the resulting water supply portfolio would not be resilient to drought, not have the capability to meet potential future military missions, and not even provide a water allocation to the military bases in our community as they have no "lots of record". We know from recent history that our local military missions can increase very quickly.

A portfolio without a desalination component would not be resilient in case of source water supply loss, system mechanical failure or system upset. The heavy reliance on reclaimed sewage, agricultural runoff and industrial waste dramatically undermines the supply protections and resiliency provided by the CPUC and State Water Board approved supply portfolio that includes desalination. The initial phase of this reclaimed sewage supply source is currently months behind schedule and over budget. Additionally, it is only treating domestic waste. There has been insufficient production testing of the system's capability to handle industrial waste and agricultural runoff.

I doubt that the engineers, architects or builders on your Board would ever intentionally jeopardize their professional license or professional credibility by designing, building or knowingly signing off on a project that you knew violated industry standards, the State Health and Safety code, and the State Code of Regulations. MR. STOLDT IS RECOMMENDING YOU DO JUST THAT by asking you to approve his very questionable supply and demand report as the foundation for sizing our future water supply. This issue should be about the responsible engineering and planning of critical infrastructure that meets industry standards and State of California codes - not local "growth" politics.

Mr. Stoldt's proposal does not consider or adequately address the issues raised in CalAm's previous technical and engineering reviews. The proposal ignores applicable California state water

codes and regulations. It also ignores national water industry requirements and programming standards for supply and demand calculations. The proposal essentially repeats the arguments previously made to the California Coastal Commission, but in no apparent way addresses the CPUC's or California Supreme Court's previous dismissal of this approach.

The proposal assumes near best case forecasts for supply and least case forecasts for demand, and then arrives at point estimates for the various supply and demand factors. This is not a professional or adequate approach for several reasons:

- a) Ignores any potential military mission growth.
- b) Ignores state housing requirements regarding the approval of Accessory Dwelling Units (ADU's).
- c) Underestimates RHNA requirements for housing which is a floor not a maximum.
- d) Ignores current housing shortage.
- e) Underestimates drought frequency and duration.
- f) Ignores climate change and the growing pressure it will place on our water supply.
- g) Overestimates long term probable ASR, Seaside Aquifer and Carmel River rights production capability.
- h) Underestimates economic recovery water needs.
- i) Ignores water history before the connection moratorium and mandatory state drought related cutbacks.

Mr. Stoldt's recommended approach does not consider the potential loss of Pure Water expansion source water due to technology changes or other higher Salinas Valley basin priorities. The recommendation also doesn't consider the potential supply impact of system upset due to drought, extended maintenance, human error, chemical/mechanical upset or unanticipated contamination. No system this complex is 100% reliable or online 100% of the time.

Certainly, before even considering Mr. Stoldt's Supply and Demand Report assumptions, your Board must obtain a written confirmation from the SWRCB that elimination of the desalination component of the supply portfolio in favor of an expanded Pure Water supply would be sufficient for them to lift the CDO. Otherwise, this approach guarantees that our perennial water scarcity will continue.

In conclusion, Mr. Stoldt's recommended project sizing and supply approach does not provide an adequate portfolio of water sources to protect our military missions or our greater community's needs against drought, climate change, economic demands or system failures. Adoption of critical infrastructure design and sizing based on best case "hopes", while ignoring history, industry standards and state regulations, would be an irresponsible act on the part of the Board.

Sincerely,



Fred Meurer
Chair, Monterey Bay Defense Alliance

CC: Mr. Stoldt



Salmonid Restoration Federation

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JAN 16 2020

January 8, 2020

MPWMD

Dear Monterey Peninsula Water Management District,

Thank you for your generous support of the upcoming 38th Annual Salmonid Restoration Conference, which will be held in Santa Cruz, California from March 31 to April 3, 2020. As a General Sponsor at the \$1000 level, you will receive two conference passes, your business name and logo on the cover of the Conference Proceedings and SRF website, and acknowledgement during Plenary announcements. We have emailed you a sales receipt for this amount, please let me know if you have not received it.

Salmonid Restoration Federation (SRF) is a non-profit organization that promotes stewardship, sustainable management, and restoration of California's salmon, steelhead, and trout populations and their habitat. We provide critical educational services for California's community-based salmonid restoration organizations and agencies by producing an annual conference, field schools, and workshops. SRF's statewide conference on salmonid restoration provides an opportunity to explore innovative watershed restoration projects, participate in technical workshops, attend concurrent sessions, and enjoy an exciting plenary session.

The Annual Salmonid Restoration Conference has become the largest salmon restoration conference in California. The 38th Annual Salmonid Restoration Conference will feature over 100 presentations and numerous field tours to exemplary restoration projects in the watersheds surrounding Santa Cruz. The Conference will also feature at least four intensive habitat restoration workshops and ten concurrent sessions.

Your sponsorship will enable us to produce a dynamic and informative conference at an affordable rate for participants. Your generous support helps to offset the costs associated with producing the conference and provides an opportunity to showcase your organization to a diverse range of professionals and fish enthusiasts. Your logo will remain indefinitely on the list of co-sponsors on the 38th Annual Salmonid Restoration Conference website, www.calsalmon.org.

Thank you again for supporting the 38th Annual Salmonid Restoration Conference.

Best regards,

Maddie Halloran
Project Assistant
Salmonid Restoration Federation

*Salmonid Restoration Federation is a 501(c) 3 non-profit organization and all donations are tax-deductible.
Our Federal Tax ID # is 68 0187121.*