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 7:00 PM.

MONTEREY PENINSULA WATER MANAGEMENT DISTRICT

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

Thursday, February 21, 2019
5:30 pm Closed Session
Conference Room, Monterey Peninsula Water Management District
7:00 pm Regular Meeting
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 15, 2019

The meeting will be televised on Comcast Channels 25 & 28. Refer to broadcast schedule on page 3.

5:30 PM – Closed Session	As permitted by Government Code Section 54956 et seq., the Board may adjourn to closed or executive session to consider specific matters dealing with pending or threatened litigation, certain personnel matters, or certain property acquisition matters.

1. **Public Comment -** Members of the public may address the Board on the item or items listed on the Closed Session agenda.
2. **Adjourn to Closed Session**
3. **Conference with Legal Counsel – Existing Litigation (Gov. Code 54956.9 (a))**
   A. Application of California American Water to CPUC (No. 12-04-019) – Monterey Peninsula Water Supply Project
   B. City of Marina and Marina Coast Water District - Petitioners v CPUC - Respondent, California American Water, ET AL - Real Parties in Interest (No. S253585)
4. **Conference with Legal Counsel - Pending and Threatened Litigation (Gov. Code 54956.9(b)) – Two Cases**
5. **Adjourn to 7 pm Regular Meeting**

This agenda was posted at the District office at 5 Harris Court, Bldg. G Monterey on Friday, February 15, 2019. Staff reports regarding these agenda items will be available for public review on Friday, February 15, 2019 at the District office and at the Carmel, Carmel Valley, Monterey, Pacific Grove and Seaside libraries. After staff reports have been distributed, if additional documents are produced by the District and provided to a majority of the Board regarding any item on the agenda, they will be available at the District office during normal business hours, and posted on the District website at www.mpwmd.net/who-we-are/board-of-directors/bod-meeting-agendas-calendar/. Documents distributed at the meeting will be made available in the same manner. The next regular meeting of the Board of Directors is scheduled for March 18, 2019 at 7 pm.

7:00 PM – Regular Meeting

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.

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, 2019 Board Meeting
2. Consider Adoption of November 5, 2018 Administrative Committee Minutes
3. Consider Authorizing Funds for Santa Margarita ASR Expansion Engineering Services Water Supply
4. Consider Purchase of Internet License for Water Wise Gardening in Monterey County

REPORT ON PURE WATER MONTEREY PROJECT FROM PAUL SCIUTO, GENERAL MANAGER MONTEREY ONE WATER

GENERAL MANAGER'S REPORT

5. Status Report on California American Water Compliance with State Water Resources Control Board Order 2016-0016 and Seaside Groundwater Basin Adjudication Decision
6. Update on Major District Projects
7. Review of District Contracting Requirements

ATTORNEY'S REPORT

8. Report on 6 pm Closed Session of the Board

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

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

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

10. Consider Authorizing a Notice of Intent to Adopt a Mitigated Negative Declaration and the First Reading for Ordinance No. 181 Amending District Rules and Regulations to Modify the Extent of Activities in the Carmel River Riparian Corridor *(Subject to review according to California Environmental Quality Act Guidelines Section 15153 – Use of an EIR from an Earlier Project)*

Action: *The Board will consider proposed actions to extend the Carmel River Riparian Corridor by 13.5 miles from the eastern end of Carmel Valley Village upstream to the Ventana Wilderness*

boundary. The Board will conduct the first reading of Ordinance No. 181 and consider setting a date to adopt a Mitigated Negative Declaration and conduct the second reading of Ordinance No. 181.

DISCUSSION ITEMS– Public comment will be received on each of these items. Please limit your comment to three (3) minutes per item.

11. Discuss Criteria for Development of the Feasibility Study on Public Ownership of the Monterey Peninsula Water System and Consider Scheduling a Future Meeting Date for Action
This is a discussion item only. No action will be taken. The Board could direct staff to set a date to take action.

12. Consider Options for Assignment of Rule 19.8 Responsibilities to Standing Committees or New Committees to be Established
This is a discussion item only. No action will be taken.

13. Discuss Progress on One and Three-Year Strategic Planning Goals Adopted in 2017
This is a discussion item only. No action will be taken.

ACTION ITEMS - Public comment will be received on each of these items. Please limit your comment to three (3) minutes per item.

14. Approve Authorization of Funds for District Counsel's Retention of Experts in Support of Rule 19.8 Analysis
Action: *The Board will consider funds needed for General Counsel to retain consulting experts in support of possible acquisition and public ownership of Monterey Peninsula Water Systems.*

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.

15. Letters Received Supplemental Letter Packet
16. Committee Reports
17. Monthly Allocation Report
18. Water Conservation Program Report
19. Carmel River Fishery Report for January 2019
20. Monthly Water Supply and California American Water Production Report
21. Receive Notice of Appointments to Carmel River Advisory Committee

ADJOURNMENT

Board Meeting Broadcast Schedule – Comcast Channels 25 & 28 **View Live Webcast at** https://www.ampmedia.org/peninsula-tv/	
Ch. 25, Mondays, 7 PM	Monterey, Del Rey Oaks, Pacific Grove, Sand City, Seaside
Ch. 25, Mondays, 7 PM	Carmel, Carmel Valley, Del Rey Oaks, Monterey, Pacific Grove, Pebble Beach, Sand City, Seaside
Ch. 28, Mondays, 7 PM	Carmel, Carmel Valley, Del Rey Oaks, Monterey, Pacific Grove, Pebble Beach, Sand City, Seaside
Ch. 28, Fridays, 9 AM	Carmel, Carmel Valley, Del Rey Oaks, Monterey, Pacific Grove, Pebble Beach, Sand City, Seaside

Board Meeting Schedule			
Monday, March 18, 2019	Regular Board Meeting	7:00 pm	District conference room
Monday, April 15, 2019	Regular Board Meeting	7:00 pm	District conference room
Monday, May 20, 2019	Regular Board Meeting	7:00 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 5:00 PM on Friday, February 15, 2019. 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.

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ITEM: CONSENT CALENDAR

1. CONSIDER ADOPTION OF MINUTES OF THE JANUARY 23, 2019 REGULAR BOARD MEETING

Meeting Date:	**February 21, 2019**	**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.

SUMMARY: Attached as **Exhibit 1-A** are draft minutes of the January 23, 2019 Regular meeting of the Board.

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

EXHIBIT
1-A Draft Minutes of the January 23, 2019 Regular Meeting of the Board of Directors

MONTEREY PENINSULA WATER MANAGEMENT DISTRICT

EXHIBIT 1-A

DRAFT MINUTES
Regular Meeting
Board of Directors
Monterey Peninsula Water Management District
January 23, 2019

CALL TO ORDER/ROLL CALL

Board Chair Evans called the meeting to order at 7:05 pm in the MPWMD conference room.

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
David Potter - Mayoral Representative
Mary Adams – Monterey County Board of Supervisors Rep.

Directors Absent: None

General Manager present: David J. Stoldt

District Counsel present: David Laredo

PLEDGE OF ALLEGIANCE

The assembly recited the Pledge of Allegiance.

ADDITIONS AND CORRECTIONS TO AGENDA

Chair Evans announced that Director Potter took the oath of office prior to the meeting, so no action was needed on the item titled Administer Oath of Office to David Potter.

ADMINISTER OATH OF OFFICE TO DAVID POTTER, MAYORAL REPRESENTATIVE TO THE BOARD OF DIRECTORS

No action taken. The Deputy District Secretary of the Board administered the oath of office to David Potter at 6:15 pm that evening.

ORAL COMMUNICATIONS

The following comments were directed to the Board during Oral Communications. **(a) Dave Lesikar,** resident of Seaside, suggested that water from Roberts Lake could be recovered for community use. **(b) Melodie Chrislock** distributed to the Board of Directors a copy of The State of Public Water in the United States published by Food and Water Watch. She explained that the study compared the cost of public versus privately owned water systems and determined that the highest cost of water was in California American Water's (Cal-Am) Monterey District. **(c) Dan Turner**, resident of Monterey, opined that the appointments of Gary D. Hoffmann and David Potter to the Board of Directors were not conducted in an impartial manner. He also stated that the community's water supply would be sufficient without the addition of water from Cal-Am's

desalination plant. **(d) Tom Rowley** stated that the absence of a long-term sustainable water supply thwarts the growth of small businesses and limits the availability of affordable housing. **(e) Barbara Moore**, resident of Monterey, asked Directors to speak clearly into their microphones. **(f) Michael Baer**, Carmel Valley resident, objected to the manner in which the Monterey County Mayors Select Committee appointed David Potter as its representative to the Board. He requested that the Board find a way to reverse the decision. **(g) John Narigi**, Coalition of Peninsula Businesses, stated that Dave Potter brought to the Board several decades of experience with water issues; therefore, his presence provided balance on a Board with members who have little water related experience. **(h) Anna Thompson** stated that affordable water could best be achieved through public ownership of the local water system.

CONSENT CALENDAR

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

Adopted.

1. Consider Adoption of Minutes of the December 17, 2018 Board Meeting

2. Ratify Board Committee Assignments for Calendar Year 2019

On a motion by Byrne and second of Potter, the Board voted unanimously to approve the committee assignments, and at a future meeting review the Policy Advisory Committee charge to determine if it could be modified to provide assistance with Rule 19.8 compliance. The motion was approved on a vote of 7 – 0 by Byrne, Potter, Adams, Edwards, Evans, Hoffmann and Riley.

Public Comment: **(a) Tom Rowle**y, representing the Monterey Peninsula Taxpayers Association, stated that the Association supported a joint meeting between the MPWMD Board and the Monterey Peninsula Regional Water Authority conducted on October 16, 2017. **(b) Judi Lehman** noted that the Water Authority was scheduled to meet on January 31, 2019.

3. Consider Expenditure of Funds to Contract with Underwriter for Monterey Peninsula Water Supply Project

Edwards offered a motion to approve a not-to-exceed expenditure of $104,000 to contract with an Underwriter for the Monterey Peninsula Water Supply Project. The motion was seconded by Riley and approved on a unanimous vote of 7 – 0 by Edwards, Riley, Adams, Evans, Byrne, Hoffman and Potter.

4. Consider Entering into an Agreement for an Addendum to the MPWMD Aquifer Storage and Recovery Project Environmental Impact Report/Environmental Assessment

Approved a not-to-exceed expenditure of $23,797 to contract with Denise Duffy and Associates.

Approved a reimbursable expenditure of $39,198.

5. Consider Approval of Two Temporary Field Staff Positions and Supplies Funded through a Second Interagency Contract between MPWMD and NMFS to Provide for an Additional Cooperative Research and Monitoring Project

Confirmed.

6. Confirm Appointments to Ordinance No. 152 Oversight Panel

Approved.

7. Consider Approval of Annual Update on Investment Policy

Received.

8. Receive Semi-Annual Financial Report on the CAWD/PBCSD Wastewater Reclamation Project

Adopted.

9. Consider Adoption of Treasurer's Report for November 2018

GENERAL MANAGER'S REPORT

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

General Manager Stoldt announced that the District would not issue water permits between February 1 and February 8, 2019 due to the conversion of the water permit database. He also noted that due to the temporary federal government shutdown, progress on projects that involve coordination with our federal partners could be delayed.

He reported that for the first quarter of the 2019 Water Year ending December 31, 2019, water production in the Monterey Peninsula Water Resources System was 124 acre-feet below production recorded during the same time-period in Water Year 2018. He also reported that for the same time-period, rainfall, unimpaired flow and storage were measured at 90%, 67% and 99% of long-term average respectively. Mr. Stoldt also noted that pages 255 and 257 of the Board packet should be corrected to state that 6.07 inches of rainfall was received in the first quarter of the water year, which equates to 90% of long-term average. He reported that ASR operations began in January 2019 and 165 acre-feet of water were injected to date.

11. Update on Development of Water Supply Projects

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 a lawsuit filed recently by the City of Marina against the California Public Utilities Commission (CPUC) could delay progress on Cal-Am's desalination plant, which could result in missing one of the milestones that must be achieved in order to comply with SWRCB Order 2016-0016.

Mr. Stoldt referenced the staff report on this item.

12. Update on Major District Projects

ATTORNEY'S REPORT

13. Report on December 17, 2018, 9 pm, Continued Closed Session of the Board

3. Conference with Legal Counsel – Existing Litigation (Gov Code 54946.9 (a))

C. City of Marina v CPUC

District Counsel Laredo reported that the Board met in closed session on December 17, 2018 at 9 pm, and no reportable action was taken at that session. A report on the December 17, 2018, 5:30 pm session was provided under Agenda Item 1, Adoption of Minutes of the December 17 2018 Regular Board meeting. At the January 23, 2019, 6:30 pm closed session the Board received a report on agenda item 3.C. The Board voted to authorize staff and counsel to file a response to the action filed by the City of Marina. The motion to authorize was made by Byrne and seconded by Edwards with a unanimous vote of 7 – 0.

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

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

Director Hoffmann reported the following. (1) He received a briefing on the Pure Water Monterey Project from Paul Sciuto, General Manager of Monterey One Water. Director Hoffmann suggested that Mr. Sciuto should be invited to provide an update on the project at a future Board meeting. (2) He met with Michael Waxer of the Carmel River Watershed Conservancy and was apprised of the Conservancy's pharmaceutical drug diversion project. Director Hoffmann proposed that the District office be identified as a drop-off location for the drug diversion effort. (3) He met with Chris Cook, General Manager of California American Water who took him on a tour of the pipeline used for ASR injection. Director Evans reported that she spoke to the Monterey Commercial Property Owners Association and the New Monterey Neighborhood Association regarding the January listening sessions and other priorities of the District.

PUBLIC HEARINGS

No public hearing items were submitted for consideration by the Board

ACTION ITEMS

15. Receive Report on Rule 19.8 Listening Sessions of January 7, 8, 9, 10 and 15, 2019, and Determine Subsequent Action Regarding Preparation of a Feasibility Study

Motion No. 1 – Potter made a motion that was seconded by Byrne to receive the report, have consultants recommended for hiring appear at the February 21, 2019 Board meeting, and agree to discuss the possible establishment of objective criteria for the feasibility study in open session at the February 21, 2019 Board meeting.

Amendment Proposed - Edwards offered a friendly amendment to discuss formation of an advisory committee at the February 21, 2019 Board meeting.

Motion No. 2 – Potter amended his motion to include the addition of a discussion of the formation of an advisory committee at the February 21, 2019 Board meeting. Byrne did not second the amendment.

Motion No 1 was approved on a unanimous vote of 7 – 0 by Potter, Byrne, Adams, Edwards, Evans, Hoffmann and Riley.

The following comments were directed to the Board during the public comment period on this item. **(a) Bill Hood** stated that the rating sheets distributed at the listening sessions asked attendees about desirability, which may be misleading because the study will determine the facts related to feasibility. **(b) Renee Franken**, Monterey resident, noted that over 55% of voters approved the proposal to conduct a feasibility study; therefore, feasibility should be determined in terms of how public ownership could be accomplished. **(c) Anna Thompson** stated that the feasibility study should analyze all the benefits that public and private ownership would provide. **(d) Mary Ann Carbone**, Mayor of the City of Sand City, read a letter dated January 24, 2019, that is on file at the District office and on the agency's website. The letter requested that the Board ensure transparency in four areas related to the feasibility study, and that the public be given the opportunity to vote on a financing mechanism prior to condemnation of Cal-Am's assets. **(e) David Beach** reviewed a document he submitted at the meeting titled Urgent Suggestions for the Written Plan Process. The document is on file at the District office and can be viewed on the agency's website. He stated that the object of the feasibility study should be to provide facts for the Board's decision making process. **(f) Michael Baer**, Carmel Valley resident, stated that the evaluation jury trial should not be held in Monterey County. He requested that the District form a public advisory committee that would review consultant reports and make recommendations to the Board. The committee could include representatives from the Mayors Authority, the Business Coalition, Measure J proponents and non-partisan members of the community. **(g) Barbara Evans**, Carmel resident, requested that all Directors and consultants involved in feasibility study preparation should verify they have no conflict of interest. In addition, the study should analyze feasibility with and without a desalination plant. **(h) Doug Wilhelm**, Carmel resident, spoke in support of openness in the feasibility process, but stated that a good negotiator cannot divulge the maximum amount that could be paid. **(i) Tom Rowley**, Monterey Peninsula Taxpayers Association, described the District's charge to develop a feasibility study as a conflict of interest, and that the community hoped for as much transparency in the process as possible. **(j) Dan Turner**, Monterey resident, questioned the General Manager's decision to exclude from the survey results those on which all criteria listed were ranked as the number one priority. **(k) John Narigi**, Coalition of Peninsula Businesses, asked for confirmation that the Coalition's January 14, 2019 letter regarding the feasibility study was included in the staff report for this agenda item. General Manager Stoldt affirmed inclusion of the letter. **(l) Melodie Chrislock** stated that representatives from Public Water Now were trained to advise the public

that Measure J required preparation of a feasibility study, and if public ownership was determined to be feasible then a buy-out would be pursued. **(m) Anna Thompson**, stated that public ownership of the water system would be an investment in the future. Private ownership would cost the same but with the addition of the earned return on investment. Public ownership would benefit the entire community.

16. Consider Approval of Revised MOU for Integrated Regional Water Management in the Monterey Peninsula, Carmel Bay and South Monterey Bay Items Related to Integrated Regional Water Management Program

On a motion by Byrne and second by Adams, the revised MOU was approved on a unanimous vote of 7 – 0 by Byrne, Adams, Edwards, Evans, Hoffmann, Potter and Riley. No comments were directed to the Board during the public comment period on this item.

DISCUSSION ITEMS

17. Discuss District Attendance at Association of California Water Agencies Washington D.C. Legislative Conference February 26-28, 2019

The Board discussed this item. No action was taken.

The following comments were directed to the Board during the public comment period on this item. **(a) Tom Rowley**, expressed support for the District's representatives communicating with legislators in Washington D.C. **(b) Rudy Fischer**, expressed support for attendance at the ACWA D.C. Legislative Conference.

18. Discuss Memorandum from David C. Laredo, General Counsel on Smart Meters

District Counsel Laredo reviewed the memorandum that was presented in the staff report on this item. He reported that the California Public Utilities Commission had not authorized installation of smart water meters by Cal-Am. No public comment was directed to the Board during the public comment period on this item.

INFORMATIONAL ITEMS/STAFF REPORTS

19. Letters Received
20. Monthly Allocation Report
21. Water Conservation Program Report
22. Quarterly Water Use Credit Transfer Status Report
23. Carmel River Fishery Report for December 2018
24. Monthly Water Supply and California American Water Production Report
25. Quarterly Carmel River Riparian Corridor Management Program Report
26. Semi-Annual Groundwater Quality Monitoring Report

There was no discussion of these items.

Note a correction to this staff note reported under Agenda item 10 – General Manager's Report.
Note a correction to this staff note reported under Agenda item 10 – General Manager's Report.

ADJOURNMENT

The meeting was adjourned at 9:45 pm.

Arlene M. Tavani, Deputy District Secretary

ITEM: CONSENT CALENDAR

2. CONSIDER ADOPTION OF NOVEMBER 5, 2018 ADMINISTRATIVE COMMITTEE MINUTES

Meeting Date:	**February 21, 2019**	**Budgeted:**	**N/A**
From:	**David J. Stoldt, General Manager**	**Program/ Line Item No.:**	**N/A**
Prepared By:	**Sara Reyes**	**Cost Estimate:**	**N/A**

General Counsel Review: N/A
Committee Recommendation: The Administrative Committee reviewed this item on February 11, 2019 and accepted the minutes as presented, subject to discussion by the full Board. Director Evans had no changes to the minutes, but requested they be presented to the Board on the Consent Calendar to allow discussion if needed since two Administrative Committee members who attended the November 5, 2018 meeting are no longer on the Board.
CEQA Compliance: This action does not constitute a project as defined by the California Environmental Quality Act Guidelines Section 15378.

SUMMARY: Attached as **Exhibit 2-A** are draft minutes of the November 5, 2018 Administrative Committee meeting.

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

EXHIBIT
2-A Draft Minutes of the November 5, 2018 Committee Meeting

MONTEREY PENINSULA WATER MANAGEMENT DISTRICT

EXHIBIT 2-A

DRAFT MINUTES
Monterey Peninsula Water Management District
Administrative Committee
November 5, 2018

Call to Order
The meeting was called to order at 3:30 PM in the District Conference Room.

Committee members present: Brenda Lewis – Chair
Andrew Clarke
Molly Evans

Staff present: David J. Stoldt, General Manager
Suresh Prasad, Administrative Services Manager/Chief Financial Officer
Jonathan Lear, Senior Hydrologist
Sara Reyes, Sr. Office Specialist

Oral Communications
None

Items on Board Agenda for November 19, 2018

1. **Consider Adoption of Minutes of October 8, 2018 Committee Meeting**
   On a motion by Evans and second by Clarke, the minutes of the October 8, 2018 meeting were approved on a vote of 3 – 0 by Evans, Clarke and Lewis.

2. **Consider Allocating funds from Pueblo Water Resources Contract to McCampbell Laboratories to Provide Support for ASR Operations**
   On a motion by Clarke and second by Evans, the committee recommended the Board authorize the General Manager to allocate funds up to $40,000 from the Pueblo Water Resources contract to complete laboratory analysis related to the Supplemental Sample and Analysis Plan in Water Year 2019. The motion was approved on a vote of 3 – 0 by Clarke, Evans and Lewis.

3. **Consider Approval of Legal Services Contract with DeLay and Laredo, Attorneys at Law**
   On a motion by Evans and second by Clarke, the committee recommended the Board approve the proposed contract for legal services, as well as establish a term for expiration. The motion was approved on a 3 – 0 vote by Evans, Clarke and Lewis.

4. **Consider Approval of First Quarter Fiscal Year 2018-2019 Investment Report**
   On a motion by Clarke and second by Evans, the committee recommended the Board approve the First Quarter Fiscal Year 2018-2019 Investment Report. The motion was approved on a 3 – 0 vote by Clarke, Evans and Lewis.

5. Receive and File First Quarter Financial Activity Report for Fiscal Year 2018-2019

On a motion by Evans and second by Clarke, the committee voted to recommend the Board receive and file the First Quarter Financial Activity Report for Fiscal Year 2018-2019. The motion was approved on a 3 – 0 vote by Evans, Clarke and Lewis.

6. Consider Adoption of Treasurer's Report for September 2018

On a motion by Clarke and second by Evans, the committee voted to recommend the Board adopt the September 2018 Treasurer's Report and financial statements, and ratification of the disbursements made during the month. The motion was approved on a 3 – 0 vote by Clarke, Evans and Lewis.

7. Status Report on District Construction Activities

General Manager Stoldt reported a report will be presented to the Board for the November 19, 2018 meeting and will include more than construction activities.

8. Review Draft November 19, 2018 Board Meeting Agenda

The committee reviewed the agenda and made no changes.

Adjournment

The meeting was adjourned at 4:30 PM.

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ITEM: CONSENT CALENDAR

3. CONSIDER AUTHORIZING FUNDS FOR SANTA MARGARITA ASR EXPANSION ENGINEERING SERVICES WATER SUPPLY

Meeting Date:	**February 21, 2019**	**Budgeted:**	**No**
From:	**David J. Stoldt General Manager**	**Program/ Line Item:**	**Water Supply Projects 35-04-786004**
Prepared By:	**Maureen Hamilton and Larry Hampson**	**Cost Estimate:**	**$341,000**

General Counsel Review: N/A
Committee Recommendation: The Administrative Committee reviewed this item on February 11, 2019 and recommended approval on a 2 to 1 vote.
CEQA Compliance: This action does not constitute a project as defined by the California Environmental Quality Act Guidelines Section 15378.

SUMMARY: Staff requests funds and authorization to complete the design and prepare bid documents for additional facilities at MPWMD's expanded Santa Margarita Aquifer Storage and Recovery (ASR) water treatment facilities located at 1910 General Jim Moore Boulevard in Seaside. The new facilities will be required for Cal-Am to increase its system capacity in the Seaside Basin and be able to recover all the water injected into the basin by the Pure Water Monterey recycled water project. The work includes design of a chemical storage and dispensing building with associated offloading station, injection facilities, and controls.

MPWMD and California American Water Company (Cal-Am) work jointly to plan, create, and operate existing and future ASR facilities. MPWMD and Cal-Am are jointly planning the design of the final phase of the Santa Margarita site, which is where water extracted at the Santa Margarita site and the Seaside Middle School site must be treated. Per the ASR Management & Operation Agreement MPWMD owns and is fiscally responsible for capital improvements at the Santa Margarita site and Cal-Am is fiscally responsible for operation and maintenance costs at that site. Cal-Am has an easement from the Monterey Peninsula Unified School District for the Seaside Middle School site and owns the production facilities at that site.

The water treatment facility will include works for disinfection, stabilization identified during the basis of design review discussions in December 2018, and potential additional treatment that may be required. Following the February 11, 2019 Administrative Committee meeting, discussion with the District's consultant (Pueblo Water Resources) revealed that the existing Santa Margarita chemical treatment building does not have the space to physically house works for all the proposed treatment processes. In addition, it has been determined that the location of the existing treatment building and site constraints don't allow locating a chemical loading pad near enough to the chemical building to operate in a safe manner. A new design is required for this site to meet demands that have emerged since the chemical building was completed in 2010.

RECOMMENDATION: Staff recommends the following:

1. That the Board of Directors authorize funds for services to complete the design and bid documents for construction at the Santa Margarita ASR facility in the amount of $341,000 as described in the following recommendations.
2. Authorize the General Manager to enter into a contract with Pueblo Water Resources (PWR) to complete the design and provide engineering services for an amount not-to-exceed (NTE) $261,445 as described in **Exhibit 3-A**. The contract is on a Time and Materials basis with PWR and lump sum basis with subcontracted electrical, architectural, HVAC, Structural, and Civil Engineering sub-consultants.
3. Authorize the General Manger to enter into an agreement with a qualified consultant to provide a constructability review for an amount NTE $15,000.
4. Authorize expenditures for potholing, advertising, additional geotechnical work, neighborhood outreach materials and distribution, permit expenses, and other expenses for an amount NTE $20,000.
5. Authorize the General Manager to approve changes to the above work for an amount NTE $44,555 (15% contingency).

Funding for this project will be from one or more of the District's revenue funds and will be identified in the mid-year budget adjustments presented to the Board in March 2019. User fees are projected to be approximately $800,000 greater than budgeted, based on five months of collections. Depending on the net difference identified in the mid-year budget process, funds could come from current year revenue or from reserves.

DISCUSSION: When the Santa Margarita ASR facility (historically Phase 1 ASR project) was originally designed by MPWMD with PWR in the 2001-2006 period, it was intended as a stand-alone facility. Since then, the project concept and designs have been extensively modified to accommodate the added capacity needs of other existing and proposed ASR sites in the Seaside Groundwater Basin. Specifically, expanded well backflushing and water treatment facilities (together ASR Expansion) were identified as required.

Pure Water Monterey (PWM) project operation will require additional production capacity from the Seaside Groundwater Basin in 2020. Currently, staff projects that there will be shortfalls in the Seaside Well Field that do not allow for meeting peak summer daily demand or allow for complete recovery of all PWM injected water. ASR-2, ASR-3, and ASR-4 will be required to provide additional extraction capacity. In addition to the physical need to provide additional extraction capability in the Seaside Basin, staff notes that the State Water Resources Control Board Cease and Desist Order 2016-0016 has a September 30, 2020 milestone that includes 100% installation of the "Monterey Pipeline and other ASR related improvements."

Regulatory approval to utilize these wells for production requires construction of water treatment (disinfection) facilities. There is no disinfection capability for wells ASR-2, ASR-3, and ASR-4. The Monterey Peninsula Unified School District prohibits placing disinfection facilities at the Seaside Middle School ASR site; thus, disinfection facilities are required at the Santa Margarita site to utilize the aforementioned wells as production wells. In addition to disinfection, Cal-Am proposes to add stabilizers and additional treatment that may be required as a result of studies of mixing several different source waters in the aquifer and pumping the water through the Cal-Am

pipeline system. The existing chemical treatment building was built to accommodate two types of chemical treatment. A new building will be required to provide the necessary treatment facilities.

On July 18, 2016 the Board authorized a Contract Amendment with PWR in the amount of $300,729 to perform Santa Margarita site expansion engineering. Improvements include grading, drainage, paving, underground piping and utilities, backflush basin expansion, water treatment chemical offloading facility, site landscaping and fencing (altogether Earthworks). Water treatment facilities design was scheduled to be performed during construction of the authorized Earthworks on the former munitions range.

The following milestones were met by staff and PWR to allow ASR Expansion to begin in earnest:

- November 2016 land agreement for expanded area required for basin expansion and to accommodate underground pipeline tie-in.
- February 2017 Soil Management Plan required for Right of Entry to construct and operate on the former Fort Ord Munitions Response Area.
- April 2017 ASR Expansion kickoff meeting with Cal-Am to coordinate timing and resource prioritization with respect to facility operation.
- August 2017 Basis of design review with Cal-Am.
- Construction of an expanded backflush basin at the site to accommodate backflush needs for up to six production ASR wells (existing wells ASR 1 through 4 and proposed wells ASR 5 and 6 at the Cal-Am Fitch Park site).

Following the meetings with Cal-Am, the detailed design commenced under the July 2016 authorization for the following work:

1. Designed Earthworks including site grading, basin excavation and slope reinforcement, excavated soil placement with retaining wall (soil may not be exported from the Munitions Response Area), underground pipe installation, and a chemical delivery pad approximately 200 feet downhill from the chemical storage and treatment area. In February 2018 at a site design review meeting, which included Cal-Am senior management involved in operations and risk management, it was determined that the safest configuration at the site is to locate delivery of chemicals as closely as possible to the chemical storage and treatment area.
2. Created alternate site configurations to accommodate the safety change and to progress the Santa Margarita facility expansion within the constraints of limited site size, prohibited soil export, production and injection operation.
3. Updated design and construction drawings to include only the basin expansion and soil stockpile with retaining wall.
4. Created presentation materials and attended meeting for stakeholder site configuration selection with the City of Seaside, Fort Ord Reuse Authority, Arcadis, Cal-Am, and MPWMD on 6/1/2018; and attended Seaside City Council Meeting on 7/19/2018 to present the selected site configuration option to construct a new building.
5. Updated the Backflush Basin Expansion construction drawings to accommodate the new water treatment building including site grading, excavated soil placement, front retaining wall converted to a fence, and drainage controls.

6. Provided bid support for the Backflush Basin Expansion project.
7. Created basis of design for capacity projections, new piping configuration, water treatment facility building content and layout, final grading, and drainage. Reviewed with Operations and Engineering.

The following additional design work was performed under the 2016 authorization to accommodate the safety change and to progress the Santa Margarita facility expansion:

1. Created alternate site configurations within the constraints of limited site size, prohibited soil export, production and injection operation.
2. Revised construction drawings to include only the basin expansion.
3. Created presentation materials and attended meeting for stakeholder site configuration selection with the City of Seaside, Fort Ord Reuse Authority, Arcadis, Cal-Am, and MPWMD on 6/1/2018.
4. Created presentation materials and attended Seaside City Council Meeting on 7/19/2018 to present the selected site configuration option to construct a new building.
5. Re-designed and re-issued the Backflush Basin Expansion construction drawings to accommodate the new water treatment building including site grading, excavated soil placement, front retaining wall converted to a fence, and drainage controls.
6. Provided bid support for the Backflush Basin Expansion project.
7. Created basis of design for capacity projections, new piping configuration, water treatment facility building content and layout, final grading, and drainage. Reviewed with Operations and Engineering.

As of the writing of this staff note, 67% of the funds authorized in July 2016 have been expended. Staff expects that the remainder of the previously authorized funds will be expended this fiscal year to fulfill the authorized scope including:

1. Chemical delivery pad, station excluding piping, and access road.
2. Sound walls.

The selected alternative requires new design work that is both significantly different from the preliminary design and outside the scope of work authorized in 2016. The following new work is required:

1. Design a new water treatment building including structural and seismic engineering, HVAC, and architectural features historically required by the City of Seaside.
2. Design water treatment works including chemical bulk and day storage, transfer and dispensing systems, instrumentation including analyzers, mixing system, safety requirements, SCADA, and materials selection to provide reliable (redundancy) treatment for water production ranging from 4.3 to 12.9 million gallons per day (MGD).
3. Modify piping and injection manifold for the new building and injection manifold location.
4. Design site electrical to for the new works.
5. Modify site grading and drainage to accommodate the new facilities.
6. Provide engineering support during the bid process.

The cost for this work is estimated to be $261,445.

PWR has been MPWMD's ASR designer since 2001 when the test well was drilled in the Santa Margarita aquifer. Given PWR's long and successful history as designer of MPWMD and CalAm's existing ASR program, and their unique position successfully supporting the design evolution and facilities operation while the Monterey Peninsula water supply portfolio has been in flux, PWR is a uniquely qualified designer to complete the ASR Expansion project efficiently and consistently with existing and future operations.

An additional $15,000 in funds for a constructability review is requested. Due to the required project completion timeframe, highly constrained site size, prohibited soil export, active operations, and facility needs by the associated Fitch Park ASR project, the likelihood and impact of construction issues in design documents are high. Greater review and focus on constructability prior to bid will reduce the risk of schedule impact and cost overrun.

Funds for potholing, advertising, potential geotechnical work, preparation and distribution of neighbor outreach materials, permits, and other unforeseen costs required in advance of project commencement are requested in an amount not to exceed $20,000.

A contingency of $44,555 (15%) is requested for the work. Given the evolving inter-related Peninsula water supply projects and more immediate priorities vying for operations resources for design review, design changes are expected.

Shortly after the February 11, 2019 Administrative Committee meeting, PWR informed staff that the existing chemical treatment building could not accommodate a third treatment process that Cal-Am has determined may be needed.

EXHIBIT

3-A Proposal for Engineering Services

January 31, 2019
Project No. 18-0093

Monterey Peninsula Water Management District
5 Harris Court, Building G
Monterey, California 93942-0085

Attention: Mrs. Maureen Hamilton, Project Manager

Subject: Request for additional budget;
Santa Margarita ASR Facilities, Final Design and Construction Support Services

Dear Mrs. Hamilton:

In accordance with your request, Pueblo Water Resources, Inc. (PWR) is pleased to submit herein a formal request for additional budget for implementation of the recently codified Disinfection Station at the Santa Margarita ASR facility at 1910 General Jim Moore Blvd. This request includes additional budget for professional engineering services associated with the final design, plans and specifications, construction support, and startup/testing of the subject Disinfection Station, and redesign of the associated utilities and appurtenances at the site. Presented herein is a detailed scope of work and an estimate of costs for our services associated with the project.

BACKGROUND

The Santa Margarita ASR facility was initially developed in 2001 with the construction of the ASR-1 well as a pilot demonstration of direct recharge of the Santa Margarita Sandstone Aquifer (T_{SM}). The success of this initial pilot program led to the interim development of the site as a ¼ acre parcel with a single well and a backflushing pit/percolation pond of approximately 50,000 gallon capacity. Further operational success of the facility led to the construction of a second well (ASR-2) in 2008 and permanent electrical switchgear and piping for both wells in 2010, as well as expansion of the backflushing pit to 245,000 gallons. The work also included construction of an 850 sq ft building to house the electrical switchgear; this building also was designed with an auxiliary room for future use as a chemical storage and disinfection station for the wells.

Since that time, numerous changes have occurred in the local and regional water supply arena, including the construction of a second dual-well ASR facility at Seaside Middle School (SMS), the construction of the Pure Water Monterey (PWM) project, and the pending addition of a third dual-well ASR facility at Fitch Park (F-P) to the north of the SMS ASR site. In addition, Cal-Am staff have provided input to the District suggesting that additional chemical injection capacity and the potential addition of corrosion control and/or dechlorination chemicals is

needed at the site. In response to the above changed conditions, the partially completed design package for facility completion was revised and an intermediate portion of the project is now near completion, including an expansion of the backflush pit to 640,000 gallons (to accommodate all 6 ASR wells). In addition, sufficient space has been graded to site a second building dedicated to chemical storage and dispensing of disinfectant.

A scope of services was approved by the MPWMD Board in 2016 (project 12-0045, Contract Amendment 12) which included engineering services to complete the existing site with paving, drainage, and chemical offloading equipment. The above noted project changes have created the need for substantial additional engineering services to expand and complete the newly proposed facilities at the Santa Margarita site. *The proposed scope of services detailed herein covers only those services needed in addition to the 2016 work scope*; in general this includes the following items:

- Design of a new chemical storage and dispensing building, with associated appurtenances.
- Modification of the site grading, drainage, and paving to accommodate the new facilities.
- Modification of the originally proposed process piping and chemical injection facilities to accommodate the new off-site waters slated for processing at the Santa Margarita facility, and additional features and equipment requested by Cal-Am.
- Ability to implement secondary chemical storage, dispensing, and injection for such options as dechlorination or corrosion inhibitors.

In addition, this proposal includes optional tasks for Bid and Construction Support services.

SCOPE OF WORK

PWR has developed a scope of work for the Santa Margarita ASR Facility Disinfection Station based on our experience with similar ASR projects and our understanding of the specific needs and the historical progression and development of the Santa Margarita site.

A general summary of the work scope for our proposed scope of services is provided below.

Task 1 – ASR Facilities Design and Bid Support

This task consists of providing professional engineering services for the final project facility designs, plans and specifications for the project, and bidding support.

Task 1.1 – 60%, 90% and Final Designs.

Using the design information and decisions developed in the facilities Preliminary Design report, Pueblo will complete a construction drawing plan set and bid specifications for the facilities. The plan set is envisioned to include a total of 83 drawings, summarized in the table below:

Facilities Plan Set Summary

Design Item	Sheet Count
New / modified site grading, paving, drainage (Civil)	11
Building, Architectural and Structural (all new)	26
New/modified underground utilities (piping)	4
New/modified electrical & instrumentation	14
HVAC	5
New and/or revised Piping / Mechanical (aboveground)	9
New/Additional Chemical Injection Piping & Dispensing	11
Landscaping	3
Total Plan Sheet Count for Project Plan Set	**83**

A summary of the specific elements of the project design are as follows:

- **Civil Design**, consisting of preliminary and final grading, drainage, paving, and fencing.

- **Architectural and Structural**, including the building structure, with all details pertaining to foundation design, building structure and architectural features, building floor plans and elevations, roof plans; and incorporation of mechanical/HVAC, interior electrical, acoustical, and seismic details from team members into the building plan set. No restroom facilities will be included in the building design.

- **Underground Utilities**, including raw and treated water piping, storm water piping, process piping, and applicable instrument conduits to complete the underground work at the site.

- **Electrical and Instrumentation**, consisting of all power and instrument equipment and wiring. The plans will include One-Line diagrams, motor elementary control diagrams, PLC requirements (PLC design, control loop diagrams, and programming will be by Cal-Am), conduit routing plans, P&IDs, electrical room layout, lighting, and building electrical details.

- **Mechanical and HVAC** design will include HVAC and ducting, heating and ventilation, and all necessary calculations and specifications, and Title 24 compliance calculations where applicable.

- **Piping and Mechanical** design will include all utility and instrument piping and intertie to the existing 30" transmission main piping in GJM Blvd. Design will include sampling ports, chemical injection and mixing elements, and all appurtenant supports, foundations, and accessories.

- **Process Piping for Disinfection System**. This work includes the design of chemical storage and dispensing of 12.5% sodium hypochlorite solution for the disinfection station. The system will be sized and designed to disinfect waters from the Santa Margarita, Seaside Middle School, and the Fitch Park ASR facilities, based on assumed water quality parameters developed by Cal-Am and Pueblo. The design will consist of bulk storage tanks fed from tanker truck deliveries, transfer pumps to day tank systems, and metering pumps for chemical dispensing. Design will address applicable standards for hazardous materials, including double containment for storage and piping, safety appurtenances including eye wash and safety showers, and appropriate design considerations for materials compatibility, heating and ventilation to mitigate chemical degradation, and chemical off gassing issues.

- **Chemical Offloading & Washdown Facilities**. The design will consider daytime offloading only, but will include provisions for a second chemical offloading capability, such as 25% sodium bisulfite.

- **Landscaping design** will address the development of landscape screening of facilities and visual enhancement of the site. Design will include specific plantings, protection of native plants were applicable, erosion protection, and automatic irrigation systems for each site.

Task 1.2 – Plans, Specifications and Bid Documents. The design packages will include construction drawings, specifications, and applicable calculations stamped by licensed professionals in their respective fields. Progress design packages will be provided at the approximate 60 and 90 percent completion stages, and draft specifications will be provided at the 75 and 100 percent completion level. An Opinion of Probable Constructed Cost will be provided to assist in the evaluation of bids.

Specifications and bid sheets will be developed using standard CSI format, and will be provided electronically in WORD format to allow the MPWMD to incorporate these documents into their standard bid package.

Task 1.3 – Bidding Assistance. PWR will assist MPWMD as requested throughout the bidding process. This will include responding to Requests for Information (RFIs) that ccontractors may have during the preparation of bids, preparing and distributing requisite addenda, and communicating other pertinent information to potential bidders. PWR will review the bids for responsiveness to the bid requirements and make a recommendation for award if requested. It is assumed that MPWMD will duplicate and distribute the bid packages and serve as the primary contact for prospective bidders during the bidding process. Pueblo will also attend one pre-bid meeting at the site to familiarize bidders with the work and respond to questions.

Task 1.4 – Project Management and Meetings. This task consists of overall project management, including the preparation of routine project correspondence, invoices, monthly budget status updates, and weekly project status conference calls. Effective project communication is critical for the success of this important project. A project e-mail distribution list will be established through which routine project status reports will be provided.

For purposes of this proposal, we have assumed routine PM time would be 2 hours/week on average for the envisioned 6 month project duration, plus one meeting per month in Monterey for project discussions, field meetings, or resolution of project changes.

Task 2 – Engineering Services During Construction (OPTIONAL)

This optional task consists of providing professional engineering services for construction observation and administration, startup testing, and preparation of As-Built Drawings for the project facilities.

Task 2.1 – Construction Support Services. Pueblo will serve as the Owners Technical Representative to the contractor throughout construction. PWR will observe and document the work performed, verify contractor adherence to the project plans and specifications, coordinate permit compliance inspections and materials testing work, and witness performance testing and demonstration of equipment performance and operability. Periodic construction observation services to be provided during the various phases of construction include the following:

- Preliminary and final grading
- Foundation and piping excavation and associated compaction testing
- Concrete, grout, and asphalt placement and materials testing

- General building construction
- Piping installation and testing
- Electrical wiring and electrical equipment installation

Pueblo will review contractor requests for payment, respond to contractor questions, and evaluate contractor value engineering proposals on an "as-requested" basis, and provide final construction completion "punch list" documentation to complete the project. For purposes of budgeting, we have assumed 17 man-hours per week for the anticipated 6-month (25 week) duration of the project for this task.

Task 2.2 – Start Up Assistance . Pueblo will oversee the commissioning and start up of the facilities upon completion of construction and document facility performance and optimum operating parameters based on system performance trials. This information will be complied in a Summary of Operations and Procedures document and will serve to guide Cal-Am operators and maintenance personnel with site specific data and procedures for normal facility operations. Discussions of Injection, Well Backflushing, Aquifer Storage, and Recovery/Production operations will be included. The document will also incorporate the PLC programming and HMI interface information for each site provided by the contractor. For this task we assume that 4 work days (32 hours) of field time will be needed to complete startup operations for the facility; efforts beyond that amount will be billed at Standard Rates in accordance with our Fee Schedule.

Task 2.3 – Preparation of As-Built Drawings. Upon completion of construction, Pueblo will prepare Record Drawings of each site, documenting the final facilities conditions and incorporating any plan modifications into the final drawings. The final record drawings will be provided in both Autocad and PDF formats on a CD for MPWMD and Cal-Am use. For purposes of this proposal, we assume that 12 hours of field time and 30 hours of drafting time will be needed to complete this work; efforts beyond that amount will be billed at Standard Rates in accordance with our Fee Schedule.

Services Not Included

Services which are (or may be) necessary for the completion of this project which are not included in our proposal include the following:

- Permit fees;
- Presentations to regulatory or permitting agencies
- Construction of site facilities;
- Cost of water, electricity, or other utilities;
- Pot-holing and/or geotechnical investigations;

- Water-quality laboratory analyses fees (assumed MPWMD provided);
- Any other items not specifically included in PWR's scope of services.

ESTIMATED FEES AND SCHEDULE

Our estimated costs for the project were developed based on the proposed scope of work, our experience with similar projects, and our 2019 fee schedule (attached).

An estimated fee summary worksheet is attached summarizing the estimated man-hours and costs per task/work item for Tasks 1-3. As shown, we estimate the fees for our services for will be approximately $409,050; with $261,445 in design engineering services and $147,605 in optional Construction Support services. These costs will be billed monthly, on a time-plus-expenses basis in accordance with our current Fee Schedule. MPWMD will only be billed for actual time spent on the project, irrespective of the stated budget; however, we will not exceed any task budget without prior written authorization from the District and explanation of the change in work scope or project conditions that caused the additional expense.

Based on our ongoing work on the project, we can commence this work immediately upon your authorization. It is our understanding that construction is planned to start in July 2019. We estimate the total duration of field activities will be approximately 6 months with project completion in early 2020.

We appreciate the opportunity to provide continued assistance to the MPWMD on this important community water-supply project. If you require additional information regarding this or other matters, please contact us.

Sincerely,

PUEBLO WATER RESOURCES, INC.

Stephen P. Tanner, P.E.

Principal Engineer

RCM:SPT

Attachments: Cost Estimation Spreadsheet
2019 Fee Schedule

EXHIBIT 3-A

MONTEREY PENINSULA WATER MANAGEMENT DISTRICT

Professional Services for Santa Margarita Chlorination Station Project

Fiscal Year 2019-2020

PWR Project No.: 18-0093

PUEBLO water resources

ESTIMATED FEE SUMMARY

LABOR		Principal Professional	Senior Professional	Project Professional	Staff Professional	Technician	Drafting	WP	Hours by Task	Estimated Task Cost
	Hourly Fee	$210	$195	$180	$150	$140	$125	$105		
Task No.	Task Description									
1.1	Engineering Design	155	85	110					350	$68,925
1.2	Specs + Bid Docs	40	54						94	$18,930
1.3	Bidding Assistance	28							28	$5,880
1.4	Meetings and Project Mgmt	26							26	$5,460
2.1	Construction Management	104			320				424	$69,840
2.2	Startup Assistance	32			32				64	$11,520
2.3	As-Built Drawings	12					30		42	$6,270
	Hours by Labor Category:	397	139	110	352	0	30	0		
	Costs by Labor Category:	$83,370	$27,105	$19,800	$52,800	$0	$3,750	$0		
								Total Labor Hours:	**1028**	
								Total Labor Costs:	**$186,825**	

OTHER DIRECT COSTS (ODC's)			Unit	No. of	
Task No.	Item	Units	Price	Units	Fee
1	Vehicle	Daily	$75	0	$0
1	Travel Per Diem	Daily	$150	0	$0
2	Vehicle	Daily	$75	5	$375
2	Travel Per Diem	Daily	$150	5	$750
				Subtotal ODCs:	**$1,125**

OUTSIDE SERVICES			Unit	No. of	
Task No.	Item	Units	Price	Units	Fee
1.1	Architectural Services (WRD)	1	$59,700	1	$59,700
1.1	Electrical Engineering (Kiyoi)	1	$56,000	1	$56,000
1.1	HVAC and Structural (A&M + HVS)	1	$10,800	1	$10,800
1.1	Grading/Paving/Drainage (MAC)	1	$21,000	1	$21,000
2.1	CM - Electrical (Kiyoi)	1	$31,000	1	$31,000
2.1	CM - Materials Testing	1	$22,500	1	$22,500
					$0
Subtotal Outside Services:					**$201,000**
Subtotal Outside Services w/ Markup (10%):					**$221,100**

COST SUMMARY	
Labor	**$186,825**
Other Direct Costs	**$1,125**
Outside Services	**$221,100**
Subtotal:	**$409,050**
TOTAL ESTIMATED PROJECT COST:	**$409,050**

ITEM: CONSENT CALENDAR

4. CONSIDER PURCHASE OF INTERNET LICENSE FOR WATER WISE GARDENING IN MONTEREY COUNTY

Meeting Date:	**February 21, 2019**	**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 11, 2019 and recommended approval.
CEQA Compliance: This action does not constitute a project as defined by the California Environmental Quality Act Guidelines Section 15378.

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 the Board approve the 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 2018-2019 budget.

EXHIBIT
None

ITEM: GENERAL MANAGER'S REPORT

6. UPDATE ON MAJOR DISTRICT PROJECTS

Meeting Date:	**February 21, 2019**	**Budgeted:**	**N/A**
From:	**David J. Stoldt General Manager**	**Program/ Line Item No.:**	**N/A**
Prepared By:	**David J. Stoldt**	**Cost Estimate:**	**N/A**

General Counsel Approval: N/A

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

SUMMARY: The exhibit on major District projects was not available at the time the Board packet was assembled. A copy will be provided at the meeting.

In addition, staff are working on a new format for a monthly exhibit regarding all District projects authorized by the Board in excess of $25,000, which should be available beginning the March Board meeting.

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ITEM: GENERAL MANAGER'S REPORT

7. REVIEW OF DISTRICT CONTRACTING REQUIREMENTS

Meeting Date:	**February 21, 2019**	**Budgeted:**	**N/A**
From:	**David J. Stoldt General Manager**	**Program/ Line Item No.:**	
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: In general, competitive bidding for public entities is mandated by law, but exceptions apply to this general requirement.

The District's enabling legislation authorizes contracts for special services. Section 304(a) provides the District "may do any of the following. . . Enter into contracts, employ and retain personal services. The board [of directors] may cause construction or other work to be performed or carried out by contracts or by the district under its own supervision."[1] The legislation also grants the Board the power to "delegate and redelegate by ordinance to the officers of the district, under such conditions and restrictions as shall be fixed by the board, the power to bind the district by contract."[2]

Government Code and the Public Contract Code provisions also govern competitive bidding requirements. The Public Contract Code applies virtually to all public entities in California. With limited exceptions, public agencies have a duty to publicly bid certain contracts, particularly construction contracts. The competitive bidding laws are intended to eliminate favoritism, fraud and corruption in the awarding of public contracts. Efforts exempt from competitive bidding include emergency work, small contracts and specialized personal services.

Public Contract Code §§ 21620 *et seq.* sets forth specific contracting requirements for the District, but these provisions only address contracts for public works. Section 21623 provides, *inter alia*, the District "shall have the power to acquire in the open market without advertising for bids therefore, materials, equipment, and supplies for use in any work or for any other purpose…" "Public project" is defined as "Construction, reconstruction, erection, alteration, renovation, improvement, demolition, and repair work involving any publicly owned, leased, or operated facility."[3]

Further, certain well recognized exceptions to the general rule are recognized in the Government Code.[4] One exception is where the nature of the subject of the contract is such that competitive proposals would be unavailing or would not produce an advantage, and the advertisement for competitive bid would thus be undesirable, impractical or impossible.[5]

The general competitive bid requirement may also be explicitly waived in contracts for professional services such as private architectural, landscape architectural, engineering, environmental, land surveying, or construction management.[6] The District has historically often sole-sourced such professional services to expedite scheduling or due to specific knowledge held by the consultant.

As an additional exception to the general bid rule, the legislative body of any public district may contract with and employ persons to provide special services or advice in the following fields: financial, economic, accounting, engineering, legal, or administrative matters if such persons are specially trained and experienced and competent to perform the special services required (Gov. Code § 53060.[7]) Section 53060 "removes all question as to the necessity to advertise for bids for 'special services' by a person specially trained and experienced and competent to perform the special services required."[8] The Board may pay from any available funds a fair compensation to capable and worthy persons for special services. As to whether services are 'special services' depends on the nature of the services, the necessary qualifications required of a person furnishing the services, and the availability of the service from public sources.[9]

1 Cal Uncod Water Deer, Act 610 § 304.
2 Cal Uncod Water Deer, Act 610 § 304.
3 Cal. Pub. Cont. Code § 22022(c)(1).
4 *Graydon v Pasadena Redev. Agency* (1980) 104 Cal.App.3d 631, 635.
5 *Ibid.*
6 Gov. Code §4529.106 *et seq*.; See *Professional Eng'rs in Cal. Gov't v Kempton* (2007) 40 Cal.4th 1016.
7 §53060 provides the "legislative body of any public or municipal corporation or district may contract with and employ any persons for the furnishing to the corporation or district special services and advice in financial, economic, accounting, engineering, legal, or administrative matters if such persons are specially trained and experienced and competent to perform the special services required."
8 *Cobb v. Pasadena City Board of Education* (1955) 134 Cal.App.2d 93, 94.
9 *SEIU, Local 715 v Board of Trustees* (1996) 47 Cal.App.4th 1661, 1673; *California Sch. Employees Ass'n v Sunnyvale Elementary Sch. Dist.* (1973) 36 Cal.App.3d 46, 60.

ITEM: PUBLIC HEARING

10. CONSIDER AUTHORIZING A NOTICE OF INTENT TO ADOPT A MITIGATED NEGATIVE DECLARATION AND THE FIRST READING FOR ORDINANCE NO. 181 AMENDING DISTRICT RULES AND REGULATIONS TO MODIFY THE EXTENT OF ACTIVITIES IN THE CARMEL RIVER RIPARIAN CORRIDOR

Meeting Date:	**February 21, 2019**	**Budgeted:**	**N/A**
From:	**David A. Stoldt, General Manager**	**Program/ Line Item No.:**	**N/A**
Staff Contact:	**Larry Hampson**	**Cost Estimate:**	**N/A**

General Counsel Approval: Yes.
Committee Recommendation: N/A
CEQA Compliance: Subject to review according to California Environmental Quality Act Guidelines Section 15153 - Use of an EIR from an Earlier Project

SUMMARY: The Board will consider proposed actions to extend the Carmel River Riparian Corridor by 13.5 miles from the eastern end of Carmel Valley Village upstream to the Ventana Wilderness boundary. A Notice of Intent (**Exhibit 10-A**) to adopt a Draft Initial Study/Mitigated Negative Declaration (IS/MND, **Exhibit 10-B**) and a draft Ordinance 181 (**Exhibit 10-C**) is included in this package.

The District currently implements a comprehensive program to protect and restore water resources along the lower 15.4 miles of the main stem of the Carmel River. The District desires to extend this program upstream by 13.5 miles, such that all properties between the Pacific Ocean and the Ventana Wilderness boundary would be included in the program. The definition of the Carmel River Riparian Corridor, which includes area within 25 lineal feet of the 10% chance flood line, and the District Rules concerning activities in the Riparian Corridor of the Carmel River would apply to all the properties in this reach of the river.

To comply with CEQA requirements, the District intends to rely on the previously certified 1984 Final EIR for the Carmel River Management Program. At the Public Hearing, the Board will consider comments about the proposal, hold the first reading of draft Ordinance 181, and set a Public Hearing to approve the MND at the second reading and Adoption of the Ordinance.

RECOMMENDATION: Staff recommends that the Board take the following actions:

1. Direct staff to prepare a Notice of Intent (**Exhibit 10-A**) to adopt the Mitigated Negative Declaration for Ordinance 181.
2. Set a date for a Public Hearing to approve the MND and for the second reading and Adoption of the Ordinance. Staff recommends the April 15, 2019 Board meeting.

DISCUSSION: The Monterey Peninsula Water Management District (MPWMD or District) is charged with the integrated management of the water resources of the Carmel River basin, which is a Central California Coast basin located a few miles southeast of Monterey in Monterey County. MPWMD initiated a program to protect and restore streamside resources in the lower 15.4 miles of the river in 1983. This program includes Rules to require a valid permit from MPWMD to alter the bed or banks of the river and to remove vegetation. In addition, the program provides technical assistance to property owners, funds to mitigate for impacts to the environment from water extraction and water-producing facilities, monitoring of the health of the stream, and research to understand system dynamics and to maintain appropriate standards.

Funding for Carmel River Management Program (CRMP) activities was initially approved on April 9, 1984 under Ordinance 12. The program was funded through a User Fee placed on the Cal-Am bill and a Benefit Assessment Zone fee paid by riverside property owners, both of which sunset on July 1, 1993. Ordinance 69, passed on June 23, 1993, authorized continuation of the Carmel River Management Plan and activities may be undertaken by the District as discretionary acts to the extent that funds are reasonably available. In 1993, the District determined that CRMP activities would be subsumed into the Mitigation Program and that CRMP activities would be funded through the revenues collected for the Mitigation Program.

It should be noted that the effects on steelhead and the river from operating Los Padres Dam were considered in the November 1990 Findings of the Board of Directors of the Monterey Peninsula Water Management District Certification of the Final Water Allocation Program Environmental Impact Report. In particular, the effects on fish passage and sedimentation due to the reservoir were considered in the Findings.[1] This is an important consideration when considering the management of the resources of the river.

The District now proposes to extend its Rules that protect the bed and banks of the main stem Carmel River from River Mile (RM, measured from the ocean) 15.4 at the confluence of the main stem with Klondike Creek to the Ventana Wilderness boundary at approximately RM 28.8, which would result in an additional 13.5 miles that would be included in the District's program. The reach is sparsely populated, but includes some private residences, the Stonepine Resort, the former San Clemente Dam site, a portion of Prince's Camp, the Cachagua Community Center, and the Los Padres Dam and Reservoir. A complete list of Assessor's Parcel Numbers and property owners is contained in the Draft IS/MND. The approximate middle of the reach is at latitude 36.416N: longitude -121.709E.

The natural resources of the Carmel River downstream of the Ventana Wilderness have been impacted by a variety of causes in the past two hundred years that include early grazing and clearing of the Valley for agriculture, impoundment of water and sediment retention at Los Padres and San Clemente dams, surface water diversions, gravel mining, development of the flood plain, vegetation removal, groundwater pumping, disorganized responses to streambank erosion, and fire suppression in the surrounding watershed.

Along many reaches of the lower Carmel River below San Clemente Dam, extensive changes in channel form have occurred since the mid-1960s. Changes include widening of the bed in some

[1] See Findings 168, 296, 297, and 304.

areas and downcutting in others, extensive bank erosion, and damage or loss of streamside vegetation. Effects have been particularly dramatic during winter storm events when damage to property can be widespread.

Steelhead and their habitat from the Pacific Ocean to the confluence of Danish Creek with the main stem (at RM 26) have undergone cyclic degradation due to sediment starvation, dewatering, vegetation removal, development, bank erosion, increases in water temperature (due to the presence of main stem reservoirs), and changes to the food supply.

The District desires to protect and restore all the riparian resources of the Carmel River and its surrounding environs downstream of the Ventana Wilderness boundary and to update its Rules for the Carmel River to reflect changes in the river environment and the need to better manage the resources of the Carmel River basin.

The District finds that changes to the river and watershed upstream of the confluence with Klondike Creek due to human activities have or can significantly affect riverfront properties and the streamside environment within the lower portion of the river. Current program activities such as monitoring, vegetation management, restoration activities, and Rules enforcement would not change. However, this program would be extended upstream to cover the additional area. It should be noted that MPWMD presently carries out a comprehensive steelhead monitoring, rescue, and enhancement program throughout the length of the river between the Pacific Ocean and the limit of anadromy in the main stem.[2]

Stream Conditions Since 1984

Streamside conditions along the lower 15.4 miles of the river have significantly improved as compared with the conditions at the time the 1984 Final EIR for the CRMP was approved. These changes are the result of: 1) a significant reduction in Cal-Am diversions to municipal use and a cessation of surface water diversions at the former San Clemente Dam; 2) restrictions placed by Monterey County on floodplain development; and 3) a comprehensive program to mitigate for stream diversions and restore the natural resources of the river. In addition to legacy impacts from human activities over the past two hundred years, two fundamental ongoing problems remain that affect all the river from Los Padres Reservoir downstream: 1) impoundment of the natural sediment supply from the upper watershed behind Los Padres Dam; and 2) diversions in the watershed that contribute to seasonal dewatering of the Carmel Valley Alluvial Aquifer. The primary management goal of the CRMP – "…a progressive and predictable transition of the river to an equilibrium 'stable ' channel for those sites below Robles del Rio where such conditions do not today exist" – is still valid.

The 1984 EIR described one potentially adverse impact from implementing the CRMP – adverse downcutting, especially in the reaches above the Narrows at RM 9.9 and a parallel decline of the water table. While the previous analysis was correct in recognizing the effects of sediment starvation, the actual impact has manifested itself more in the lower seven miles of the river that

[2] The limit of anadromy is about three miles upstream of the Ventana Wilderness boundary along the Miller Fork branch of the Carmel River. Within the Ventana Wilderness, steelhead habitat is monitored, but no rescues or habitat enhancement occurs.

above the Narrows. In the lowest reach, there has been several feet of downcutting which has exposed infrastructure in the active channel and contributed to streambank instability.

The quasi equilibrium state of the river[3] described for the 1921-1965 period appears to be re-established in some reaches of the river downstream of Robles del Rio. However, the removal of San Clemente Dam at RM 18.6 in 2015 has been a significant event and the cumulative effect of its removal may not be clear for several years.

Stream conditions described in the 1984 EIR have evolved since then due to the enactment of the CRMP, reduced water diversions, and changes in municipal supply operations. In 1984, the most impacted and unstable reaches of the river were between Schulte Road and Robles del Rio. After most groundwater pumping was shifted to downstream of Schulte Road in the mid-1980s, the reach between Schulte Road and Rancho Cañada became the most heavily impacted. Much of the reach upstream of the Narrows recovered naturally with the resumption of perennial flow.

Impacts on vegetation associated with groundwater pumping have been transferred to the lower river by concentrating pumping in the lower eight miles of the river. It is becoming more apparent with each passing winter that sediment starvation continues to be a problem as more infrastructure and streambanks are being undermined. Degradation of steelhead habitat (in particular, spawning habitat) from retention of sediment in the main stem dams is evident all along the river downstream of Los Padres Dam and is especially significant in the interdam reach (between the former San Clemente Dam and Los Padres Dam).

California Environmental Quality Act

CEQA Section 15153 states that the Lead Agency may use an earlier EIR prepared in connection with an earlier project to apply to a later project, if the circumstances of the project are essentially the same.

The existing plan and programmatic Environmental Impact Report (EIR) to protect and restore the lower 15.4 miles of the river was approved by MPWMD on October 29, 1984 (SCH Number: 84032705). The District adopted Resolution 84-26 making findings, a statement of overriding considerations, and certifying the Final EIR for the Carmel River Management Plan and Boronda Erosion Control Project. This program includes Rules to require a valid permit from MPWMD to alter the bed or banks of the river and to remove vegetation. In addition, the program provides technical assistance to property owners, funds to mitigate for impacts to the environment, monitoring of the health of the stream, and research to understand system dynamics and to maintain appropriate standards.

While the magnitude of degradation along the river has been reduced in some reaches since 1984, portions of the river remain degraded and unstable and the number of Carmel River adult steelhead returning to the river have declined. There is still a need to address these conditions.

[3] The lower 15.4 miles of the Carmel River is described as being in a transition zone between a stable, single thread channel and an unstable, braided channel. Changes in sediment supply, water flow, and streambank vegetation can affect whether the river moves from one form to another. Since the implementation of the CRMP, the river has transitioned in most reaches to a single-thread channel.

District staff have concluded that extending the CRMP and District Rules to include all of the river downstream of the Ventana Wilderness will help to manage the river's resources and will not have a significant effect with proposed mitigation measures. The District would also also be able to become involved in projects in the upper watershed, similar to the role the District has taken on in the lower 15.4 miles of the river.

IMPACT TO DISTRICT RESOURCES: Extending the Carmel River Management Program activities could require additional staff time to enforce District Rules. Other District activities such as vegetation management, technical assistance, and carrying out restoration projects would continue to be carried out as funding allows.

EXHIBITS

10-A Notice of Intent
10-B Initial Study/Mitigated Negative Declaration
10-C Draft Ordinance 181

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EXHIBIT 10-A

NOTICE OF PUBLIC REVIEW AND
INTENT TO ADOPT A MITIGATED NEGATIVE DECLARATION

Project Name: An Ordinance to Amend District Rules and Regulations to Modify the Extent of the Carmel River Riparian Corridor

Lead Agency: Monterey Peninsula Water Management District

Location: Carmel River, Monterey County, California

Review Period: Friday, February 22, 2019 to Monday, March 25, 2019

Project Description: The Monterey Peninsula Water Management District (District) currently implements a comprehensive program to protect and restore water resources along the lower 15.4 miles of the main stem of the Carmel River. The District desires to extend this program upstream by 13.5 miles, such that all properties between the Pacific Ocean and the Ventana Wilderness boundary would be included in the program. The definition of the Carmel River Riparian Corridor, which includes area within 25 lineal feet of the 10% chance flood line, and the District Rules concerning activities in the Riparian Corridor of the Carmel River would apply to all the properties in this reach of the river.

If the Mitigated Negative Declaration is approved and the District adopts an Ordinance to implement a change to the District program, the District would regulate activities along the Carmel River main stem between the Pacific Ocean and the Ventana Wilderness.

The District's Rules instruct staff what services the District can provide to property owners adjacent to the river and also describes regulations concerning activities within the riparian corridor. Rules concerning activities within the Riparian Corridor are not proposed to be changed; however, if approved by the District, property owners affected by the new ordinance will be required to secure a permit from the District for certain activities within the riparian corridor that could alter the bed or banks of the river.

Mitigated Negative Declaration: Because circumstances are essentially the same, the District intends to rely on the previously certified 1984 Final EIR for the Carmel River Management Program to comply with the California Environmental Quality Act (CEQA). The District has prepared a Draft Initial Study/Mitigated Negative Declaration (IS/MND) for the project. The District has determined that the project will not have a significant impact on the environment with implementation of mitigation measures as noted in the Draft IS/MND.

Public Comment Period: The public and all affected agencies are hereby invited to review the Draft IS/MND and submit written comments. The Board of Directors will hold a Public Hearing to consider adoption of the IS/MND on April 15, 2019. The Draft IS/MND is currently available for review on the District's website (http://www.mpwmd.net/regulations/public-notices/ceqa/) or in hardcopy at the District's office at 5 Harris Court, Building G (Ryan Ranch), Monterey, California 93940.

Comments should be submitted to Larry Hampson, District Engineer, at the address below, by email at larry@mpwmd.net, or by regular mail at:

Larry Hampson, District Engineer
Monterey Peninsula Water Management District
P.O. Box 85
Monterey, California 93942

MONTEREY PENINSULA WATER MANAGEMENT DISTRICT
http://www.mpwmd.net
http://www.montereywaterinfo.org

EXHIBIT 10-B

DRAFT
MITIGATED NEGATIVE DECLARATION FOR

AN ORDINANCE OF THE BOARD OF DIRECTORS OF THE MONTEREY PENINSULA WATER MANAGEMENT DISTRICT AMENDING DISTRICT RULES AND REGULATIONS TO MODIFY THE EXTENT OF THE CARMEL RIVER RIPARIAN CORRIDOR

The District Engineer has reviewed the proposed ordinance to determine whether it could have a significant effect on the environment as a result of implementation. "Significant effect on the environment" means a substantial, or potentially substantial, adverse change in any of the physical conditions within the area affected including land, air, water, minerals, flora, fauna, ambient noise, and objects of historic or aesthetic significance.

NAME OF PROJECT: 2019 Carmel River Riparian Corridor Ordinance Update

PROJECT FILE NUMBER:

PROJECT DESCRIPTION: The Monterey Peninsula Water Management District (MPWMD or District) is charged with the integrated management of the water resources of the Carmel River basin, which is a coastal basin located a few miles southeast of Monterey in Monterey County. The District currently implements a comprehensive program to protect and restore water resources along the lower 15.4 miles of the main stem of the Carmel River. The District desires to extend this program upstream by 13.5 miles, such that all properties between the Pacific Ocean and the Ventana Wilderness boundary would be included in the program. The definition of the Carmel River Riparian Corridor, which includes area within 25 lineal feet of the 10% chance flood line, and the District Rules concerning activities in the Riparian Corridor to the main stem of the Carmel River would apply to all the properties in this reach of the river.

The Carmel River Management Program (CRMP) includes Rules to require a valid permit from MPWMD to alter the bed or banks of the river and to remove vegetation. In addition, the program provides technical assistance to property owners, funds to mitigate for impacts to the environment, monitoring of the health of the stream, and research to understand system dynamics and to maintain appropriate standards.

The District now proposes to extend its Rules that protect the bed and banks of the main stem Carmel River from River Mile (RM, measured from the ocean) 15.4 at the confluence of the main stem with Klondike Creek to the Ventana Wilderness boundary at approximately RM 28.8, which would result in an additional 13.5 miles that would be included in the District's program. The reach is sparsely populated, but includes some private residences, the Stonepine Resort, the former

San Clemente Dam site, a portion of Prince's Camp, the Cachagua Community Center, and the Los Padres Dam and Reservoir. The approximate middle of the reach is at latitude 36.416N: longitude -121.709E.

The natural resources of the Carmel River downstream of the Ventana Wilderness have been impacted by a variety of causes in the past two hundred years that include early grazing and clearing of the Valley for agriculture, impoundment of water and sediment retention at Los Padres, Old Carmel River, and San Clemente dams, surface water diversions, gravel mining, development of the flood plain, vegetation removal, groundwater pumping, disorganized responses to widespread streambank erosion, and fire suppression in the surrounding watershed.

Along many reaches of the lower Carmel River below San Clemente Dam, extensive changes in channel form have occurred since the mid-1960s. Changes include widening of the bed in some areas and downcutting in others, extensive bank erosion, and damage or loss of streamside vegetation. Effects have been particularly dramatic during winter storm events when damage to property can be significant.

Steelhead and their habitat from the Pacific Ocean to the confluence of Danish Creek with the main stem (at RM 26) have undergone cyclic degradation due to sediment starvation, dewatering, vegetation removal, development, bank erosion, increases in water temperature (due to the presence of main stem reservoirs), passage problems, and changes to the food supply.

The District desires to protect and restore all the riparian resources of the Carmel River and its surrounding environs downstream of the Ventana Wilderness boundary and to update its Rules for the Carmel River to reflect changes in the river environment and the need to better manage the resources of the Carmel River basin.

The District finds that changes to the river and watershed upstream of the confluence with Klondike Creek due to human activities have or can significantly affect riverfront properties and the streamside environment within the lower portion of the river. Current program activities such as monitoring, vegetation management, restoration activities, and Rules enforcement would not change. However, this program would be extended upstream to cover the additional area. It should be noted that MPWMD presently carries out a comprehensive steelhead monitoring, rescue, and enhancement program throughout the length of the river between the Pacific Ocean and the limit of anadromy in the main stem.[1]

The existing program to protect and restore the lower 15.4 miles of the river was approved by MPWMD on October 29, 1984 (SCH Number: 84032705). The District adopted Resolution 84-26 making findings, a statement of overriding considerations, and certifying the Final Environmental Impact Report for the Carmel River Management Plan and Boronda Erosion Control Project. This program includes Rules to require a valid permit from MPWMD to alter the bed or banks of the river and to remove vegetation. In addition, the program provides technical assistance to property owners, funds to mitigate for impacts to the environment, monitoring of the

[1] The limit of anadromy is about three miles upstream of the Ventana Wilderness boundary along the Miller Fork branch of the Carmel River. Within the Ventana Wilderness, steelhead habitat is monitored, but no rescues or habitat enhancement occurs.

health of the stream, and research to understand system dynamics and to maintain appropriate standards.

Streamside conditions along the lower 15.4 miles of the river have significantly improved as compared with the conditions at the time of the 1984 EIR. These changes are the result of: 1) a significant reduction in Cal-Am diversions to municipal use and a cessation of surface water diversions at the former San Clemente Dam; 2) restrictions placed by Monterey County on floodplain development; and 3) a comprehensive program to mitigate for stream diversions and restore the natural resources of the river. In addition to legacy impacts from human activities over the past two hundred years, two fundamental ongoing problems remain that affect all of the river from Los Padres Reservoir downstream: 1) impoundment of the natural sediment supply from the upper watershed behind Los Padres Dam; and 2) diversions in the watershed that contribute to seasonal dewatering of the Carmel Valley Alluvial Aquifer. The primary management goal of the CRMP – "…a progressive and predictable transition of the river to an equilibrium 'stable ' channel for those sites below Robles del Rio where such conditions do not today exist" – is still valid.

The 1984 EIR described one potentially adverse impact from implementing the CRMP – adverse downcutting, especially in the reaches above the Narrows at RM 9.9 and a parallel decline of the water table. While the previous analysis was correct in recognizing the effects of sediment starvation, the actual impact has manifested itself more in the lower seven miles of the river than above the Narrows. In the lowest reach, there has been several feet of downcutting which has exposed infrastructure in the active channel and contributed to streambank instability.

The quasi equilibrium state of the river[2] described for the 1921-1965 period appears to be re-established in some reaches of the river downstream of Robles del Rio (in Carmel Valley Village). However, the removal of San Clemente Dam at RM 18.6 in 2015 has been a significant event and the cumulative effect of its removal may not be clear for several years.

Stream conditions described in the 1984 EIR have evolved as a result of the enactment of the CRMP, reduced water diversions, and changes in municipal supply operations. In 1984, the most impacted reaches of the river were between Schulte Road and Robles del Rio. After most groundwater pumping was shifted to downstream of Schulte Road in the mid-1980s, the reach between Schulte Road and Rancho Cañada became the most heavily impacted. Much of the reach upstream of the Narrows recovered naturally with the resumption of perennial flow.

Extending the District's Rules to include all of the river downstream of the Ventana Wilderness will provide the District with the tools to help manage any proposed alterations in the main stem. This will also provide better opportunities to become involved in restoration projects in the upper watershed.

[2] The lower 15.4 miles of the Carmel River is described as being in a transition zone between a stable, single thread channel and an unstable, braided channel. Changes in sediment supply, water flow, and streambank vegetation can affect whether the river moves from one form to another. Since the implementation of the CRMP, the river has transitioned in most reaches to a single-thread channel.

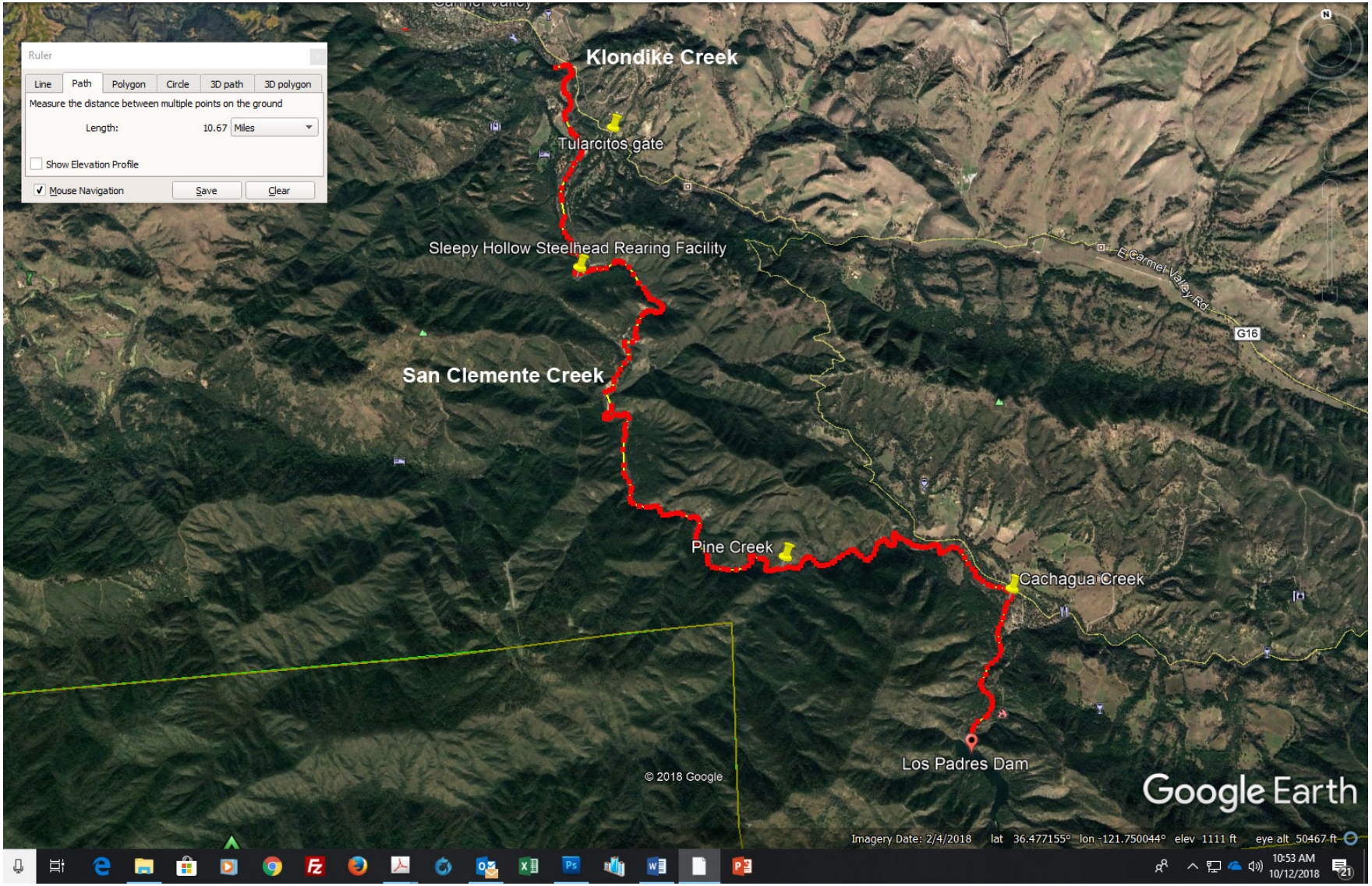

Figure 1a – Carmel River from Klondike Creek confluence to Los Padres Dam

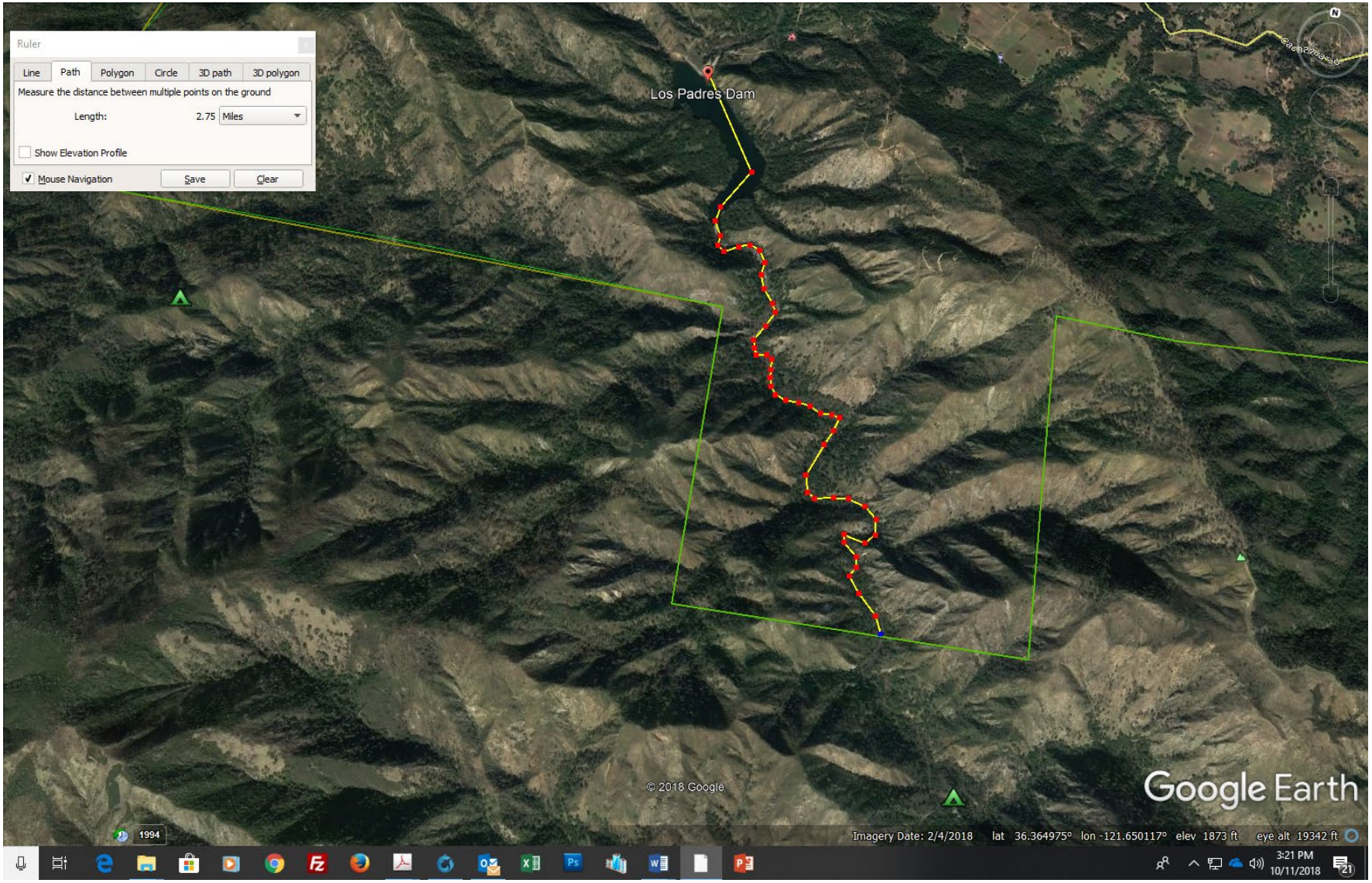

Figure 1b – Carmel River from Los Padres Dam to Ventana Wilderness boundary

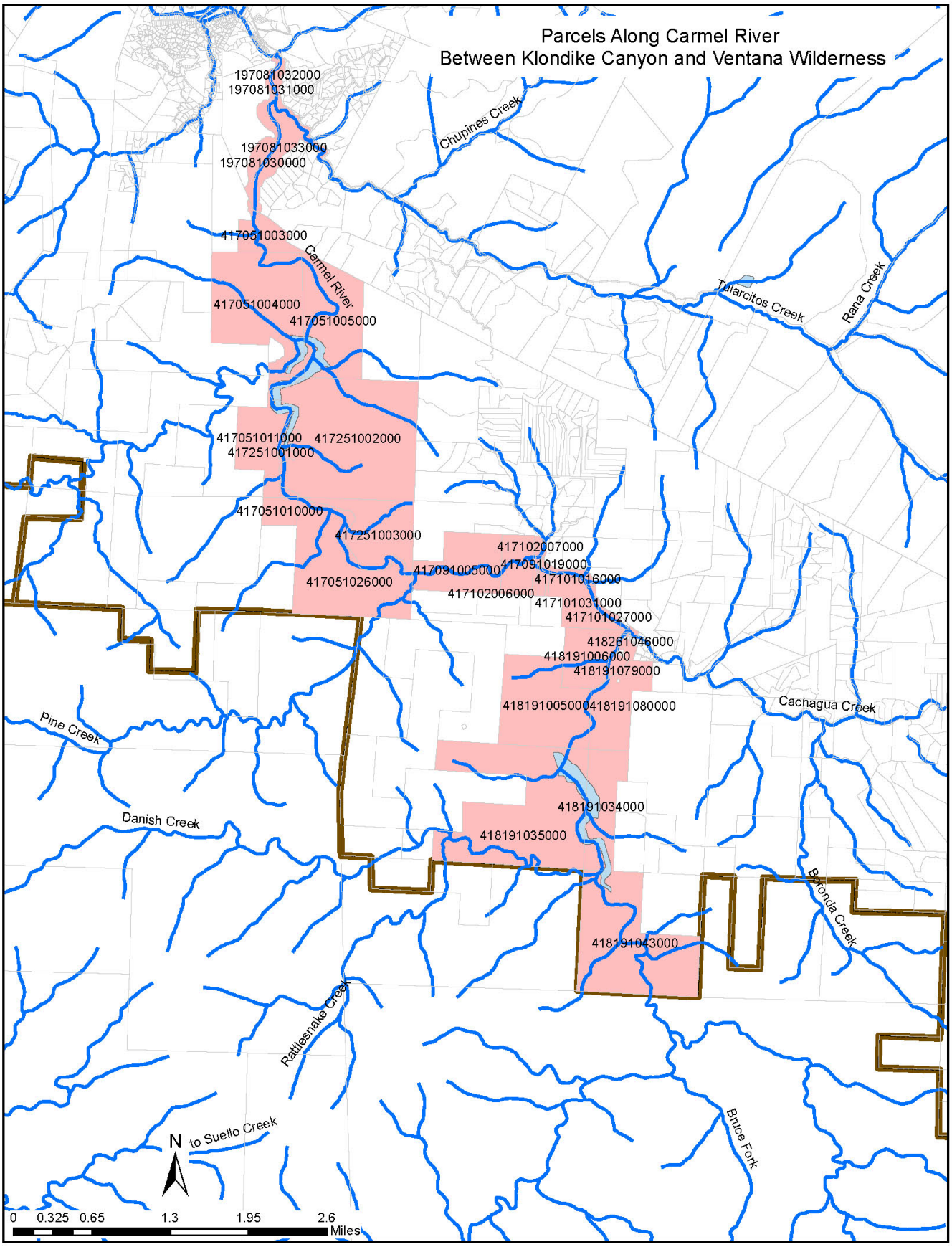
Parcels Along Carmel River
Between Klondike Canyon and Ventana Wilderness
197081032000
197081031000
197081033000
197081030000
417051003000
417051004000
417051005000
417051011000
417251002000
417251001000
417051010000
417251003000
417051026000
417102007000
417091019000
417091005000
417101016000
417102006000
417101031000
417101027000
418261046000
418191006000
418191079000
418191005000
418191080000
418191034000
418191035000
418191043000
Chupines Creek
Carmel River
Tularcitos Creek
Rana Creek
Pine Creek
Danish Creek
Cachagua Creek
Bruce Fork
Rattlesnake Creek
to Suello Creek
N
0 0.325 0.65 1.3 1.95 2.6
Miles

Table 1 - Parcels along the Carmel River upstream of Klondike Creek

417101015000	JAMES RAQUEL E TR
418261046000	PRINCES CAMP LLC
418191034000	CALIFORNIA-AMERICAN WATER CO
417102005000	HIBINO HENRY K & EVELYN N &
417102006000	BONSPER D & PAM BONSPER TRS
418261011000	VOSS LESLIE DENISE
417091019000	BALDWIN TIMOTHY J TR ET AL
417101031000	MONTEREY PENINSULA REGIONAL PARK DISTRICT
417251003000	MONTEREY PENINSULA REGIONAL PARK
418261047000	JIMENEZ PAULINO & PEREA JUANITA TRS
417251001000	PAGE CHARLES H TR ET AL
417051026000	DORMODY DONNA D TR
418191043000	CALIFORNIA-AMERICAN WATER CO
417091005000	CALIFORNIA-AMERICAN WATER CO
418191080000	CALIFORNIA-AMERICAN WATER CO
417101027000	BATEMAN MARCIA J TR
418191079000	MONTEREY PENINSULA REGIONAL PARK DISTRICT
418191035000	CALIFORNIA-AMERICAN WATER CO
417102009000	EID PAUL CHARLES TR
417051005000	CALIFORNIA-AMERICAN WATER CO
418191005000	CALIFORNIA-AMERICAN WATER CO
417101016000	GALANTE JOHN C & DAWN R
417102008000	DAHLER GEORGE F & NANCY L
417051011000	CALIFORNIA-AMERICAN WATER CO
418261008000	PRINCES CAMP LLC
417051003000	CALIFORNIA-AMERICAN WATER CO
418261009000	BENNETT STEVEN WILLIAM & GERALDINE ROSE TRS
417051010000	CALIFORNIA-AMERICAN WATER CO
418261018000	SAN PAOLO MARIO JOSEPH TR
418191006000	MONTEREY PENINSULA REGIONAL PARK DISTRICT
417101012000	SAN PAOLO MARIANO JOSEPH TR
417051004000	CALIFORNIA-AMERICAN WATER CO
417251002000	MONTEREY PENINSULA REGIONAL PARK DISTRICT
417102007000	HILLIARD MATTHEW RYAN & JENNIFER MARIE
417101032000	FLAVIN CHRISTOPHER & FLAVIN COLIN
197081032000	CALIFORNIA-AMERICAN WATER CO
197081033000	CALIFORNIA-AMERICAN WATER CO
197081031000	HENTSCHEL GORDON & HENTSCHEL NOEL IRWIN
197081030000	HENTSCHEL GORDON &

PROJECT LOCATION & ASSESSORS PARCEL NO.: The approximate middle of the reach is at latitude 36.416N: longitude -121.709E. It is comprised of the Assessor's parcels listed in Table 1.

APPLICANT CONTACT INFORMATION:
Larry Hampson, District Engineer larry@mpwmd.net, phone (831) 658-5620
Monterey Peninsula Water Management District
P.O. Box 85, Monterey, California 93942

FINDING
The District Engineer finds the project described above will not have a significant effect on the environment in that the attached initial study identifies one or more potentially significant effects on the environment for which the District, before public release of this draft Mitigated Negative Declaration, has agreed to include measures that clearly mitigate the effects to a less than significant level.

MITIGATION MEASURES INCLUDED IN THE PROJECT TO REDUCE POTENTIALLY SIGNIFICANT EFFECTS TO A LESS THAN SIGNIFICANT LEVEL

I. AESTHETICS – The project will not have a significant impact on this resource, therefore no mitigation is required.

II. AGRICULTURE RESOURCES – The project will not have a significant impact on this resource, therefore no mitigation is required.

III. AIR QUALITY – The project will not have a significant impact on this resource, therefore no mitigation is required.

IV. BIOLOGICAL RESOURCES – The project will not have a significant impact on this resource, therefore no mitigation is required.

V. CULTURAL RESOURCES – The 1984 EIR determined that the streamside environment has a high potential for archeological sites. To mitigate for this, a cultural resources investigation would be required for projects that could impact Native American cultural resources.

VI. GEOLOGY AND SOILS – The Final EIR for the Carmel River Management Plan identified a single unavoidable significant environmental impact of the project, which is the potential accelerated downcutting of portions of the Carmel River by reason of implementation of the project. This potential impact was as a result of the proposal to place gabion structures to "train" the river toward the center of the channel and control lateral streambank migration. Factors to mitigate this impact were identified in the Final EIR as:

a. Installation of gradient control structures within the bed of the river channel to prevent further downcutting.

b. Construction of a flood control dam which would be capable of reducing the major flood peaks.

c. Installation of gabions deep enough so they will not be undercut before the bed elevation reaches a new equilibrium level.

Concerning mitigation (a), one grade control structure was placed in the river in 1992 at approximately RM 5.2 at the District-sponsored Valley Hills Restoration Project. The structure consists of approximately 1,000 tons of rock riprap buried six feet deep across 90 feet of the active channel bottom with the top of the riprap set at the 1992 river bottom elevation. Subsequently, a deep pool has scoured on the downstream side of the structure and the structure sets a control on the grade upstream of the riprap. It is likely that downcutting downstream of the grade control is a result of sediment starvation rather than due to the grade control structure, as several feet of degradation of the lower five miles of river between 1984 and 2016 is evident.[3]

Although, the structure does not appear to affect steelhead passage, use of grade control structures along a stream used by steelhead may not be appropriate without hydraulic analysis and/or installing fishways or other devices allowing volitional passage. Therefore, any project that could induce or accelerate downcutting would be required to provide an analysis of the effects of the project on the stream channel gradient and propose measures to reduce any potential impacts.

Concerning mitigation (b), all past proposals since the 1970s to install a main stem dam to reduce major flood peaks in the Carmel River have been rejected. There is no reason to believe that a new main stem dam for flood control is a feasible option in the foreseeable future. Therefore, this mitigation measure to reduce downcutting is not deemed feasible for actions that would be implemented under this proposed ordinance.

Concerning mitigation (c), installation of structural protection below the riverbed, MPWMD currently recommends placing structural protection four (4) to six (six) feet below the existing riverbed lowest elevation at a project site to account for scour and future bed degradation; however, gabions are not allowed in the lower 8 feet of the river channel. In addition, State and Federal requirements encourage the use of biotechnical streambank protection as a first choice of materials, rather than structural solutions such as continuous rock slope protection (RSP) or gabions. Crib walls, rootwads, willow wattles, and coir rolls are examples of bioengineered solutions to bank erosion.

Channel bed elevation changes

Since 1984, MPWMD has periodically surveyed the thalweg of the river (the lowest point in the channel) and cross-sections in key locations. During episodes of erosion between 1978 and 1983 and again between 1993 and 1998, the riverbed aggraded several feet in many places as large volumes of sediment were entrained into the active channel by bed and bank erosion. Subsequent average flow years removed that material and the riverbed degraded several feet in many places. High flows in 2017 resulted in aggradation in some reaches and degradation in others. It is not clear that the riverbed elevation has reached equilibrium, especially in the deDampierre Park area and in the lowest four miles.

[3] See thalweg profiles of the lower 15.4 mile of the Carmel River from 1984, 2015, and 2016.

At present, there is evidence of adverse downcutting between the Carmel Area Wastewater District (CAWD) pipeline at RM 0.7 and the Rancho San Carlos Road Bridge at RM 3.9. In this reach of the river, some of the infrastructure in the active channel is now clearly exposed where it had not been for several decades. At the CAWD pipeline encasement across the river, a scour hole of about seven (7) feet deep has developed on the downstream side. About one foot of the upstream side of the encasement is exposed across the bottom of the channel. Riprap placed several feet below the riverbed after the 1995 and 1998 floods along Rancho Cañada and Quail Lodge properties is now exposed. Downcutting of up to about five feet can be seen at the Rancho Cañada golf cart bridges and at the Via Mallorca and Rancho San Carlos Road bridges.

There is evidence of both aggradation and downcutting at other locations; however, except within the deDampierre Park area, structures within the active channel and streambank integrity do not appear to be under threat at these locations currently. The fundamental cause of adverse degradation in the areas where the river is downcutting is a lack of natural sediment supply to the lower river. Placement of structural protection along streambanks may contribute indirectly to sediment starvation and streambed degradation by "locking up" floodplain sediment that would otherwise be entrained into the active channel by river meandering during high flows. Therefore, "hardening" of streambanks through the use of riprap, gabions, or similar methods may over the long term contribute to adverse degradation.

New Mitigation Measure

With the removal of San Clemente Dam in 2015 and the re-connection of a portion of the upper watershed to the lower river, sediment supply to the lower river may increase and the river may reach a new equilibrium level. Should this not occur within a reasonable amount of time (10 to 20 years), to mitigate for the potential impact of adverse downcutting, the District proposes to add a requirement to Rule 127, Section 5 that work allowed by the District would not contribute to adverse levels of downcutting. The project proponent would need to demonstrate that the proposed works do not prevent the stream near the proposed project from reaching equilibrium. Or the project proponent should demonstrate that the stream has reached a new equilibrium.

With this mitigation, the project will have a less than significant effect.

VII. GREENHOUSE GAS EMISSIONS: The project will not have a significant impact on this resource, therefore no mitigation is required.

VIII. HAZARDS AND HAZARDOUS MATERIALS – The project will not have a significant impact on this resource, therefore no mitigation is required.

IX. HYDROLOGY AND WATER QUALITY – Projects could have the potential to reduce the available sediment supply in the alluvial portion of the river[4], which could result in a

[4] The alluvial portion of the river is generally characterized as the lower 18.3 miles of the river between the former Old Carmel River Dam (OCRD) site to the Pacific Ocean. There may be other areas of the river upstream of OCRD that contain localized alluvial deposits; however, it is likely that much of the interdam reach between the former San Clemente Dam and Los Padres Dam contains shallow deposits of alluvial material. No municipal demand wells are in use in this reach. The extent to which private properties along this reach rely on water extraction from alluvial

lowered water table due to downcutting in the riverbed. Project proponents would be required to demonstrate that no adverse downcutting of the riverbed would result from implementing a proposed project.

Placement of materials to protect streambanks could alter river flow patterns. Proposed projects would be required to use best management practices such as revegetation with native plantings, installation of erosion protection, and monitoring to reduce the potential for erosion or siltation. The project will have a less than significant impact with these mitigation measures.

X. LAND USE AND PLANNING – The project will not have a significant impact on this resource, therefore no mitigation is required.

XI. MINERAL RESOURCES – The project will not have a significant impact on this resource, therefore no mitigation is required.

XII. NOISE – The project will not have a significant impact on this resource, therefore no mitigation is required.

XIII. POPULATION AND HOUSING – The project will not have a significant impact on this resource, therefore no mitigation is required.

XIV. PUBLIC SERVICES – The project will not have a significant impact on this resource, therefore no mitigation is required.

XV. RECREATION – The project will not have a significant impact on this resource, therefore no mitigation is required.

XVI. TRANSPORTATION / TRAFFIC – The project will not have a significant impact on this resource, therefore no mitigation is required.

XVII. TRIBAL CULTURAL RESOURCES: The Ohlone/Costanoan-Esselen Nation (OCEN) consider the Carmel River and its streamside resources to be culturally affiliated with the OCEN. The tribe has requested consultation under PRC 21080.3.1, subd. (b) for projects within the jurisdiction of MPWMD. The District will consult with the OCEN over the potential for finding significant archeological resources.

Several studies conducted since the 1980s in association with proposed new main stem dams near the former San Clemente Dam and near the existing Los Padres Dam have documented the presence of archeological sites in the project reach and sites that may be eligible for listing as a historical resource.

Any future permit issued by the District that would involve work to disturb native river sediment would require a cultural resources investigation by a qualified investigator prior to issuance of a permit.

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deposits or from surface diversion is not well established. However, this reach has been perennial for as long as records exist. Future changes in the depth of alluvium may not affect water production in this reach.

XVIII. UTILITIES AND SERVICE SYSTEMS – The project will not have a significant impact on this resource, therefore no mitigation is required.

XIX. MANDATORY FINDINGS OF SIGNIFICANCE – The combined effects to the lower 15 miles of the Carmel River from implementation of the existing Carmel River Management Plan, removal of San Clemente Dam, and future projects associated with extending the District's Riparian Corridor upstream to the Ventana Wilderness may be beneficial. But these effects cannot be fully estimated at this time. With mitigation actions proposed by the District for projects that would occur along the river between the Pacific Ocean and the Ventana Wilderness, impacts should be reduced to less than significant. The monitoring program initiated with the 1984 CRMP will be continued to determine what, if any, cumulative effects occur from these actions.

PUBLIC REVIEW PERIOD

Before 5:00 p.m. on March 25, 2019, any person may:

1. Review the Draft Mitigated Negative Declaration (MND) as an informational document only; or

2. Submit written comments regarding the information, analysis, and mitigation measures in the Draft MND. Before the MND is adopted, District staff will prepare written responses to any comments, and revise the Draft MND, if necessary, to reflect any concerns raised during the public review period. All written comments will be included as part of the Final MND.

MPWMD will hold a Public Hearing to consider approval of this project on April 15, 2019, beginning at 7 p.m. in the District Conference Room located at 5 Harris Court, Bldg. G, Monterey CA 93940.

Larry Hampson, District Engineer

Circulated on:

Adopted on: _____

CEQA Environmental Checklist

PROJECT DESCRIPTION AND BACKGROUND

Project Title:	AN ORDINANCE OF THE BOARD OF DIRECTORS OF THE MONTEREY PENINSULA WATER MANAGEMENT DISTRICT AMENDING DISTRICT RULES AND REGULATIONS TO MODIFY THE EXTENT OF THE CARMEL RIVER RIPARIAN CORRIDOR
Lead agency name and address:	Monterey Peninsula Water Management District, P.O. Box 85, Monterey CA 93942
Contact person and phone number:	Larry Hampson, (831) 658-5620
Project Location:	Carmel River, Monterey County
Project sponsor's name and address:	Monterey Peninsula Water Management District, P.O. Box 85, Monterey CA 93942
General plan description:	
Zoning:	
Description of project: (Describe the whole action involved, including but not limited to later phases of the project, and any secondary, support, or off-site features necessary for its implementation.)	The Monterey Peninsula Water Management District (MPWMD or District) is charged with the integrated management of the water resources of the Carmel River basin, which is a coastal basin located a few miles southeast of Monterey in Monterey County. MPWMD initiated a program to protect and restore streamside resources in the lower 15.4 miles of the river in 1983. This program includes Rules to require a valid permit from MPWMD to alter the bed or banks of the river and to remove vegetation. In addition, the program provides technical assistance to property owners, funds to mitigate for impacts to the environment, monitoring of the health of the stream, and research to understand system dynamics and to maintain appropriate standards. The District now proposes to extend its Rules and program that protect the bed and banks of the main stem Carmel River from River Mile (RM, measured from the ocean) 15.4 at the confluence of the main stem with Klondike Creek to the Ventana Wilderness boundary at approximately RM 28.8. The reach is sparsely populated, but includes some private residences, the Stonepine Resort, the former San Clemente Dam site, a portion of Prince's Camp, the Cachagua Community Center, and the Los Padres Dam and Reservoir. The approximate middle of the reach is at latitude 36.416N: longitude -121.709E.
Surrounding land uses and setting; briefly describe the project's surroundings:	The proposed project is located along the Carmel River between about 15 miles upstream of the Pacific Ocean to about 29 miles upstream of the Pacific Ocean. The site is on the eastern side of the Santa Lucia Mountains, which are part of the Pacific Coast Range system. The Carmel Valley is sparsely populated. The town of Carmel Valley Village (population 4,325 in 2013) is the furthest upstream populated place and is at the northeastern end of the proposed project area.

Other public agencies whose approval is required (e.g. permits, financial approval, or participation agreements):	U.S. Army Corps of Engineers, National Marine Fisheries Service, U.S. Fish and Wildlife Service, California Regional Water Quality Control Board, California Department of Fish and Wildlife, Monterey County
Have California Native American tribes traditionally and culturally affiliated with the project area requested consultation pursuant to Public Resources Code section 21080.3.1? If so, has consultation begun? Note: Conducting consultation early in the CEQA process allows tribal governments, lead agencies, and project proponents to discuss the level of environmental review, identify and address potential adverse impacts to tribal cultural resources, and reduce the potential for delay and conflict in the environmental review process. (See Public Resources Code section 21083.3.2.) Information may also be available from the California Native American Heritage Commission's Sacred Lands File per Public Resources Code section 5097.96 and the California Historical Resources Information System administered by the California Office of Historic Preservation. Please also note that Public Resources Code section 21082.3(c) contains provisions specific to confidentiality.	Yes. In a June 28, 2015 letter to MPWMD, the Ohlone/Costanoan-Esselen Nation requested consultation under PRC 21080.3.1, subdivision (b). Consultation has not begun.

ENVIRONMENTAL FACTORS POTENTIALLY AFFECTED:

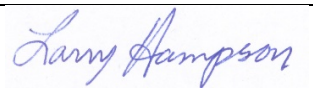
The environmental factors checked below would be potentially affected by this project. Please see the checklist beginning on page 3 for additional information.

☐	Aesthetics	☐	Agriculture and Forestry	☐	Air Quality
☐	Biological Resources	☒	Cultural Resources	☒	Geology/Soils
☐	Greenhouse Gas Emissions	☐	Hazards and Hazardous Materials	☒	Hydrology/Water Quality
☐	Land Use/Planning	☐	Mineral Resources	☐	Noise
☐	Population/Housing	☐	Public Services	☐	Recreation
☐	Transportation/Traffic	☒	Tribal Cultural Resources	☐	Utilities/Service Systems
☒	Mandatory Findings of Significance				

DETERMINATION:

On the basis of this initial evaluation:

☐	I find that the proposed project COULD NOT have a significant effect on the environment, and a NEGATIVE DECLARATION will be prepared.
☒	I find that although the proposed project could have a significant effect on the environment, there will not be a significant effect in this case because revisions in the project have been made by or agreed to by the project proponent. A MITIGATED NEGATIVE DECLARATION will be prepared.
☐	I find that the proposed project MAY have a significant effect on the environment, and an ENVIRONMENTAL IMPACT REPORT is required.
☐	I find that the proposed project MAY have a "potentially significant impact" or "potentially significant unless mitigated" impact on the environment, but at least one effect 1) has been adequately analyzed in an earlier document pursuant to applicable legal standards, and 2) has been addressed by mitigation measures based on the earlier analysis as described on attached sheets. An ENVIRONMENTAL IMPACT REPORT is required, but it must analyze only the effects that remain to be addressed.
☐	I find that although the proposed project could have a significant effect on the environment, because all potentially significant effects (a) have been analyzed adequately in an earlier EIR or NEGATIVE DECLARATION pursuant to applicable standards, and (b) have been avoided or mitigated pursuant to that earlier EIR or NEGATIVE DECLARATION, including revisions or mitigation measures that are imposed upon the proposed project, nothing further is required.

Signature: 	**Date: February 12, 2019**
Printed Name: Larry Hampson, District Engineer	**For: MPWMD**

CEQA Environmental Checklist

This checklist identifies physical, biological, social and economic factors that might be affected by the proposed project. In many cases, background studies performed in connection with the projects indicate no impacts. A NO IMPACT answer in the last column reflects this determination. Where there is a need for clarifying discussion, the discussion is included either following the applicable section of the checklist or is within the body of the environmental document itself. The words "significant" and "significance" used throughout the following checklist are related to CEQA, not NEPA, impacts. The questions in this form are intended to encourage the thoughtful assessment of impacts and do not represent thresholds of significance.

	Potentially Significant Impact	Less Than Significant with Mitigation	Less Than Significant Impact	No Impact
I. AESTHETICS: Would the project:				
a) Have a substantial adverse effect on a scenic vista?	☐	☐	☐	☒
b) Substantially damage scenic resources, including, but not limited to, trees, rock outcroppings, and historic buildings within a state scenic highway?	☐	☐	☐	☒
c) Substantially degrade the existing visual character or quality of the site and its surroundings?	☐	☐	☐	☒
d) Create a new source of substantial light or glare which would adversely affect day or nighttime views in the area?	☐	☐	☐	☒

	Potentially Significant Impact	Less Than Significant with Mitigation	Less Than Significant Impact	No Impact
II. AGRICULTURE AND FOREST RESOURCES: In determining whether impacts to agricultural resources are significant environmental effects, lead agencies may refer to the California Agricultural Land Evaluation and Site Assessment Model (1997) prepared by the California Dept. of Conservation as an optional model to use in assessing impacts on agriculture and farmland. In determining whether impacts to forest resources, including timberland, are significant environmental effects, lead agencies may refer to information compiled by the California Department of Forestry and Fire Protection regarding the state's inventory of forest land, including the Forest and Range Assessment Project and the Forest Legacy Assessment Project; and the forest carbon measurement methodology provided in Forest Protocols adopted by the California Air Resources Board. Would the project:				
a) Convert Prime Farmland, Unique Farmland, or Farmland of Statewide Importance (Farmland), as shown on the maps prepared pursuant to the Farmland Mapping and Monitoring Program of the California Resources Agency, to non-agricultural use?	☐	☐	☐	☒
b) Conflict with existing zoning for agricultural use, or a Williamson Act contract?	☐	☐	☐	☒
c) Conflict with existing zoning for, or cause rezoning of, forest land (as defined in Public Resources Code section 12220(g)), timberland (as defined by Public Resources Code section 4526), or timberland zoned Timberland Production (as defined by Government Code section 51104(g))?	☐	☐	☐	☒
d) Result in the loss of forest land or conversion of forest land to non-forest use?	☐	☐	☐	☒
e) Involve other changes in the existing environment which, due to their location or nature, could result in conversion of Farmland, to non-agricultural use or conversion of forest land to non-forest use?	☐	☐	☐	☒

	Potentially Significant Impact	Less Than Significant with Mitigation	Less Than Significant Impact	No Impact
III. AIR QUALITY: Where available, the significance criteria established by the applicable air quality management or air pollution control district may be relied upon to make the following determinations. Would the project:				
a) Conflict with or obstruct implementation of the applicable air quality plan?	☐	☐	☐	☒
b) Violate any air quality standard or contribute substantially to an existing or projected air quality violation?	☐	☐	☐	☒
c) Result in a cumulatively considerable net increase of any criteria pollutant for which the project region is non- attainment under an applicable federal or state ambient air quality standard (including releasing emissions which exceed quantitative thresholds for ozone precursors)?	☐	☐	☐	☒
d) Expose sensitive receptors to substantial pollutant concentrations?	☐	☐	☐	☒
e) Create objectionable odors affecting a substantial number of people?	☐	☐	☐	☒
IV. BIOLOGICAL RESOURCES: Would the project:				
a) Have a substantial adverse effect, either directly or through habitat modifications, on any species identified as a candidate, sensitive, or special status species in local or regional plans, policies, or regulations, or by the California Department of Fish and Game or U.S. Fish and Wildlife Service?	☐	☐	☐	☒
b) Have a substantial adverse effect on any riparian habitat or other sensitive natural community identified in local or regional plans, policies, regulations or by the California Department of Fish and Game or US Fish and Wildlife Service?	☐	☐	☐	☒

	Potentially Significant Impact	Less Than Significant with Mitigation	Less Than Significant Impact	No Impact
c) Have a substantial adverse effect on federally protected wetlands as defined by Section 404 of the Clean Water Act (including, but not limited to, marsh, vernal pool, coastal, etc.) through direct removal, filling, hydrological interruption, or other means?	☐	☐	☐	☒
d) Interfere substantially with the movement of any native resident or migratory fish or wildlife species or with established native resident or migratory wildlife corridors, or impede the use of native wildlife nursery sites?	☐	☐	☐	☒
e) Conflict with any local policies or ordinances protecting biological resources, such as a tree preservation policy or ordinance?	☐	☐	☐	☒

V. CULTURAL RESOURCES: Would the project:

a) Cause a substantial adverse change in the significance of a historical resource as defined in §15064.5?	☐	☒	☐	☐
b) Cause a substantial adverse change in the significance of an archaeological resource pursuant to §15064.5?	☐	☒	☐	☐
c) Directly or indirectly destroy a unique paleontological resource or site or unique geologic feature?	☐	☒	☐	☐
d) Disturb any human remains, including those interred outside of dedicated cemeteries?	☐	☒	☐	☐

The District will initiate consultation with the OCEN tribal contact. In addition, any future permit issued that would involve work to disturb native river sediment would require a cultural resources investigation by a qualified investigator prior to issuance of a permit.

VI. GEOLOGY AND SOILS: Would the project:

a) Expose people or structures to potential substantial adverse effects, including the risk of loss, injury, or death involving:	☐	☐	☐	☒

	Potentially Significant Impact	Less Than Significant with Mitigation	Less Than Significant Impact	No Impact
i) Rupture of a known earthquake fault, as delineated on the most recent Alquist-Priolo Earthquake Fault Zoning Map issued by the State Geologist for the area or based on other substantial evidence of a known fault? Refer to Division of Mines and Geology Special Publication 42?	☐	☐	☐	☒
ii) Strong seismic ground shaking?	☐	☐	☐	☒
iii) Seismic-related ground failure, including liquefaction?	☐	☐	☐	☒
iv) Landslides?	☐	☐	☐	☒
b) Result in substantial soil erosion or the loss of topsoil?	☐	☐	☐	☒
c) Be located on a geologic unit or soil that is unstable, or that would become unstable as a result of the project, and potentially result in on- or off-site landslide, lateral spreading, subsidence, liquefaction or collapse?	☐	☒	☐	☐
Proposed projects would be required to resist liquefaction or collapse due to high river flow.				
d) Be located on expansive soil, as defined in Table 18-1-B of the Uniform Building Code (1994), creating substantial risks to life or property?	☐	☐	☐	☒
e) Have soils incapable of adequately supporting the use of septic tanks or alternative waste water disposal systems where sewers are not available for the disposal of waste water?	☐	☐	☐	☒
VII. GREENHOUSE GAS EMISSIONS: Would the project:				
a) Generate greenhouse gas emissions, either directly or indirectly, that may have a significant impact on the environment?	☐	☐	☐	☒
b) Conflict with an applicable plan, policy or regulation adopted for the purpose of reducing the emissions of greenhouse gases?	☐	☐	☐	☒

	Potentially Significant Impact	Less Than Significant with Mitigation	Less Than Significant Impact	No Impact
VIII. HAZARDS AND HAZARDOUS MATERIALS: Would the project:				
a) Create a significant hazard to the public or the environment through the routine transport, use, or disposal of hazardous materials?	☐	☐	☐	☒
b) Create a significant hazard to the public or the environment through reasonably foreseeable upset and accident conditions involving the release of hazardous materials into the environment?	☐	☐	☐	☒
c) Emit hazardous emissions or handle hazardous or acutely hazardous materials, substances, or waste within one-quarter mile of an existing or proposed school?	☐	☐	☐	☒
d) Be located on a site which is included on a list of hazardous materials sites compiled pursuant to Government Code Section 65962.5 and, as a result, would it create a significant hazard to the public or the environment?	☐	☐	☐	☒
e) For a project located within an airport land use plan or, where such a plan has not been adopted, within two miles of a public airport or public use airport, would the project result in a safety hazard for people residing or working in the project area?	☐	☐	☐	☒
f) For a project within the vicinity of a private airstrip, would the project result in a safety hazard for people residing or working in the project area?	☐	☐	☐	☒
g) Impair implementation of or physically interfere with an adopted emergency response plan or emergency evacuation plan?	☐	☐	☐	☒
h) Expose people or structures to a significant risk of loss, injury or death involving wildland fires, including where wildlands are adjacent to urbanized areas or where residences are intermixed with wildlands?	☐	☐	☐	☒
IX. HYDROLOGY AND WATER QUALITY: Would the project:				
a) Violate any water quality standards or waste discharge requirements?	☐	☐	☐	☒

	Potentially Significant Impact	Less Than Significant with Mitigation	Less Than Significant Impact	No Impact
b) Substantially deplete groundwater supplies or interfere substantially with groundwater recharge such that there would be a net deficit in aquifer volume or a lowering of the local groundwater table level (e.g., the production rate of pre-existing nearby wells would drop to a level which would not support existing land uses or planned uses for which permits have been granted)? Projects could have the potential to reduce the available sediment supply to the lower 15 miles of the river. Project proponents would be required to demonstrate that no adverse downcutting of the riverbed would result because of implementing a proposed project.	☐	☒	☐	☐
c) Substantially alter the existing drainage pattern of the site or area, including through the alteration of the course of a stream or river, in a manner which would result in substantial erosion or siltation on- or off-site? Proposed projects would be required to use best management practices such as revegetation, installation of erosion protection, and monitoring to reduce the potential for erosion or siltation.	☐	☒	☐	☐
d) Substantially alter the existing drainage pattern of the site or area, including through the alteration of the course of a stream or river, or substantially increase the rate or amount of surface runoff in a manner which would result in flooding on- or off-site?	☐	☐	☐	☒
e) Create or contribute runoff water which would exceed the capacity of existing or planned stormwater drainage systems or provide substantial additional sources of polluted runoff?	☐	☐	☐	☒
f) Otherwise substantially degrade water quality?	☐	☐	☐	☒
g) Place housing within a 100-year flood hazard area as mapped on a federal Flood Hazard Boundary or Flood Insurance Rate Map or other flood hazard delineation map?	☐	☐	☐	☒
h) Place within a 100-year flood hazard area structures which would impede or redirect flood flows?	☐	☐	☐	☒
i) Expose people or structures to a significant risk of loss, injury or death involving flooding, including flooding as a result of the failure of a levee or dam?	☐	☐	☐	☒

	Potentially Significant Impact	Less Than Significant with Mitigation	Less Than Significant Impact	No Impact
j) Inundation by seiche, tsunami, or mudflow	☐	☐	☐	☒
X. LAND USE AND PLANNING: Would the project:				
a) Physically divide an established community?	☐	☐	☐	☒
b) Conflict with any applicable land use plan, policy, or regulation of an agency with jurisdiction over the project (including, but not limited to the general plan, specific plan, local coastal program, or zoning ordinance) adopted for the purpose of avoiding or mitigating an environmental effect?	☐	☐	☐	☒
c) Conflict with any applicable habitat conservation plan or natural community conservation plan?	☐	☐	☐	☒
XI. MINERAL RESOURCES: Would the project:				
a) Result in the loss of availability of a known mineral resource that would be of value to the region and the residents of the state?	☐	☐	☐	☒
b) Result in the loss of availability of a locally-important mineral resource recovery site delineated on a local general plan, specific plan or other land use plan?	☐	☐	☐	☒
XII. NOISE: Would the project result in:				
a) Exposure of persons to or generation of noise levels in excess of standards established in the local general plan or noise ordinance, or applicable standards of other agencies?	☐	☐	☐	☒
b) Exposure of persons to or generation of excessive groundborne vibration or groundborne noise levels?	☐	☐	☐	☒
c) A substantial permanent increase in ambient noise levels in the project vicinity above levels existing without the project?	☐	☐	☐	☒

	Potentially Significant Impact	Less Than Significant with Mitigation	Less Than Significant Impact	No Impact
d) A substantial temporary or periodic increase in ambient noise levels in the project vicinity above levels existing without the project?	☐	☐	☐	☒
e) For a project located within an airport land use plan or, where such a plan has not been adopted, within two miles of a public airport or public use airport, would the project expose people residing or working in the project area to excessive noise levels?	☐	☐	☐	☒
f) For a project within the vicinity of a private airstrip, would the project expose people residing or working in the project area to excessive noise levels?	☐	☐	☐	☒
XIII. POPULATION AND HOUSING: Would the project:				
a) Induce substantial population growth in an area, either directly (for example, by proposing new homes and businesses) or indirectly (for example, through extension of roads or other infrastructure)?	☐	☐	☐	☒
b) Displace substantial numbers of existing housing, necessitating the construction of replacement housing elsewhere?	☐	☐	☐	☒
c) Displace substantial numbers of people, necessitating the construction of replacement housing elsewhere?	☐	☐	☐	☒
XIV. PUBLIC SERVICES:				
a) Would the project result in substantial adverse physical impacts associated with the provision of new or physically altered governmental facilities, need for new or physically altered governmental facilities, the construction of which could cause significant environmental impacts, in order to maintain acceptable service ratios, response times or other performance objectives for any of the public services:				
Fire protection?	☐	☐	☐	☒
Police protection?	☐	☐	☐	☒

	Potentially Significant Impact	Less Than Significant with Mitigation	Less Than Significant Impact	No Impact
Schools?	☐	☐	☐	☒
Parks?	☐	☐	☐	☒
Other public facilities?	☐	☐	☐	☒

XV. RECREATION:

a) Would the project increase the use of existing neighborhood and regional parks or other recreational facilities such that substantial physical deterioration of the facility would occur or be accelerated?	☐	☐	☐	☒
b) Does the project include recreational facilities or require the construction or expansion of recreational facilities which might have an adverse physical effect on the environment?	☐	☐	☐	☒

XVI. TRANSPORTATION/TRAFFIC: Would the project:

a) Conflict with an applicable plan, ordinance or policy establishing measures of effectiveness for the performance of the circulation system, taking into account all modes of transportation including mass transit and non-motorized travel and relevant components of the circulation system, including but not limited to intersections, streets, highways and freeways, pedestrian and bicycle paths, and mass transit?	☐	☐	☐	☒
b) Conflict with an applicable congestion management program, including, but not limited to level of service standards and travel demand measures, or other standards established by the county congestion management agency for designated roads or highways?	☐	☐	☐	☒
c) Result in a change in air traffic patterns, including either an increase in traffic levels or a change in location that results in substantial safety risks?	☐	☐	☐	☒

d) Substantially increase hazards due to a design feature (e.g., sharp curves or dangerous intersections) or incompatible uses (e.g., farm equipment)?	☐	☐	☐	☒
e) Result in inadequate emergency access?	☐	☐	☐	☒
f) Conflict with adopted policies, plans or programs regarding public transit, bicycle, or pedestrian facilities, or otherwise decrease the performance or safety of such facilities?	☐	☐	☐	☒

XVII. TRIBAL CULTURAL RESOURCES: Would the project cause a substantial adverse change in the significance of a tribal cultural resource, defined in Public Resources Code section 21074 as either a site, feature, place, cultural landscape that is geographically defined in terms of the size and scope of the landscape, sacred place, or object with cultural value to a California Native American tribe, and that is:

a) Listed or eligible for listing in the California Register of Historical Resources, or in a local register of historical resources as defined in Public Resources Code section 5020.1(k), or	☐	☐	☐	☒
b) A resource determined by the lead agency, in its discretion and supported by substantial evidence, to be significant pursuant to criteria set forth in subdivision (c) of Public Resources Code Section 5024.1. In applying the criteria set forth in subdivision (c) of Public Resource Code Section 5024.1, the lead agency shall consider the significance of the resource to a California Native American tribe.	☐	☒	☐	☐

The District will initiate consultation with the OCEN tribal contact. In addition, any future permit issued that would involve work to disturb native river sediment would require a cultural resources investigation by a qualified investigator prior to issuance of a permit.

	Potentially Significant Impact	Less Than Significant with Mitigation	Less Than Significant Impact	No Impact
XVIII. UTILITIES AND SERVICE SYSTEMS: Would the project:				
a) Exceed wastewater treatment requirements of the applicable Regional Water Quality Control Board?	☐	☐	☐	☒
b) Require or result in the construction of new water or wastewater treatment facilities or expansion of existing facilities, the construction of which could cause significant environmental effects?	☐	☐	☐	☒
c) Require or result in the construction of new storm water drainage facilities or expansion of existing facilities, the construction of which could cause significant environmental effects?	☐	☐	☐	☒
d) Have sufficient water supplies available to serve the project from existing entitlements and resources, or are new or expanded entitlements needed?	☐	☐	☐	☒
e) Result in a determination by the wastewater treatment provider which serves or may serve the project that it has adequate capacity to serve the project's projected demand in addition to the provider's existing commitments?	☐	☐	☐	☒
f) Be served by a landfill with sufficient permitted capacity to accommodate the project's solid waste disposal needs?	☐	☐	☐	☒
g) Comply with federal, state, and local statutes and regulations related to solid waste?	☐	☐	☐	☒

	Potentially Significant Impact	Less Than Significant with Mitigation	Less Than Significant Impact	No Impact
XIX. MANDATORY FINDINGS OF SIGNIFICANCE				
a) Does the project have the potential to degrade the quality of the environment, substantially reduce the habitat of a fish or wildlife species, cause a fish or wildlife population to drop below self-sustaining levels, threaten to eliminate a plant or animal community, substantially reduce the number or restrict the range of a rare or endangered plant or animal or eliminate important examples of the major periods of California history or prehistory?	☐	☐	☐	☒
b) Does the project have impacts that are individually limited, but cumulatively considerable? ("Cumulatively considerable" means that the incremental effects of a project are considerable when viewed in connection with the effects of past projects, the effects of other current projects, and the effects of probable future projects)? The combined effects to the lower 15 miles of the Carmel River from the existing Carmel River Management Plan, removal of San Clemente Dam, and future projects associated with extending the CRMP upstream are probably beneficial but cannot be fully estimated at this time. The monitoring program initiated with the 1984 CRMP will be continued to determine what the cumulative effects of these actions is.	☐	☒	☐	☐
c) Does the project have environmental effects which will cause substantial adverse effects on human beings, either directly or indirectly?	☐	☐	☐	☒

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EXHIBIT 10-C

ORDINANCE NO. 181

AN ORDINANCE OF THE BOARD OF DIRECTORS OF THE MONTEREY PENINSULA WATER MANAGEMENT DISTRICT AMENDING DISTRICT RULES AND REGULATIONS TO MODIFY THE EXTENT OF THE CARMEL RIVER RIPARIAN CORRIDOR
(AMENDING RULES 11, 123, and 127)

FINDINGS

WHEREAS, the Board of Directors of the Monterey Peninsula Water Management District (District) finds as follows:

1. The California Legislature has charged the District with the integrated management of water resources and problems affecting the Monterey Peninsula and the Carmel River basin.

2. On July 26, 1983, the District approved Ordinance 10, which added District Rules to implement the Carmel River Management Plan to promote the balanced uses of these resources; protect the water course, the watershed, public ways, life and property in a portion of the Carmel River; promote the restoration of river banks and scenic resources; reduce environmental degradation; and enhance the fish and wildlife habitat.

3. On October 29, 1984, the District adopted Resolution 84-26 making findings, a statement of overriding considerations, and certifying the Final Environmental Impact Report for the Carmel River Management Plan (CRMP) and Boronda Erosion Control Project.

4. On August 11, 1986, the District adopted Resolution 86-17 to approve Phase 3 of the Schulte Project and an Addendum to the CRMP EIR.

5. On August 8, 1988, the District approved a Negative Declaration on the Scarlett Restoration Project.

6. On July 20, 1992, the District approved the Valley Hills Restoration Project and filed a Notice of Determination.

7. On August 17, 1992, the District approved the deDampierre Restoration Project and filed a Notice of Determination.

8. On June 21, 1993, the District adopted Ordinance 69 amending its Rules and Regulations to continue implementing certain Carmel River management activities.

9. On August 18, 1997, the District approved an Addendum for the Red Rocks and All Saints Projects and added mitigation measures to the CRMP EIR to protect California red-legged frogs.

10. On August 21, 2000, the District approved an Addendum for Repairs to the Valley Hills and Schulte Restoration Projects.

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11. On February 22, 2018, the District approved an Addendum for the Rancho San Carlos Road Streambank Stabilization Project.

12. Ordinance 10 and 69 apply to activities in the Carmel River within a defined Riparian Corridor between the Pacific Ocean and the eastern end of Camp Stephani at the confluence of Klondike Creek with the main stem, approximately 15.4 River Miles upstream of the Pacific Ocean. Between 1984 and the present, the District has regularly approved River Work Permits in accordance with the Rules adopted by the District to protect the Riverbed and banks of the Carmel River.

13. The Carmel River undergoes periodic and sudden changes from drought, flood and other factors, some of which originate outside of the Riparian Corridor defined under Ordinance 10. The District desires to protect and restore all the riparian resources of the Carmel River and its surrounding environs and to update its Rules for the Carmel River to reflect changes in the river environment and the need to better manage the resources of the Carmel River.

14. The District finds that changes to the river and watershed upstream of the confluence with Klondike Creek due to human activities have or can significantly affect riverfront properties and the streamside environment within the Riparian Corridor. To better protect the resources of the river, the District desires to extend the definition of the Riparian Corridor and apply the District Rules concerning activities in the Riparian Corridor to the main stem of the Carmel River between the Pacific Ocean and the boundary of the Ventana Wilderness.

15. The District finds that such an extension would not have adverse impacts to the environment with proposed mitigation measures.

16. In compliance with the California Environmental Quality Act, Section 15153, the District has determined that the Final Environmental Impact Report for the Carmel River Management Plan (CRMP) and Boronda Erosion Control Project adequately describes potential impacts and mitigation measures and that a Mitigated Negative Declaration should be prepared for an extension of the CRMP.

17. On February 21, 2019, the District authorized staff to publish a Notice of Intent to adopt a Mitigated Negative Declaration to modify the extent and scope of activities in the Carmel River Riparian Corridor.

18. On _____, the District held a Public Hearing to receive comment on the Mitigated Negative Declaration and first reading of proposed Ordinance XXX.

19. On _____, the District held a Public Hearing to approve the Mitigated Negative Declaration and Ordinance XXX.

20. The following District Rules shall be amended by this ordinance: Rule Nos. 11, 123, and 127.

NOW THEREFORE, be it ordained as follows:

ORDINANCE

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Section One: Short Title
This ordinance shall be known as the "2019 Carmel River Riparian Corridor Ordinance Update" of the Monterey Peninsula Water Management District.

Section Two: Statement of Purpose
The purpose of the ordinance is to protect and restore the natural values and beneficial uses of the Carmel River and its Riparian Corridor, including: (1) protection of existing riparian vegetation; (2) protection from riverbank erosion; (3) protection of aquatic and wildlife habitats; (4) protection of water quality; and (5) protection of open space and aesthetic values.

Section Three: Scope
This ordinance amends existing District Rules and Regulations to modify the definition of the Riparian Corridor, extend District Rules for Carmel River main stem activities to the area between the Pacific Ocean and the Ventana Wilderness boundary, and clarify staff functions with regards to District activities carried out in the Carmel River.

Section Four: District Rules Modifications and Additions
The Rules and Regulations of the Monterey Peninsula Water Management District shall be amended as follows:

The following Rules shall be amended as shown in bold italics (***bold italics***) and strikeout (~~strikethrough~~).

Rule No. 11 - DEFINITIONS

RIPARIAN CORRIDOR – shall mean:

a. All that area which comprises the Riverbed and riverbanks of the Carmel River which lies ***between the Pacific Ocean and the Ventana Wilderness boundary***.

b. All those areas which lie within 25 lineal feet of the ***10% chance flood between the Pacific Ocean and the Ventana Wilderness boundary. In those areas where the 10% chance flood is not defined, a constructive line shall be determined by the District Engineer using a generally accepted method of determining the extent of the 10% chance flood. Lawns, landscaping, and cultivated areas as shown on the June 2017 aerial photographs on file with the District are exempt unless a lawn, landscaping, or cultivated area is the subject of a violation of the District Rules as of the day of adoption of this Ordinance.***

Added by Ordinance No. 10 (7/26/83); ***amended by Ordinance 181 (Month/Day/2019)***

Added by Ordinance No. 10 (7/26/83); deleted ***by Ordinance XXX (month/day/2019)***

RIVERBED – "Riverbed" shall mean the natural hollow, path or channel over which the ***10% chance flow*** of the Carmel River ***occurs***. The term "channel" ***includes the riverbanks and*** shall be synonymous with the term "Riverbed". ***The 10% chance flow shall be determined using a generally accepted method of statistical hydrology, such as described in USGS Bulletin 17-B, using historically gaged Carmel River flows. The waterline of the 10% chance flow shall be determined by applying the standard step backwater method***

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using a computer simulation program such as HEC-RAS developed by the U.S. Army Corps of Engineers. Where the lateral extent of the Riverbed cannot be determined using the foregoing criteria, a constructive limit of the Riparian Corridor shall be determined by the District Engineer based upon historical analysis of aerial photographs and other data as appropriate.

Added by Ordinance No. 10 (7/26/83); ***amended by Ordinance 181 (month/day/2019)***

RULE 123 RIVER MANAGEMENT ACTIVITIES

The following activities fall within the purview of the Carmel River Management Plan and may be undertaken by the District as discretionary acts to the extent that funds are reasonably available.

A. EROSION PROTECTION AND PREVENTION

1. Formulation of Standards

Develop technical standards and a structural master plan to guide all riverbank and channel modification projects. Guidelines may (a) set the optimum channel width and bank steepness to depth relationships, (b) address coordination requirements among nearby property owners, (c) evaluate the cost and effectiveness of alternative bank stabilization solutions, (d) establish preferred solutions, (e) define acceptable circumstances and processes for sediment ***management***, (f) set general engineering requirements for material and design, (g) establish requirements for covering, replanting and maintaining works once completed. Standards shall be reviewed to reflect experience gained during implementation of the program, and (h) establish aesthetic requirements for erosion works.

2. Annual Review

Review aerial photos ***as required to remain familiar with the changing environment of the river***; ***regularly inspect the Riverbed***. Review areas that may be subject to erosion during ***high flows*** .

3. Removal of Hazardous Trees

Identify trees that appear to be diseased or likely to fall into the river. Attempt to effect removal ***or modification*** or replacement of such trees where their removal ***or modification would*** conflict with shade or wildlife requirements.

4. Snag Removal

Remove ***or modify*** snags and debris from the channel ***that increase the risk of bank erosion at high flows***.

5. Technical Assistance

Provide technical assistance through staff as follows:

a. Permits

Coordinate issuance of ***R***iver ***W***ork ***P***ermits with the requirements of the County of Monterey, the California Department of Fish and ***Wildlife***, the U.S. Army Corps of Engineers, ***the Regional Water Quality Control Board, and any other agency that regulates activities in the Riverbed***.

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b. Design of Works
Provide design, engineering and construction supervision upon request to landowners proposing riverbank or channel protection projects.

c. Landowners
Assist landowners to ***carry out appropriate*** projects by providing information on standards and costs.

d. Government
Monitor the availability of outside funding and review proposed legislation affecting the program or the interests of the Carmel River.

e. Funding
Participate in specific ***R***iver ***W***orks projects as feasible and desired by the Board. Financial participation may be partial or full at the discretion of the Board.

6. Project Sponsor
Administer grant funds, donations, and District projects with multiple property owner participation.

7. Construction
Construct riverbank and channel works.

8. Maintenance of Works
Operate and maintain District projects and works related to riverbank and ***R***iverbed erosion along the Carmel River.

B. MAINTENANCE OF VEGETATION

1. Monitoring
Review aerial photos, ***conduct*** inspections of the ***R***iparian ***C***orridor ***and use other monitoring data*** to determine changes in the health of the riparian vegetation ***and stability of riverbanks***. Maintain ***records*** showing changes in the ***R***iparian ***C***orridor.

2. Planting and Revegetation
Replant areas as needed and prioritize areas for planting. Costs of planting may be borne fully or partially by the District.

3. Technical Assistance
As District resources and priorities allow, provide technical assistance through staff as follows:

a. Permits
Assist individuals seeking permits to revegetate and change the vegetation type along the ***R***iparian ***C***orridor.

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b. Design
Provide design, engineering, and construction support upon request to landowners proposing irrigation systems for watering riparian vegetation in the corridor.

4. Construction of Irrigation Systems
Design District ***I***rrigation ***S***ystem standards and specifications and identify reaches where such irrigation is necessary to the health of the ***R***iparian ***C***orridor. Prioritize areas for irrigation. Irrigation development and construction costs may be borne fully or partially by the District at the discretion of the Board.

5. Operations and Maintenance
Monitor and maintain District ***I***rrigation ***S***ystems. Operation should integrate monitoring of plant health.

6. Channel Clearing
Monitor reaches where vegetation ***or debris*** has become established in the ***Riverbed***. ***If feasible, m***aintain ***an*** adequate ***clearance within the Riverbed*** to ***safely pass debris or*** reduce ***the risk of erosion due to blockages that could cause*** damage to ***streambanks*** and riparian habitat due to storm flows with***in the Riverbed***.

C. INSPECTION

1. Erosion Protection Works
Inspect bank work and channel modification projects to obtain compliance with standards and permit conditions.

2. Vegetation Removal
Monitor activities along the river to prevent unauthorized ***vegetation removal,*** grading, and works.

D. EDUCATION

1. Erosion Works and Prevention
Educate landowners and the general public regarding river management and erosion prevention. Initiate forums with landowners to provide information on the cost, effectiveness and liabilities of bank modification.

2. Vegetation
Assist property owners to encourage planting of desirable species and to discourage removal of ***native*** vegetation. Provide information on desirable species, spacing and maintenance.

3. Grading
Develop and distribute information on grading.

4. Regulation

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Develop and distribute standards and conditions to be met in ***R***iver ***W***ork ***P***ermits and emergency ***R***iver ***W***ork ***P***ermits pursuant to Rule 127. Distribute information as to those activities which may be undertaken without a ***R***iver ***W***ork ***P***ermit, and activities which are defined as "minor works" pursuant to Rule 127.

E. RESEARCH

Research stream geomorphology, erosion potential, fishery and vegetation to understand the system dynamics and to maintain appropriate standards.

F. EASEMENTS AND AGREEMENTS

Accept and acquire easements or agreements needed to provide right-of-way for ***I***rrigation ***S***ystems and access to undertake works, and accept other property interests deeded to the District.

G. EMERGENCY

Provide emergency response to remove ***or modify*** snags and to minimize damage where the river is causing erosion or threatening to erode.

H. ***PERIODICALLY REVIEW AND UPDATE MAPS SHOWING THE LIMITS OF THE RIPARIAN CORRIDOR***

Develop and periodically update a geo-referenced set of maps showing property lines, the 10-year flowline, and the limits of the Riparian Corridor.

I. OTHER RELATED ACTIVITIES

Manage the ***R***iparian ***C***orridor, examine sedimentation from non-riparian drainage areas and evaluate culvert design at tributary junctions in conjunction with the Monterey County Department of Public Works. Monitor existing trails for impact upon the ***R***iparian ***C***orridor. Develop and propose trail standards. Accept river management funds, grants, and deeds from public and private sources.

Added by Ordinance No. 10 (7/26/83); amended by Ordinance No. 22 (3/11/85); Ordinance No. 69 (6/21/93); ***Ordinance 181 (month/day/2019)***

RULE 127 - PERMIT PROCESS

A. RIVER WORK PERMITS

1. Applications for River Work Permits shall be made to the Monterey Peninsula Water Management District on forms supplied by District staff and shall be accompanied by plans showing appropriate Site, improvement and engineering information as may be required by District staff. The fee prescribed by Rule 60 shall be required for any River Work Permit.

2. Any application which appears to propose an activity regulated pursuant to the National Flood Insurance Program, including but not limited to:

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a. grading or changes in land forms that might alter channel hydraulics or the configuration of the floodway, or

b. levees or other flood control works that might alter channel hydraulics or the configuration of the floodway, shall be referred for review and comment to the Monterey County Water Resources Agency.

3. ***Within 30 days of receipt of application,*** District Staff ***shall*** determine ***whether*** the information submitted by the Applicant is sufficient to consider the matter. If the Application is not sufficient, District Staff shall identify what additional information is required and inform the Applicant to submit the additional information (normally within 30 days of notification of the deficiencies).

4. The Board of Directors shall by resolution promulgate upon advice of the Carmel River Advisory Committee a list of "minor works." Minor work ***and regular River Work*** Permits which have been issued shall be prominently posted in the Monterey Peninsula Water Management District office, and shall not become effective until seven (7) days after issuance. Such ***p***ermits may be appealed to the Board pursuant to Rule 127-C of this ***R***egulation. Holders of a minor work ***p***ermit may undertake such work immediately upon issuance of the ***p***ermit , provided however, that each Applicant for a minor work ***p***ermit who undertakes work prior to the effective date of such ***p***ermit agrees in writing to proceed during that seven-day period at his own risk, and agrees to indemnify and hold harmless the Monterey Peninsula Water Management District for any damage which may result, and agrees to comply with any Board order should the ***p***ermit be denied or conditioned on appeal.

5. In order to grant a regular River Work Permit, an emergency work ***p***ermit, or a minor work ***p***ermit, the General Manager or the District Engineer shall make the following findings based upon facts apparent from the District files, the ***p***ermit application or ***other relevant*** facts :

   a. the work allowed by the proposed permit does not appear to adversely affect adjoining or other properties;

   b. the work allowed ***does not degrade habitat value and*** appears to be visually compatible with the natural appearance of the river channel, banks and Riparian Corridor;

   c. the work allowed appears to be appropriate for the intended purpose, and be consistent with technical standards and plans set by the ***District***;

   d. ***the work allowed will not contribute to adverse levels of downcutting;***

   e. the establishment, maintenance or operation of the use or work applied for does not appear under the circumstances of the particular case, to be detrimental to health, safety, peace, morals, comfort, and general welfare of persons residing or working in the neighborhood or to the general welfare of the District***;***

   f. the work permitted appears either to comply with, or be exempt from the

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requirements of the National Flood Insurance Program; ***and***

g. ***the work permitted will not adversely affect traditional or cultural values of California Native American tribes.***

6. The General Manager or the District Engineer may designate conditions in connection with the ***p***ermit to secure the purposes of this ***R***egulation, in addition to any standard ***p***ermit conditions which may be required by the Board. The General Manager or the District Engineer may also require bond and guarantees to assure compliance with the conditions.

   Each permit shall briefly set forth or refer to the ***information used to develop permit conditions***.

7. Each ***p***ermit issued by the General Manager or the District Engineer shall become effective seven (7) days after the date such **p**ermit was issued and remain valid until the date of expiration stated on the ***p***ermit; or if no date of expiration is stated, or otherwise specified, all such ***p***ermits shall expire one year from the date of granting said ***p***ermit.

8. When a property owner wishes to maintain the river channel and/or riverbank on a regular basis, a River Work Permit may be issued by the General Manager or District Engineer upon the approval of an appropriate management plan. Permits granted for such ongoing activity under this ***R***ule shall state this basis for termination as follows:

   "This ***p***ermit shall terminate on the date set forth below; and if no date of termination is set, shall terminate one year after the repeal of this ***R***ule or Regulation."

B. EMERGENCY RIVER WORK PERMITS

Emergency riverbank or Riverbed protection or channel modification measures performed under this ***R***egulation shall require a subsequent emergency River Work Permit from the General Manager or District Engineer. An application for such a ***p***ermit shall be submitted within ten (10) calendar days after commencement of such measures. The fee prescribed by Rule 60 shall be required for any emergency River Work Permit. The intent of such a subsequent emergency River Work Permit is to ensure that any emergency bank and bed protection measures conform to or will be brought into conformance with the technical standards promulgated in accord with this ***R***egulation. To the extent practicable, emergency River Work Permits shall be administered and granted in accordance with Rule 127-A above, and may also be appealed to the Board in accord with Rule 127-C. Standards shall be developed and distributed summarizing the design concepts that will be required in emergency ***p***ermits. Persons undertaking emergency River Works without prior approval shall bear sole responsibility for the adequacy and safety of such work, and shall be deemed to proceed at their own risk. The District, upon later review of the emergency River Work Permit, reserves the right to require removal or modification of such works to that measure compatible with the structural management plan.

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C. PERMIT APPEALS

Determinations of the General Manager or the District Engineer may be appealed to the Board of Directors pursuant to Rule 70, "Appeals" upon payment of the fee specified in Rule 60.

Rule added by Ordinance No. 10 (7/26/83); amended by Ordinance No. 22 (3/11/85); Ordinance No. 14 (11/12/84); Ordinance No. 69 (6/21/93); Ordinance No. 120 (3/21/2005); Ordinance No. 125 (9/18/2006); ***Ordinance 181 (Month/Day/2019)***

Section Five: Publication and Application

The provisions of this ordinance shall cause the republication and amendment of ***Rules 11, 123, and 127 of*** the permanent Rules and Regulations of the Monterey Peninsula Water Management District. This ordinance shall be read in conjunction with and complement those provisions of the District's Rules and Regulations, provided, however that the provisions enacted by this measure shall take precedence and supersede any contradictory provision of those rules. Section titles and captions are provided for convenience and shall not be construed to limit the application of the text.

Section Six: Effective Date and Sunset

This ordinance shall be given effect at 12:01 a.m., Month Day, 2019.
This ordinance shall not have a sunset date.

Section Seven: Severability

If any subdivision, paragraph, sentence, clause or phrase of this ordinance is, for any reason, held to be invalid or unenforceable by a court of competent jurisdiction, such invalidity or unenforceability shall not affect the validity or enforcement of the remaining portions of this ordinance, or of any other provisions of the Monterey Peninsula Water Management District Rules and Regulations. ~~It is~~ It is the District's express intent that each remaining portion would have been adopted irrespective of the fact that one or more subdivisions, paragraphs, sentences, clauses, or phrases be declared invalid or unenforceable.

On motion of Director _____ and second by Director _____, the foregoing ordinance is duly adopted this ___ day of _____, 2019, by the following votes:

AYES

NAYS:

ABSENT:

I, David J. Stoldt, Secretary to the Board of Directors of the Monterey Peninsula Water Management District, hereby certify that the foregoing ordinance was duly adopted on this ____ day of _____, 2019, and now is of record in my office.

Witness my hand and seal of the Board of Directors this _____day of _____ 2019.

_____
David J. Stoldt, Secretary to the Board

ITEM: DISCUSSION ITEM

11. DISCUSS CRITERIA FOR DEVELOPMENT OF FEASIBILITY STUDY ON PUBLIC OWNERSHIP OF THE MONTEREY PENINSULA WATER SYSTEM AND CONSIDER SCHEDULING A FUTURE MEETING DATE FOR ACTION

Meeting Date:	**February 21, 2019**	**Budgeted:**	**N/A**
From:	**David J. Stoldt General Manager**	**Program/ Line Item No.:**	**N/A**
Prepared By:	**David J. Stoldt**	**Cost Estimate:**	**N/A**

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

DISCUSSION: On November 6, 2018 voters within the District passed Measure J 56% to 44%. Measure J directed that a new Rule 19.8 shall be added to the Monterey Peninsula Water Management District Rules and Regulations, Regulation I, General Provisions. The first section of the rule states that "It shall be the policy of the District, if and when feasible, to secure and maintain public ownership of all water production, storage and delivery system assets and infrastructure providing services within its territory."

The District Board has determined the best means to meet the "if and when feasible" criterion requires engagement of a team of consulting professionals to work with District General Counsel and Special Counsel to perform a feasibility analysis.

In order to direct the consultants as to which objective measure(s) of "feasible" to apply in their work it is important for the Board to establish its own standards or measures. In doing so, the Board felt it was important to hold "Listening Sessions" for the public in order to both explain the process going forward, and to hear the public's input on which measure of "feasibility" is most important. Five listening sessions were held over the course of 8 days in January.

Key areas regarding feasibility to discuss are:

Cost Savings: The listening sessions covered the following measures (i) Savings immediately and every year thereafter; (ii) Could freeze rates for 3 to 5 years before they start rising again; (iii) no savings in the first year, but the rate of future increases will be lower; (iv) a slight increase in cost for a few years, but it will be cheaper over the life; (v) No savings until after the debt is paid off; and (vi) Operating costs are the same, but future capital projects will be cheaper.

The recommended Valuation and Cost of Service Study Consultant (see agenda Item 14) has identified the following options for determination of financial feasibility: (i) Immediate and ongoing cost savings; (ii) No net cost change initially, but cost savings in the future; (iii) Higher

cost initially, but cost savings in the future; and (iv) No net cost change but greater transparency and control.

The District's eminent domain attorneys have indicated that in order to prove public necessity at a bench trial, cost savings will have to be shown very early on and must continue thereafter.

Method of Financing: There has been much discussion about the most appropriate method of financing the purchase price, if shown to be financially feasible. The board needs to decide if the financing should be captured within the rates, or if it is willing to do a financing backed by a special tax or ad valorem tax. Tax-backed debt will require a vote, which is not guaranteed. The Investment Banker hired (see agenda Item 14) will need to be provided direction.

ITEM: DISCUSSION ITEM

12. CONSIDER OPTIONS FOR ASSIGNMENT OF RULE 19.8 RESPONSIBILITIES TO STANDING COMMITTEE OR NEW COMMITTEES TO BE ESTABLISHED

Meeting Date:	**February 21, 2019**	**Budgeted:**
From:	**David J. Stoldt** **General Manager**	**Program/** **Line Item No.:**
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: No background provided.

ITEM: DISCUSSION ITEM

13. DISCUSS PROGRESS ON ONE- AND THREE-YEAR STRATEGIC PLANNING GOALS ADOPTED IN 2017

Meeting Date:	**February 21, 2019**	**Budgeted:**
From:	**David J. Stoldt** **General Manager**	**Program/** **Line Item No.:**
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.

SUMMARY: At its April 19, 2017 meeting the Board adopted 1-year and 3-year strategic planning goals. For the past 8 years the Board has used this biennial process to set goals and monitor progress. Typically, the strategic planning process has been conducted in odd-numbered years as follows:

February	Summarize progress to date
March	General Manager meets individually with Directors to discuss progress to date and goals for the future. GM also meets with management staff to do same.
April	Board discusses goals in open session; Adopts goals

This schedule is consistent with the budget cycle in order to ensure any new initiatives that require funding can be included in the budget draft in May and final in June.

RECOMMENDATION: The General Manager recommends that the Board of Directors receive the summary attached as **Exhibit 13-A** and review in advance of individual meetings with GM to be scheduled in March.

EXHIBIT
13-A Summary of Status of 2017 District Strategic Goals

EXHIBIT 13-A

Summary of Status of 2017 District Strategic Goals

Adopted Strategic 1-Year Goals

Goal Area	Status
1. Continue to Advance Water Supply Projects	
The District has made progress over the past year to secure contracts and funding for water supply projects. Continued progress would entail the following:	
• Break ground and begin construction of Pure Water Monterey; Project-manage injection well construction; Develop coordination plan for well operations; Determine projected cost of water and take actions as necessary; Develop plan for payment of treatment cost for reserve water.	• √ Accomplished
• Support completion of final EIR for the Cal-Am desalination project; Supervise compliance with Mitigation Monitoring and Reporting Program; Further develop Financing Order and timing for the "Ratepayer Relief Bonds" public contribution;	• √ Accomplished, except Financing Order delayed
• Complete Santa Margarita ASR Site – Enhanced backflush pond, redefine easement, enter into agreements with City of Seaside and FORA, complete construction.	• In progress
• Cease and Desist Order – Continue to seek clarity on Condition 2 as it relates to existing service connections.	• In progress
• Pursue Proposition 1 (including IRWM) and Federal funding opportunities.	• √ Accomplished
• Local Projects – Work with jurisdictions to advance planning and development of local supplies. Includes City of Monterey/MRWPCA stormwater management plan, seeking a market for Monterey Regional Airport non-potable supply, Pacific Grove local project, and Pebble Beach Company Del Monte Golf Course.	• √ Accomplished and Ongoing
2. Scenario Analysis – Delay or Failure of Large Water Supply to Advance	
Evaluate options under a delay in the water supply project:	
• Identify costs and timelines of alternatives.	• √ Accomplished • √ Accomplished
• Develop action plan to implement Conservation and Rationing Plan	• Delayed awaiting resolution of Condition 2
• Address rule changes to create additional supplies in short term (reestablish District Reserve, expand use of water entitlements, ease transfers, identify unused credits, Malpaso temporary urgency change petition, etc)	• √ Accomplished
• Examine health and safety needs of institutions and residences	

3. Establish Clear Requirements for Water Distribution Systems within the District The District could benefit by more clearly stating its expectations and requirements from large Water Distribution Systems within its boundaries with respect to the following:	
• Reporting production and consumption and other reporting requirements	
• Posting current rates and charges	• incomplete
• Posting other consumer-oriented information	• √ Accomplished
• Rules on annexations	• √ Accomplished
• Ensure District revenues appropriately collected (e.g. User Fee in Canada Woods territory; Water Supply Charge in satellite systems; Revisit Capacity Fee discount for non-Main territory)	• incomplete • √ Accomplished
• Examine compliance with water pressure requirements	
• Consider aligning District Boundaries more closely to underlying systems (LAFCO process)	• Examined; incomplete
• Other	• √ Accomplished; No action desired
4. Raise Profile of District at Local, State, and Federal Level	
• Develop ongoing outreach and visibility plan (e.g. monthly in print, quarterly on radio)	
• Annual update of District website	• √ Accomplished
• Obtain CSDA "Transparency Certificate";	• √ Accomplished
• Continue to achieve Government Finance Officer Association award for Comprehensive Annual Financial Report (CAFR)	• Incomplete • √ Accomplished
• More interaction with local NGOs	
• Continue speaking and sponsorship opportunities	• √ Accomplished
• Enhance State and Federal regulators' understanding of District role	• √ Accomplished
• Pursue State and Federal funding opportunities	• √ Accomplished • √ Accomplished
5. Fiscal Sustainability and Long-Term Financial Planning As large-scale out-of-pocket costs for water supply projects begins to decline, the District should examine its requirements for long-term fiscal strength, including:	
• Reserves and investments	
• Strategies for funding PERS and OPEB liabilities	• √ Accomplished
• Ongoing maintenance and replacement of District assets	• √ Accomplished; Ongoing
• Water Supply Charge plan for sunset/suspension/reduction; Need for new rate study?	• √ Accomplished
• User Fee status and uses	• Need to do more

• Plan for retirement of Rabobank Loan	• √ Accomplished
• Plan for paying for Pure Water Monterey reserves	• √ Accomplished
	• √ Accomplished
6. Develop Long-Term Information Technology Plan	
• Evaluate aging infrastructure; Develop replacement schedule	
• Replace Water Demand Database	• √ Accomplished
• Identify District data assets; Develop greater accessibility	• In progress
• Plan for replacement of District phone system	• Incomplete
• Digitize District maps, aerial photos, documents	• √ Accomplished
• Improve field personnel technology and access	• In progress
• Formalize plan for upkeep of District Website	• √ Accomplished
• Improve search function for District server and District website	• √ Accomplished
	• Incomplete
7. Organizational Issues	
The Board may seek to direct staff to review its essential services and staffing levels, as well as succession plans. This review may include actions related to the following:	
• Adopt and implement new annual performance evaluation tool	
• Addition of new staff to meet changing District priorities	• √ Accomplished
• Examine succession planning	• √ Accomplished
• Consider employee team-building or morale-building events each year	• Incomplete
• Ensure appropriate staff training (active shooter, customer service, CPR, confined space, etc)	• In progress
• Finish reorganization	• √ Accomplished
• Develop revised file retention policy and email retention policy; Reduce physical files	• Incomplete
	• In progress

Adopted Strategic 3-Year Goals

Goal Area	Status
8. Establish a Long-Term Strategy for Los Padres Dam The National Marine Fisheries Service has indicated that permanent removal of Los Padres Dam is a priority for restoration of the Steelhead in the Central Coast. However, many fisheries experts believe that a regulated river would be a better long-term solution for the Steelhead. Further, an unregulated river might radically affect the water rights and businesses of property owners along the river. The District, jointly with Cal-Am and a team of consultants, will address the following:	
• Instream Flow Incremental Method (IFIM) study to evaluate habitat from dam removal, expanded reservoir capacity, and/or changed operations.	• In progress
• Carmel River Basin Hydrologic Model to evaluate water availability under various alternatives.	• In progress
• Los Padres Dam upstream fish passage feasibility study	• In progress
• Los Padres Dam Alternatives and Sediment Management Study	• In progress
• Overall feasibility and cost considerations	• Incomplete
• Liability and management issues	• Incomplete
• Extending District river work permit jurisdiction upriver to extend regulatory authority	• In progress
9. Develop Comprehensive Strategy for Permit 20808-B The District has successfully reassigned portions of the original New Los Padres Reservoir permit 20808 to Phases 1 and 2 of ASR (20808-A and 20808-C.) However, permit conditions for each are different. The remainder permit 20808-B, without an approved extension, could be revoked by the SWRCB if water is not put to authorized use by the year 2020. ASR operations are constrained by the season of diversion, points of injection and extraction, and out-of-date instream flow requirements. A strategy for the remainder will include:	
• Identification of two to three potential new injection and recovery sites, both in the Seaside Basin and the Carmel Valley • Possible source well rehabilitation and/or expansion in Carmel Valley; Potential treatment capacity expansion. May require EIR. • Develop strategy for direct diversion component of water right. • Amend existing permits and conform all permits to same standards; Attempt to create greater operating flexibility such that any injection well can inject any water and wells can be used for both recovery and production. • Undertake CEQA for a possible increase to season of diversion. • Complete a water availability analysis and an IFIM study to revise permit conditions.	• In progress; Hampson memorandum under review; progress; Should be 1-year goal for 2019

10. Prepare for Allocation of "New Water"

The 1990 Allocation EIR resulted in the District developing a process for the allocation of water to the jurisdictions. The process was very interactive with jurisdiction participation. The District will need to be proactive to develop fair and equitable mechanisms for allocation of such water to the jurisdictions. Policies need to be considered for:

- In FY 2017-18, meet with jurisdictions to agree on future parameters
- The almost 1,800 acre-feet for legal lots of record
- Local projects such as Pacific Grove that free-up potable supplies within jurisdictions
- Future ASR, Table 13, Odello, changes in permit conditions, and so on may create additional supplies
- Use of any "excess" supplies in the early years of the project, before allocation to full build-out of Pebble Beach or legal lots of record
- Update and evaluation of the jurisdiction's general plan needs
- Clean up the District rules regarding Water Credit transfers, sales, and categories.

- Deferred due to lack of progress on water supply project; Should be 3-year goal for 2019

11. Reform Rules and Regulations

Some Board members have expressed a desire to allow the addition of a half bathroom beyond a second bathroom. This may be part of a broader examination of all residential restrictions and a determination of what policies can be revised without an intensification of water use while the CDO remains in effect, as well as what direction policy should take for the future when the CDO is lifted.

- Consider change to second-bathroom protocol
- Develop credit for innovative technology
- Examine conservation off-set program
- Refine Group I, Group II, and Group III distinctions
- Reestablish District Reserve
- Expand use of water entitlements and ease water credit transfers
- Develop metering standard for non-Cal-Am pumpers on land use reporting method in the Carmel Valley Alluvial Aquifer
- General clean-up

- In progress in some areas; Should be 3-year goal for 2019

12. Carmel River Mitigation Program

Determine direction for the District's Carmel River mitigation activities as a result of removal of San Clemente Dam and the assumption that a new water supply comes on line.

Near term: • Remove damaged bridge and footing from 1995 flood • Restore area downstream of Rancho San Carlos Road bridge damaged in 2017 • Invest in data collection to support future actions (PIT tagging, construction and staffing of a weir for fish counts, etc) • Promote strategies for addressing the striped bass issue • Secure outside funding for habitat restoration Long term: • Develop Mitigation Program "Endgame" Plan • What will be future Cal-Am operations? • What will be role of Cal-Am, NMFS, CDFW, non-Cal-Am pumpers? • How will a baseline be established? • What data will be needed? How will it be collected? For how long?	• √ Accomplished • √ Accomplished • √ Accomplished • √ Accomplished • Incomplete • Should be 3-year goal for 2019

ITEM: ACTION ITEM

14. APPROVE AUTHORIZATION OF FUNDS FOR DISTRICT COUNSEL'S RETENTION OF EXPERTS IN SUPPORT OF RULE 19.8 ANALYSIS

Meeting Date:	**February 21, 2019**	**Budgeted:**	**No**
From:	**David J. Stoldt General Manager**	**Program/ Line Item No.:**	**TBD**
Prepared By:	**David J. Stoldt**	**Cost Estimate:**	**$485,000**

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.

SUMMARY: On February 13, 2019 District Counsel received statements of qualifications from firms to provide expert services in support of possible acquisition and public ownership of Monterey Peninsula Water Systems related to the following three roles: Valuation and Cost of Service Study Consultant, Investor-owned Utility Consultant, and Investment Banker. The Investor-owned Utility Consultant and Investment Banker were intended to be sole-sourced professional services due to their unique and special nature. The Valuation and Cost of Service Study Consultant was intended to be competitively awarded based on several expected respondents. However, one firm withdrew, citing a conflict of interest. A replacement firm was sought based on providing similar past services. However, the latter firm indicated it no longer has the requisite expertise. Recommended firms, by role and cost estimates, are shown below:

Expertise of Consultant	Estimate plus 10% Contingency (Rounded)
Valuation and Cost of Service Study Consultant	$355,000
Investor-owned Utility Consultant	$100,000
Investment Banker	$30,000

RECOMMENDATION: The General Manager recommends the Board of Directors authorize District Counsel to hire the three responsive firms to provide the referenced expert consulting services, and to budget funds from District reserves in amounts not to exceed those shown in the table above.

ITEM: INFORMATIONAL ITEMS/STAFF REPORTS

15. LETTERS RECEIVED

Meeting Date:	**February 21, 2019**	**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.

A list of letters submitted to the Board of Directors or General Manager and received between January 15, 2019 and February 12, 2019 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
David Beech	MPWMD Board	2/12/19	Towards the written plan
D Poston, M Addison, F Lunding, L Samuels, C Vetter	MPWMD Board	1/29/19	Rule 19.8 Feasibility Study
Dawn Posten	MPWMD Board	1/28/2019	Rule 19.8 Feasibility Study
John Tilley	MPWMD Board	1/25/2019	Measure J Feasibility Study Comments
Valerie Ralph	Arlene Tavani	1/24/2019	Monterey County City Selection Committee Appointment to the MPWMD
Mary Ann Carbone	MPWMD Board	1/24/2019	Going forward with the implementation of Measure J
David Beech	MPWMD Board	1/23/2019	Urgent suggestions for the written plan process
John Moore	MPWMD Board	1/23/2019	More on carcinogenic fire fighting foam
Melodie Chrislock	MPWMD Board	1/23/2019	Top ten most expensive water providers in the country
James Hicks	MPWMD Board	1/20/19	Points for presentation to a doubting business group
Rick Heuer	MPWMD Board	1/18/2019	MPTA Recommendations on Feasibility Study

ITEM: INFORMATIONAL ITEMS/STAFF REPORTS

16. COMMITTEE REPORTS

Meeting Date:	**February 21, 2019**	**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.

No committee reports are submitted for Board review.

ITEM: INFORMATIONAL ITEM/STAFF REPORTS

17. MONTHLY ALLOCATION REPORT

Meeting Date:	**February 21, 2019**	**Budgeted:**	**N/A**
From:	**David J. Stoldt, General Manager**	**Program:** **Line Item No.:**	**N/A**
Prepared By:	**Gabriela Ayala**	**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, 2019, a total of **22.237** acre-feet **(6.5%)** 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 **28.932** acre-feet is available as public water credits.

Exhibit 17-A shows the amount of water allocated to each Jurisdiction from the Paralta Well Allocation, the quantities permitted in January 2019 ("changes"), and the quantities remaining. The Paralta Allocation had one debit in January 2019.

Exhibit 17-A also shows additional water available to each of the Jurisdictions and the information regarding the Community Hospital of the Monterey Peninsula (Holman Highway Facility). 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 17-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 17-C**.

EXHIBITS
17-A Monthly Allocation Report
17-B Monthly Entitlement Report
17-C District's Water Allocation Program Ordinances

EXHIBIT 17-A
MONTHLY ALLOCATION REPORT
Reported in Acre-Feet
For the month of January 2019

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	0.263	50.659	0.000	0.030	38.121	0.000	2.325	2.618
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	0.133	0.155
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	0.344	4.662	34.438	0.000	34.438	2.693	0.000	1.144	40.244
TOTALS	**342.720**	**0.344**	**22.237**	**101.946**	**0.000**	**35.923**	**90.142**	**0.000**	**28.932**	**87.092**

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	9.375	3.385

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

EXHIBIT 17-B
MONTHLY ALLOCATION REPORT
ENTITLEMENTS
Reported in Acre-Feet
For the month of January 2019

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]	224.200	0.000	31.431	192.769
Del Monte Forest Benefited Properties [2] (Pursuant to Ord No. 109)	140.800	0.450	54.269	86.531
Macomber Estates	10.000	0.000	9.595	0.405
Griffin Trust	5.000	0.000	4.829	0.171
CAWD/PBCSD Project Totals	**380.000**	**0.450**	**100.124**	**279.876**

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	4.548	201.452
Malpaso Water Company	80.000	0.044	11.852	68.148
D.B.O. Development No. 30	13.950	0.000	1.112	12.838
City of Pacific Grove	66.000	0.000	0.000	66.000
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 17-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 Malpaso 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 REPORTS

18. WATER CONSERVATION PROGRAM REPORT

Meeting Date:	**February 21, 2019**	**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 compared against the properties that have submitted WCCs. Details on **52** property transfers that occurred between January 1, 2019 and January 31, 2019 were added to the database.

B. Certification

The District received **28** WCCs between January 1, 2019, and January 31, 2019. Data on ownership, transfer date, and status of water efficiency standard compliance were entered into the database.

C. Verification

In January, **64** properties were verified compliant with Rule 144 (Retrofit Upon Change of Ownership or Use). Of the **64** verifications, **40** properties verified compliance by submitting certification forms and/or receipts. District staff completed **24** Site inspections. Of the **40** properties inspected, **24 (60%)** 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 in January 2019 are estimated at **0.440** Acre-Feet Annually **(**AFA). Water savings from retrofits that exceeded the requirement (i.e., HETs to Ultra High Efficiency Toilets) is estimated at **0.120** AFA (12 toilets). Year-to-date estimated savings from toilet retrofits is **0.680** 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. This month, District inspectors performed **16** inspections. Of the **16** inspections certified, **thirteen** were in compliance. **Four** 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 November 2018, MPWMD referred **no** properties to Cal-Am for verification of outdoor Rate BMPs.

E. Water Waste Enforcement

In response to the State's drought emergency conservation regulation effective June 1, 2016, the District has increased its 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 **five** 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 **88** Water Permits in January 2019. **Ten** 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 **88** Water Permits issued in December, **six** were issued under this provision.

B. Permit Compliance

District staff completed **68** Water Permit final inspections during January 2019. **Fourteen** of the final inspections failed due to unpermitted fixtures. Of the **39** passing properties, **25** passed inspection on the first visit. In addition, **six** 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. In the month of January, the District prepared **71** deed restrictions. Of the **88** Water Permits issued in January, **49 (55%)** required deed restrictions. District staff provided Notary services for **60** Water Permits with deed restrictions. Participation in the rebate program is detailed in the following chart. The table below indicates the program summary for Rebates for California American Water Company customers.

III. JOINT MPWMD/CAW REBATE PROGRAM

REBATE PROGRAM SUMMARY		January-2019					2019 YTD	1997 - Present
I. Application Summary								
A.	Applications Received	159					159	26,365
B.	Applications Approved	128					128	20,562
C.	Single Family Applications	120					120	23,821
D.	Multi-Family Applications	30					30	1,381
E.	Non-Residential Applications	0					0	354
II. Type of Devices Rebated		Number of devices	Rebate Paid	Estimated AF	Gallons Saved	2019 YTD Quantity	2019 YTD Paid	2019 YTD Estimated AF
A.	High Efficiency Toilet (HET)	0	0.00	0.000000	0	0	0.00	0.000000
B.	Ultra Low Flush to HET	47	2925.00	0.390000	127,082	127082	2,925.00	0.390000
C.	Ultra HET	4	500.00	0.040000	13,034	13,034	500.00	0.040000
D.	Toilet Flapper	1	6.99	0.000000	0	0	6.99	0.000000
E.	High Efficiency Dishwasher	20	17375.00	0.322000	104,924	104,924	17375.00	0.322000
F.	High Efficiency Clothes Washer	64	34446.20	1.030400	335,756	335,756	34446.20	1.030400
G.	Instant-Access Hot Water System	1	200.00	0.000000	0	0	200.00	0.000000
H.	On Demand Systems	0	0.00	0.000000	0	0	0.00	0.000000
I.	Zero Use Urinals	0	0.00	0.000000	0	0	0.00	0.000000
J.	High Efficiency Urinals	0	0.00	0.000000	0	0	0.00	0.000000
K.	Pint Urinals	0	0.00	0.000000	0	0	0.00	0.000000
L.	Cisterns	1	450.00	0.000000	0	0	450.00	0.000000
M.	Smart Controllers	0	0.00	0.000000	0	0	0.00	0.000000
N.	Rotating Sprinkler Nozzles	0	0.00	0.000000	0	0	0.00	0.000000
O.	Moisture Sensors	0	0.00	0.000000	0	0	0.00	0.000000
P.	Lawn Removal & Replacement	1	2000.00	0.000000	0	0	2000.00	0.000000
Q.	Graywater	0	0.00	0.000000	0	0	0.00	0.000000
R.	Ice Machines	0	0.00	0.000000	0	0	0.00	0.000000
III. Totals: Month; AF; Gallons; YTD		139	57903.19	1.782400	580,796	580796	57,903.19	1.782400
							2019 YTD	1997 - Present
IV. Total Rebated: YTD; Program							57903.19	6,397,298.22
V. Estimated Water Savings in Acre-Feet Annually*							170284.5 70000	1.782400

*Retrofit savings are estimated at 0.041748 AF/HET;0.01 AF/UHET;0.01 AF/ULF to HET;0.003 AF/HE DW; 0.0161 AF/Residential HEW; 0.0082 AF/100 sf. of lawn removal.

ITEM: INFORMATIONAL ITEMS/STAFF REPORTS

19. CARMEL RIVER FISHERY REPORT FOR JANUARY 2019

Meeting Date:	**February 18 2019**	**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: Los Padres Dam (LPD) spilled on December 18 and the river front reached the lagoon on December 19, 2018. A series of large storms in January brought the river up to a peak of nearly 8,000 cubic feet per second (cfs) (see chart below). All the primary tributaries are now flowing to their confluence. Upstream migration conditions for adult steelhead are excellent. Downstream migration and rearing conditions for smolts and juvenile steelhead are good to excellent throughout the watershed.

Mean daily streamflow at the Sleepy Hollow Weir ranged from 27 to 2,890 cfs (monthly mean 380 cfs) resulting in 23,390 acre-feet (AF) of runoff. Mean daily streamflow at the Highway 1 gage ranged from 19 to 2,750 cfs (monthly mean 367 cfs) resulting in 22,570 acre-feet (AF) of runoff.

There were 7.35 inches of rainfall in January as recorded at the San Clemente gauge (10.56 inches at LPR). The rainfall total for WY 2019 (which started on October 1, 2018) is 13.42 inches, or 120% of the long-term year-to-date average of 11.14 inches.

LOS PADRES DAM ADULT COUNTS: Cal-Am maintains a fish ladder and trap at the Los Padres Dam site. All adult steelhead captured in the trap are trucked to the reservoir and released.

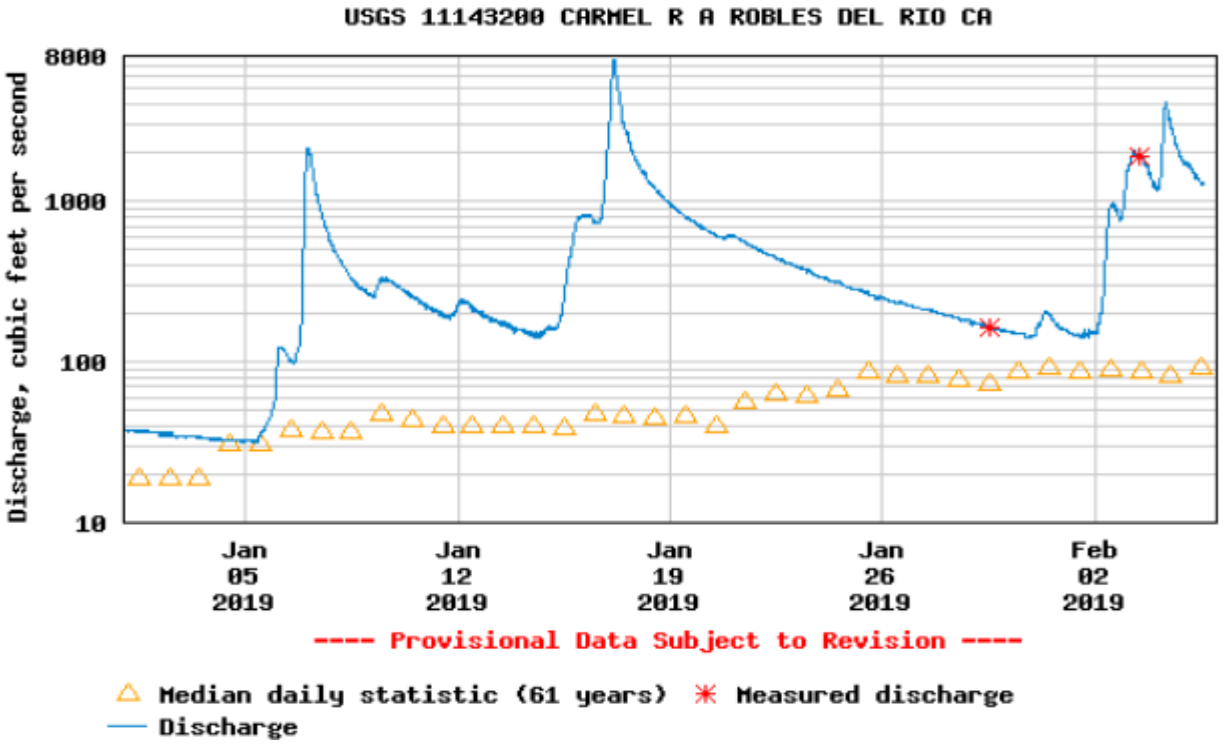
The first sea-run adult steelhead arrived at the trap on January 16th, and as of January 31, eight adults (3 males/5 females) have been captured and translocated above the dam. This is one of the highest January returns to LPD since the 1980s. In 2017, only 7 adults were counted at LPD the entire season, and in 2018 there were no adult fish at LPD until March.

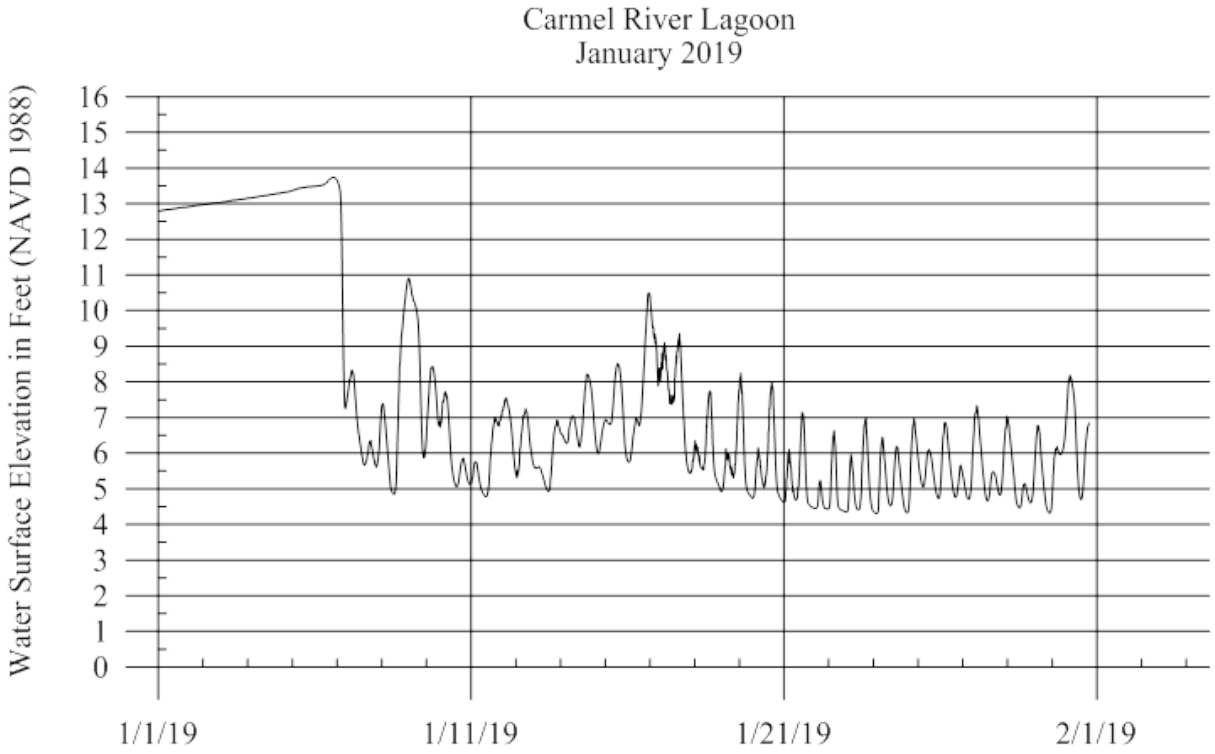
The downstream smolt bypass facility was activated in early January.

CARMEL RIVER LAGOON: The lagoon mouth opened January 6, 2019 after the water surface elevation (WSE) rose to approximately 13.75 feet (North American Vertical Datum of 1988; **NAVD** 88) (see graph below). After breaching, the WSE ranged from approximately 4.3 to 11 feet due to changes in river inflow combined with tidal and wave action.

Water quality depth-profiles were conducted at five sites on January 14, 2019 while the lagoon was open, the water surface elevation was 7 feet, and river inflow was 167 cfs. Steelhead rearing and migration conditions were generally "good". Throughout the lagoon, salinity was low ranging from 0.1-5 ppt, dissolved oxygen (DO) levels were variable at 0.4-11mg/l (low in the back of the south arm), and water temperatures ranged from 51-57 degrees F.

SLEEPY HOLLOW STEELHEAD REARING FACILITY: General contractor Mercer-Fraser Company of Eureka, CA, was hired for the Intake Upgrade Project and started construction in September on the $2 million project. The main features of the project include installing a new intake structure that can withstand flood and drought conditions as well as the increased bedload from the San Clemente Dam removal project two years ago, and a new Recirculating Aquaculture System (RAS) that can be operated in times of low flow or high turbidity to keep the fish healthy. January work included completion of the settling basin, rearing channel improvements, start of the electrical work, and installation of the cooling tower.




Carmel River Lagoon
January 2019
Water Surface Elevation in Feet (NAVD 1988)
16
15
14
13
12
11
10
9
8
7
6
5
4
3
2
1
0
1/1/19
1/11/19
1/21/19
2/1/19

ITEM: INFORMATIONAL ITEMS/STAFF REPORT

20. MONTHLY WATER SUPPLY AND CALIFORNIA AMERICAN WATER PRODUCTION REPORT

Meeting Date:	**February 21, 2019**	**Budgeted:**	**N/A**
From:	**David J. Stoldt, General Manager**	**Program/ Line Item No.:**	**N/A**
Prepared By:	**Jonathan Lear**	**Cost Estimate:**	**N/A**

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

Exhibit 20-A shows the water supply status for the Monterey Peninsula Water Resources System (MPWRS) as of **February 1, 2019**. 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 20-A** is for Water Year (WY) 2019 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** 2018 totaled **7.35 inches** and brings the cumulative rainfall total for WY 2019 to **13.42 inches,** which is **120%** of the long-term average through **January**. Estimated unimpaired runoff during **January** totaled **23,438 acre-feet (AF)** and brings the cumulative runoff total for WY 2019 to **26,400 AF,** which is **135%** of the long-term average through **January**. Usable storage for the MRWPRS was **30,330 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 2019. Through **January**, using the CDO accounting method, Cal-Am has produced **2,195 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 2019. Through **January**, Cal-Am has produced **928 AF** from the Seaside Groundwater Basin. Through **January**, **270 AF** of Carmel River Basin groundwater have been diverted for Seaside Basin injection; **0 AF** have been recovered for customer use, and **81 AF** have been diverted under Table 13 water rights. Cal-Am has produced **3,006 AF** for customer use from all sources through **January**. **Exhibit 20-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 **9,807 AF**, which is below the rationing trigger of **10,130** AF for WY 2019.

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

EXHIBIT 20-A

Monterey Peninsula Water Management District
Water Supply Status
February 1, 2019

Factor	Oct to Jan 2019	Average To Date	Percent of Average	Oct to Jan 2018
Rainfall (Inches)	13.42	11.17	120%	4.97
Runoff (Acre-Feet)	26,400	19,485	135%	5,238
Storage [5] (Acre-Feet)	30,330	30,180	101%	30,350

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 1922-2018 and 1902-2018 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 1989-2018 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 2019

(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	2,502	900	0	900	**3,402**	0	62	100	**162**
Actual [4]	2,195	928	86	1,014	**3,209**	0	81	66	**148**
Difference	307	-28	-86	-114	**193**	0	-19	34	**14**
WY 2018 Actual	1,752	1,231	101	1,332	**3,084**	0	0	68	**68**

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, 270 AF and 81 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 2019

(All values in Acre-Feet)

	Carmel River Basin	Seaside Basin	ASR Recovery	Table 13	Sand City	Mal Paso	Total
Oct-18	491	369	0	0	16	8	884
Nov-18	456	304	0	0	21	8	790
Dec-18	468	180	0	0	11	8	667
Jan-19	395	161	0	81	19	8	664
Feb-19							
Mar-19							
Apr-19							
May-19							
Jun-19							
Jul-19							
Aug-19							
Sep-19							
Total	**1,812**	**1,014**	**0**	**81**	**66**	**33**	**3,006**
WY 2018	**1,752**	**1,332**	**0**	**0**	**68**	**14**	**3,167**

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

Rationing Trigger: WY 2019

12 Month Moving Average [1]	9,807	10,130	Rule 160 Production Limit

1. Average includes production from Carmel River, Seaside Basin, Sand City Desal, and ASR recovery produced for Customer Service.

EXHIBIT 20-C

California American Water Production by Source: Water Year 2019

	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	Lower	Upper	Lower	Upper	Lower	Coastal	LagunaSeca	Coastal	LagunaSeca	Coastal	LagunaSeca						
	acre-feet	acre-feet	acre-feet	acre-feet	acre-feet	acre-feet	acre-feet	acre-feet	acre-feet	acre-feet	acre-feet	acre-feet	acre-feet	acre-feet	acre-feet	acre-feet	acre-feet	acre-feet
Oct-18	0	491	0	550	0	59	341	28	350	0	9	-28	860	900	40	16	25	9
Nov-18	0	456	0	383	0	-73	280	25	350	0	70	-25	761	733	-28	21	25	4
Dec-18	0	468	0	559	0	91	162	18	100	0	-62	-18	648	659	11	11	25	14
Jan-19	232	515	100	573	-132	58	146	15	100	0	-46	-15	907	773	-134	19	25	6
Feb-19																		
Mar-19																		
Apr-19																		
May-19																		
Jun-19																		
Jul-19																		
Aug-19																		
Sep-19																		
To Date	**232**	**1,931**	**100**	**2,065**	**-132**	**134**	**928**	**86**	**900**	**0**	**-28**	**-86**	**3,176**	**3,065**	**-111**	**66**	**100**	**34**

Total Production: Water Year 2019

	Actual	Anticipated	Acre-Feet Compaired to Target
Oct-18	876	925	49
Nov-18	782	758	-24
Dec-18	659	684	25
Jan-19	926	798	-128
Feb-19			
Mar-19			
Apr-19			
May-19			
Jun-19			
Jul-19			
Aug-19			
Sep-19			
To Date	**3,242**	**3,165**	**-77**

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.

ITEM: INFORMATIONAL ITEMS/STAFF REPORTS

21. RECEIVE NOTICE OF APPOINTMENTS TO CARMEL RIVER ADVISORY COMMITTEE

Meeting Date:	**February 21, 2019**	**Budgeted:**	**N/A**
From:	**David J. Stoldt, General Manager**	**Program/ Line Item No.:**	**N/A**
Prepared By:	**Larry Hampson**	**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.

Carmel River Advisory Committee (Committee) members are appointed for terms expiring on June 30, or on the date the appointing Director is replaced, whichever occurs first. The following Committee members have been appointed by their respective Board members:

Committee Member	Appointing Board Member
Marjorie Ingram Viales	Alvin Edwards (Div. 1)
Lorin Letendre	Gary Hoffman (Div. 5)
Tom House	Dave Potter (Mayoral Representative)

A list of the Committee members, their term ending dates, and the corresponding appointing Board members is provided in **Exhibit 21-A**.

EXHIBITS
21-A Carmel River Advisory Committee Member Appointments as of February 21, 2019

EXHIBIT 21-A

MONTEREY PENINSULA WATER MANAGEMENT DISTRICT

CARMEL RIVER ADVISORY COMMITTEE
Appointments as of February 21, 2019

Committee Member	Term Ends	Appointed By
Marjorie Ingram Viales	June 30, 2019	Alvin Edwards (Div. 1)
Vacant	June 30, 2019	George Riley (Div. 2)
Keely Clifford	June 30, 2020	Molly Evans (Div. 3)
Margaret Robbins	June 30, 2019	Jeanne Byrne (Div. 4)
Lorin Letendre	June 30, 2020	Garry Hoffman (Div. 5)
Tom House	June 30, 2020	Dave Potter (Mayoral Representative)
Gary Briant	June 30, 2020	Mary Adams (Monterey County Board of Supervisors)

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MONTEREY PENINSULA WATER MANAGEMENT DISTRICT

Supplement to 2/21/2019 MPWMD Board Packet

Attached are copies of letters received between January 15, 2019 and February 12, 2019. These letters are listed in the February 21, 2019 Board packet under Letters Received.

Author	Addressee	Date	Topic
David Beech	MPWMD Board	2/12/19	Towards the written plan
D Poston, M Addison, F Lunding, L Samuels, C Vetter	MPWMD Board	1/29/19	Rule 19.8 Feasibility Study
Dawn Posten	MPWMD Board	1/28/2019	Rule 19.8 Feasibility Study
John Tilley	MPWMD Board	1/25/2019	Measure J Feasibility Study Comments
Valerie Ralph	Arlene Tavani	1/24/2019	Monterey County City Selection Committee Appointment to the MPWMD
Mary Ann Carbone	MPWMD Board	1/24/2019	Going forward with the implementation of Measure J
David Beech	MPWMD Board	1/23/2019	Urgent suggestions for the written plan process
John Moore	MPWMD Board	1/23/2019	More on carcinogenic fire fighting foam
Melodie Chrislock	MPWMD Board	1/23/2019	Top ten most expensive water providers in the country
James Hicks	MPWMD Board	1/20/19	Points for presentation to a doubting business group
Rick Heuer	MPWMD Board	1/18/2019	MPTA Recommendations on Feasibility Study

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From: David Beech
To: alvinedwards420@gmail.com; rileyforwaterdistrict@gmail.com; Molly Evans; jcbarchfaia@att.net; gqhwd1000@gmail.com; dpotter@ci.carmel.ca.us; district5@co.monterey.ca.us; Dave Stoldt
Cc: Arlene Tavani
Subject: Towards the Written Plan
Date: Tuesday, February 12, 2019 2:48:36 PM

Members of the Board, General Manager,

In preparing for the important 2/21/19 Board Meeting, please consider the following ratepayer submission.

1. Qualifications of Proposed Consultants

It is essential that at least the major consultants selected should have had prior experience of contributing to a successful public buyout of a private utility company. This is a matter of demonstrated competence in a contested environment, where the data and reasoning in support of the Written Plan have to be strong and comprehensive enough to withstand any challenge, likely in court eventually. That will call for the recommendations to be objective, otherwise they would collapse in the hostile environment.

Isn't that the minimum we would expect if we were choosing advisors for ourselves for a large personal project?

2. Avoidance of Premature Criteria

Only when the consultants have done a substantial amount of work will it make sense to begin to develop a sense of the feasibility of the draft Written Plan. In particular, it would be inappropriate to establish precise metrics in advance, while understanding so little of the complex factors involved.

Although Cal Am might like to see a high hurdle set for feasibility of the buyout, it is worth noting that this would be inconsistent with their approach in the much simpler Slant Well Test, which did not have any predetermined criteria for success or feasibility, even though it was positioned as a somewhat scientific experiment.

Respectfully submitted,

David Beech

Monterey

From: Molly Evans <water@mollyevans.org>
Sent: Monday, January 28, 2019 9:31 AM
To: Dave Stoldt <dstoldt@mpwmd.net>
Subject: Fwd: Feasibility

Dave,

I received this today. Please forward to the Board. Thank you.

- Molly
Molly Evans
MPWMD Chair

Begin forwarded message:

> **From:** Dawn Poston <jumperdawn@aol.com>
> **Date:** January 28, 2019 at 9:21:35 AM PST
> **To:** water@mollyevans.org
> **Subject: Feasibility**
>
> January 29, 2019
>
> Dear Board of Directors,
>
> As you are involved with feasibility studies regarding the possible take over of Cal Am, we ask you to keep in mind the premise and promise on which Measure J passed. During the campaign virtually 100% of our neighbors, friends, and acquaintances who made the choice to support/vote for Measure J did so because they believed that, immediately upon a successful takeover, water would be ***cheaper***. Every public water sign said 'Want Affordable Water?' The inference was clear.
>
> Citizens who supported Measure J (and those who didn't) want the feasibility study to demonstrate that there will be **immediate and permanent reduction in water rates <u>now</u>.** Not five years from now, not twenty years from now, not sometime in the distant future, but **<u>now</u>.** The decision to move forward on takeover must be based on the premise and promise for which citizens made their vote. Without the certainty of that promise, the takeover is not feasible.
>
> We encourage you to make your decision based on immediate and permanent reduction in water rates.
>
> Sincerely,
>
> G16 Coalition Board of Directors
>
> Dawn Poston
>
> Michael Addison
>
> Frank Lunding
>
> Lawrence Samuels
>
> Carol Vetter

The G16 Coalition

Bringing Common Sense to Carmel Valley Issues

January 29, 2019

Water Peninsula Water Management District
P.O. Box 85
Monterey, CA 93942-005

Dear Board of Directors,

As you are involved with feasibility studies regarding the possible take over of Cal Am, we ask you to keep in mind the premise and promise on which Measure J passed. During the campaign virtually 100% of our neighbors, friends, and acquaintances who made the choice to support/vote for Measure J did so because they believed that, immediately upon a successful takeover, water would be ***cheaper***. Every public water sign said 'Want Affordable Water?' The inference was clear.

Citizens who supported Measure J (and those who didn't) want the feasibility study to demonstrate that there will be **immediate and permanent reduction in water rates now.** Not five years from now, not twenty years from now, not sometime in the distant future, but **now.** The decision to move forward on takeover must be based on the premise and promise for which citizens made their vote. Without the certainty of that promise, the takeover is not feasible.

We encourage you to make your decision based on immediate and permanent reduction in water rates.

Sincerely,

Dawn Poston

G16 Coalition Board of Directors
Dawn Poston
Michael Addison
Frank Lunding
Lawrence Samuels
Carol Vetter

From:	John Tilley
To:	Molly Evans; Arlene Tavani
Cc:	Comments; Mary Adams; alvinedwards420@gmail.com; rileyforwaterdistrict@gmail.com; jcbarchfaia@att.net; gqhwd1000@gmail.com
Subject:	RE: Measure J Feasibility Study Comments
Date:	Friday, January 25, 2019 4:07:13 PM

Hello Everyone,

May I please ask to have my e-mail below added to the listening session package which includes numerous other e-mails on the important topic?

Thank you,

John

From: Molly Evans [mailto:water@mollyevans.org]
Sent: Monday, December 24, 2018 11:37 AM
To: John Tilley <john.tilley@pinnacle.bank>
Cc: comments@mpwmd.net; Mary Adams <maryadams0712@gmail.com>; alvinedwards420@gmail.com; rileyforwaterdistrict@gmail.com; jcbarchfaia@att.net; gqhwd1000@gmail.com
Subject: Re: Measure J Feasibility Study Comments

John,

Than you for reaching out. The measure passed, and that directs the District to proceed with the acquisition. The first step is the study. If the study shows it is feasible, the next step is to show that it is in the public interest. Thus the reason we are asking that question. If the study shows it is infeasible to acquire the system, then the process stops, regardless of whether people feel it is in the best interests of the public. Asking only about the benefits of a publicly owned system does not call into question the District's impartiality. We are following the directive the voters have given the District.

I hope you have a very merry Christmas and a happy new year. I look forward to seeing you at a listening session.

- Molly
Molly Evans
MPWMD Chair

On Dec 24, 2018, at 8:14 AM, John Tilley <john.tilley@pinnacle.bank> wrote:

> Dear MPWMD,
>
> I see that the listening sessions all include the question "What do you see are the benefits of a publicly owned water system?" (See below please.) Obviously this is

skewed toward approval of a publicly owned water system; otherwise it would have read: “What do you see are the benefits or detractions of a publicly owned water system?

So that the district is appearing to be impartial in this process consider also asking for input that is not supportive of Measure J. The current questions make it seem that the district is gathering responses supporting public ownership rather than listening to the spectrum of opinions on public ownership.

Thank you,

John Tilley

Thank you for sharing your thoughts regarding the Water Management District’s Feasibility Study. Your participation in this exercise is critical for a thorough and comprehensive process.

We are asking you to please try to answer the following questions:

- *What does “feasible” mean to you?*
- *Which measure of “feasibility” is most important to you?*
- *What do you see are the benefits of a publicly owned water system?*

You may expand your thoughts of course, but we ask that you address these questions.

Thank you!

Water Management District Staff

MONTEREY COUNTY

CLERK OF THE BOARD OF SUPERVISORS

168 West Alisal Street, 1st Floor
SALINAS, CA 93901
P.O. BOX 1728
SALINAS, CA 93902
(831) 755-5066
cob@co.monterey.ca.us

January 24, 2019

Arlene Tavani
5 Harris Court, Bldg. G
Monterey, CA 93942

Re: Monterey County City Selection Committee Appointment to the Monterey Peninsula Water Management District

Dear Ms. Tavani,

On Friday, January 4, 2019, the Monterey County City Selection Committee appointed Mayor Dave Potter to the Monterey Peninsula Water Management District, for term ending at the pleasure of the City Selection Committee.

Contact information for Mayor Potter is as follows:

Mayor Dave Potter
City of Carmel-by-the-Sea
P.O. Box CC
Carmel, CA 93921
620-2000 city hall
915-3696 cell
dpotter@ci.carmel.ca.us

If you need further assistance, do not hesitate to contact me at (831) 755-5066.

Best regards,

Valerie Ralph
Clerk of the Board
Secretary to the City Selection Committee
County of Monterey

Cc: Mayor Potter
CSC File

Submitted by Mary Ann Carbone at 1/23/2019 Board Meeting
Item 15

January 24, 2019

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

RE: Going Forward with the Implementation of Measure J

Dear Mdm. Chairman and Board Members,

As you move forward with your implementation of Measure J, the City Council of Sand City requests that you take the following actions:

Number one	All factual data that the board plans to use when undertaking the feasibility study be publicly listed
Number two	The board publicly articulate their definition and boundaries for the determination of feasibility before data collection takes place and which California American Water assets are being considered for condemnation.
Number three	Every effort be made by the board to make all of their discussions, deliberations, directions to consultants, consultant scopes of work, etc. transparent and available to the public. The board should not hide behind the potential threat of litigation to discuss in closed session items that they would rather not discuss an open session. The feasibility component that is the first step in the condemnation process does not involve any negotiations whatsoever. When you get to the bench trial on public necessity it will be in open court with no secrets.
Number four	The board should make it clear what the costs and risks are associated with each stage of the process. For example, what is the range of estimated costs for the

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Incorporated
May 31, 1960

feasibility analysis, how much is budgeted to meet those costs, where will those dollars come from and what is the risk associated with that phase of the process. Assuming that the board finds acquisition feasible, what are the costs and risks associated going forward with the bench trial necessary to have the court find public necessity, which is necessary to actually condemn California American Water's assets? Assuming the bench trial is successful, what are the costs and risks associated with going forward with the jury trial to determine value of the California American Water assets?

Number five

Assuming a favorable bench trial and a jury trial that provides the adjudicated value of the California American Water assets, how will the purchase of those assets be financed? Sand City requests that the public have an opportunity to vote on the financing mechanism before the District moves forward with the actual condemnation of California American Water's assets.

Thank you for taking my community's questions and concerns into account. I ask that you publicly reply to these questions as I am sure that they are shared by almost every constituent of the Water Management District

Sincerely,

Mary Ann Carbone

Mary Ann Carbone
Mayor, City of Sand City

MC:sg

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Submitted by David Beech at 1/23/2019 Board Meeting

Item 15

Urgent Suggestions for the Written Plan process

David Beech

Monterey residential ratepayer

Public Comment to MPWMD Directors

January 23, 2019

WMD Board needs to be fully involved in the WP process

- WMD Staff
  - Execute well, but need guidance
  - Unilateral decisions so far have had problems:
    - Format of public outreach
    - Solicitation of consultants
- WMD Board
  - You are scheduled to approve staff-recommended consultants Feb 23 without any apparent prior involvement (not even in closed session so far)

Suggestion 1

- Schedule a WMD meeting early in February
  - i) To review RFQ job specifications (in open session, except where Brown Act allows closed session)
  - Ii) To consider the WP process after consultant selection, in preparation for a Feb 23 motion
  - Preferably conduct as a workshop, allowing dialog without “single 3-minutes at start” rule

Suggestion 2

- Please avoid premature decisions cf. Brexit!
  - Do not establish in advance a precise measure of feasibility (Cal Am never had one for the test slant well!)
  - Do not ask consultants (or WMD staff) to make recommendations on feasibility, but make a Board decision when the final WP gives you the factual basis for making this judgement.

Suggestion 3

- After long experience in producing documents like the WP, I would be happy, when given the time, to outline the most common successful process:
  - Focus from the start on a draft WP
  - Editor has control of changes, as directed
  - Establish the approval process for changes
  - Monthly distribution to, and review by, the Board

Sara Reyes

From: John Moore <jmoore052@gmail.com>
Sent: Wednesday, January 23, 2019 4:41 PM
To: Jim Johnson; russell mcglothlin; Randy.Barnard@waterboards.ca.gov; robert.brownwood@waterboards.ca.gov; ramburke@yahoo.com; Ron Weitzman
Cc: Laura Dadiw; DDWrecycledwater@waterboards.ca.gov; Jane Parker; john moore; Joe Livernois; Felicia Marcus; mheditor@montereyherald.com; editor@cedarstreettimes.com; erickson@stamplaw.us; erica.burton@noaa.gov; Cynthia Garfield; Catherine.Stedman@amwater.com; paul@carmelpinecone.com; pam@mcweekly.com; Prescott J. Kendall
Subject: Fwd: More on carcinogenic fire fighting foam PFAS/PFOA contaminating groundwater of towns near military bases

---------- Forwarded message ---------
From: John Moore <jmoore052@gmail.com>
Date: Wed, Jan 23, 2019 at 4:27 PM
Subject: Fwd: More on carcinogenic fire fighting foam PFAS/PFOA contaminating groundwater of towns near military bases
To: <Jan.Sweigert@waterboards.ca.gov>

I sent the above e-mails to you last Sep 16, 2018.
Three different Engineers at the Dept. of Drinking Water (DDW) have informed me that you have the authority to insist upon the required tests for the PWM project, the desalinization project and for the Seaside Basin.
In El Paso, Texas, there is a current drinking water contamination issue related to prior fire foam used to put out fires. As the PWM EIR for PWM showed, such foam had been used and was present in the soils of Area 39 of Ft. Ord, but the Super Fund engineers did not authorize funding to clean it up, as I discussed above. IMO, based on the Salinas basin history, the Seaside Basin is probably contaminated right now, but the few tests now used would not reveal PFAS/PFOA, other PFC's and Chemicals of Emerging Concern, because appropriate tests have not been required by you(admittedly there is pressure on you not to impose appropriate tests, or to determine the necessary tests).
All agree that because of your designated status as the person responsible for the safety of the water injected into and out of the Seaside basin for potable uses, when the failures occur, you will be the named Scapegoat. Named by Who? Everyone above you, plus the recycle boys, Sciuto, Stoldt and Barnhart(DWW engineer).
No employee with your historic record of exceptional performance should be put in your position, but it happens. I practiced law in Sacramento and did millions of contract work for state agencies, particularly the Dept. of Corrections, so I have first hand knowledge about how your superiors protect themselves. Not all of them, but in this case there are several clear cut hucksters, including the recycle boys.
All that I have asked is that DWW, The Seaside Watermaster, or the State Water Board hire a couple of recognized experts with medical and wastewater safety educations and experience(Mds.,Micro-biologsts, PHDs, Epidimologists,) et al to study the PWM project, including the quality of the Seaside basin to assure those of us that are scheduled to buy and use this water for potable purposes, that the water is safe for such purposes.
If I was in your spot I would order such an analysis. Let the promoters scream, but then explain two things: first why were medical experts excluded from the EIR process, and second, how can they reasonably object to such a safeguard?
John M. Moore, 836 n2d st.
Pacific Grove, Ca. 93950 831-655-4540

---------- Forwarded message ---------
From: John Moore <jmoore052@gmail.com>
Date: Sun, Sep 16, 2018 at 3:49 PM

Subject: Fwd: More on carcinogenic fire fighting foam PFAS/PFOA contaminating groundwater of towns near military bases
To: <Jan.Sweigert@waterboards.ca.gov>
Cc: <robert.brownwood@waterboards.ca.gov>

Ms.Sweigert:
Mr. Brownwood was diligent enough to call me a couple of weeks ago and we discussesd my concerns about the health safety of the Pure Water Monterey project. He suggested that I also discuss it with you, but I am so astounded by how the project was approved, not based on measurable science, but by the political expediency of declaring the experimental project a "done deal" based on proven precedents, that I have been reluctant to call you.

No expert toxicologist concerning the health safety of treated recycled waste waters like the PWM mix was consulted, in my view, because such an expert would not have approved it without tests for unknown CEC's, pathogens, protozoa, PSOA and PSOS. Currently, the labs negotiating with PWM are not even certified to perform such tests.

In addition, the proposed monitoring program, is not "real time," and as you are aware, source water changes minute to minute.
The e-mail above is from one of my researchers. It brings into question the health safety of the Seaside Basin, which sits under one of the Superfund base clean up sites listed in the govt. report, but ignored on the premise that the impaired water would not exit the base(untrue, one aquifer in the basin traverses to the sea.). It was also ignored based on the assumption that no local agency would use it for unsafe purposes.

As you may be aware, my concerns caught the ear of the judge in charge of the Seaside Basin Watermaster. He acknowledged that I had raised a bona fide issue about the safety of the PWM water for injection into the basin, but then recused himself. I had requested that the judge hire a panel of expert toxicologists to advise him about the safety of the PWM product.

A new judge will be appointed, but I am sure it will be a political appointment by a judge who will rubber stamp injection of the PWM brew into the basin.

I wonder if the recent PFOA and PFOS monitoring will be made a part of the testing program for the PWM project after it reposes in the basin I live in Pacific Grove where you are held in high regard, but if the PWM project is not subjected to safety tests based on the advice of trained toxicologist in the field, I am preparing to sell my home and move my son and his family from the district(with sales comm. and moving costs, about a $75,000 hit).
I realize that it would be difficult for you to impose the type of testing that I am suggesting. It is the old saw"how much is a life or disability worth?"

Please, do all that you can do to protect every man woman and child in the district. John M. Moore 655-4540

---------- Forwarded message ---------
From: Marcia Wright <marciawright@comcast.net>
Date: Mon, Aug 6, 2018 at 12:36 PM
Subject: More on carcinogenic fire fighting foam PFAS/PFOA contaminating groundwater of towns near military bases
To: John Moore <jmoore052@gmail.com>, Michael Weaver <michaelrweaver@mac.com>

More on military bases' fire fighting foam pollutants (PFOS/ PFAS), that are cancer causing and which persist in groundwater and soil. The breaking news is that Michigan was not an isolated case. Now these PFAS are being detected US wide, they have migrated into and contaminated groundwaters under military bases as well as other off base

locations. Fort Ord, anyone? Site 39, anyone? As usual the EPA, which is the fed agency responsible for the Safe Drinking Water Act, is in CYA mode. The EPA has quickly reduced their MCL limits to 70.
But the CDC (i.e. real physicians, not sanitation/enviro engineers pretending to be M.D.'s) disagrees with the EPA and says human health damage can occur at 10, not 70.

1. https://linkprotect.cudasvc.com/url?a=https%3a%2f%2fwww.militarytimes.com%2fnews%2fyour-military%2f2018%2f05%2f20%2fmore-reasons-to-be-worried-about-cancer-causing-chemicals-on-military-bases%2f&c=E,1,xjUqjhXDrZJF5W3M_UwkWGaXpyeb83aS0z7wqoygsyRAb6G5ldaSo4oH1u3ite276wN0-YKlhf2hC5nqZHwlcMj2VwXilh8rJCc8WfJOOU4S&typo=1
Good article to read!

snip

"Why would you put something out there like that, or have us use it … when you didn't do more research on it?" he said. "So you either knew about it, and put it in our hands anyway, or you didn't do enough to study it to see what its effects would be before you put it into use."

Doesn't that very sad quote by a soldier who got cancer from the cancer causing chemicals in fire fighting foam sound errily familiar to our discussions about PWM and SWB's push for potable recycle, when so little information about potable recycle's public health impacts is known? When physicians are not even being consulted by the SWB, or for that matter, the PWM project? This potable recycle march forward is being led by political appointees, enviro and engineering consultants, referred to as "experts". None of them are M.D.'s. They know zero about human health, and yet they want to put potable recycle into state wide use.

2. Here's the DOD report that was recently released about the 400 military bases stateside that used fire fighting foam with PFOS/PFAS.
Fort Ord was one of them - no surprise. Notice the superficial testing done by the Army - obviously the Army doesn't want MC BOS to shut down the PWM project and bounce back the cost of cleanup of Seaside Aquifer to the Army.

https://partner-mco-archive.s3.amazonaws.com/client_files/1524589484.pdf
See page 26 Fort Ord

PFOS/PFOA was sampled at OU1, results as indicated. The regulatory agencies agreed to close OU-1 and approved the demolition of all OU1 remaining GW wells and the Northwest Treatment System without any further action on PFOA/PFOS because the groundwater has existing restrictions and is not migrating off post. [? how do they know this is true?] The demolition activity was completed in July 2017.

1) The draft OU1 Closeout Report is currently under review by the regulatory agencies and waiting for approval

2) One additional sampling event is planned for the groundwater monitoring wells at OU2 to screen for PFOA/PFOS in FY18. Any future activities will be based on the sampling results

8 wells tested on base
2 wells over EPA limit
Range of Results above EPA LHAs (ppt): 120 - 334.

No off base wells tested.

3. http://www.dailymail.co.uk/news/article-5876611/Doctor-got-cancer-age-30-demands-investigation-possible-cluster.html

Summary of article above - it's great to read btw. An oncologist physician in Florida was diagnosed with bowel cancer in her early 30's. She noticed clusters of cancer cases in the same area where she attended high school, which was located near a military base. She's leading the charge to find out if groundwaters in towns near the military base have been contaminated by PFAS. EPA and local bureaucrats are in CYA mode. Water is safe, they say, meets [low bar antiquated] state and federal standards… I hope she doesn't give up.
I'll try to reach the oncologist and recommend she contact Professor John Edwards @ Virginia Tech, who exposed the gov't agency lies to residents at DC and Flint.

4. https://linkprotect.cudasvc.com/url?a=https%3a%2f%2fwww.seattletimes.com%2fseattle-news%2fenvironment%2feffort-to-clean-up-contaminated-groundwater-in-washington-may-get-federal-help%2f&c=E,1,Wwwhq2-TyU1oYhylgIFk6h71AS0AnXd3_fg4XiKpcvj2ijFqYo1JTpAK22DRfHQEQo7dtlKIKWWYzY3qJfVbv9rylv8nFmXLMC-Q0eVH3w4vU9bxyunFyIz1aQ,,&typo=1

This article shows what how little Fed politicians value the lives of US citizens. $70 Million to clean up gw contamination @ 400 military bases? Seriously?

"Effort to clean up contaminated groundwater in Washington may get federal help"

Seattle Times staffUpdated July 27, 2018 at 12:49 pm

Fairchild Air Force Base near Spokane and Naval Air Station Whidbey Island have conducted tests that showed levels of chemicals found in firefighting foam to be above federal guidelines. Elevated levels of the chemicals also were found at Joint Base Lewis-McChord.

The U.S. Senate is expected to vote next week on a bill that helps pay for clean up of groundwater contamination linked to firefighting foams used at military installations, including three in Washington state.

The National Defense Authorization Act legislation, which was approved by the House on Thursday, includes $70 million in funding for the cleanup, said Sen. Maria Cantwell, D-Wash., in a statement. It's unclear how much of that amount would be allocated to Washington. The Defense Department has identified more than 400 military installations with a known or suspected release of the chemicals, sometimes spreading into wells used for drinking water in surrounding communities.

In Washington, Fairchild Air Force Base near Spokane and Naval Air Station Whidbey Island have conducted tests that showed levels of chemicals found in firefighting foam to be above federal guidelines.[which are set too high anyway]

Elevated levels of the chemicals also were found at Joint Base Lewis-McChord, but military officials have indicated the contamination has not spread outside of the base, according to Cantwell's statement.

"Clean drinking water is a must for every Washingtonian, and for families throughout our country," Cantwell said. "This funding will ensure we continue to clean up groundwater in communities affected by those chemicals."

5. This article talks about a firm that is trying to cleanup PFAS/PFOS using new technology. Bottomline - it costs $$$$$$$$$$ and it takes many years before the gw is safe to use for drinking water. Say Seaside Aquifer, anyone?

https://linkprotect.cudasvc.com/url?a=http%3a%2f%2fwww.nhpr.org%2fpost%2fnew-tech-scrubs-pfas-contamination-groundwater-

pease%23stream%2f0&c=E,1,HHkVUi61lVAatlfUOykbIHSJqUeFHgtjTmwyt5fOBlzikwOauo15RufBeufe1zTi8pQvYPhdknRurwn8DTDmBvYAjXJDG_Pi2qBRhIpEr_UmCd7iPEo1&typo=1

PFAS was common until the early 2000s in all kinds of products. It doesn't biodegrade and has been linked to cancers and other health issues. And it doesn't take much PFAS to cause those problems. The CDC says as little as 11 parts per trillion of some of the chemicals may put human health at risk. The EPA's suggested limit is 70 parts per trillion.

Compare that to levels found at Pease: the well that was shut down for contamination in 2014 contains up to 2,000 parts per trillion PFAS.
And the aquifer beneath this fire training area contains 50,000 parts per trillion. The Air Force says this treatment facility could be a model for long-term cleanup near other contaminated bases nationwide.
It'll pump the groundwater out of the aquifer, scrub it of PFAS, and put it back in the ground – over and over for years until the groundwater is safe to drink.

6. Colorado is finding the same PFAS/PFOS problems in gw. Oddly enough California's State Water Board has been mum on the subject, although CA. had/has several military bases.

https://www.denverpost.com/2018/07/12/north-metro-denver-contaminated-groundwater/

The Environmental Protection Agency's current health advisory limit for PFCs is 70 ppt because these are among the hardest-to-remove chemicals, linked to health problems from testicular cancer to low birth weights.

Top Ten Most Expensive Water Providers in the Country: 2017 Update

In 2015, Food & Water Watch surveyed the 500 largest community water systems in the United States to find out how much they charge a typical household using 60,000 gallons a year.[1] Since then, California American Water — a state arm of the nation's largest private water corporation[2] — has substantially increased its water rates on the Monterey Peninsula, California.[3] In April 2017, we reexamined the 10 most expensive providers to see how their rates have changed. Among these systems, California American Water charges typical Monterey households the highest water rates.

New Rank	Old Rank	Utility	State	Owner	2015 Bill	2017 Bill	Increase	% Increase
1	**9**	**California American Water - Monterey**	**CA**	**Private**	**$716.18**	**$1,202.59**	**$486.41**	**68%**
2	2	Padre Dam Municipal Water District	CA	Public	$826.94	$959.27	$132.33	16%
3	8	Goleta Water District	CA	Public	$736.62	$958.55	$221.94	30%
4	3	Pennsylvania American Water – West	PA	Private	$792.84	$847.59	$54.75	7%
5	4	Pennsylvania American Water – Pittsburgh	PA	Private	$792.84	$847.59	$54.75	7%
6	5	Pennsylvania American Water – Lake Scranton	PA	Private	$792.84	$847.59	$54.75	7%
7	6	Pennsylvania American Water – Norristown	PA	Private	$792.84	$847.59	$54.75	7%
8	10	West Virginia American Water – Kanawha Valley	WV	Private	$710.63	$827.37	$116.74	16%
9	7	Aqua Pennsylvania	PA	Private	$782.38	$782.38	$-	0%
10	1	Flint	MI	Public	$910.05	$710.83	$(199.22)	-22%

NOTES: Annual bills were calculated for households using 60,000 gallons a year, using rates inside the main service area, as of January 2015 and April 2017.

Endnotes

1 Food & Water Watch. "The State of Public Water in the United States." February 2016.

2 American Water Works Corporation, Inc. U.S. Securities and Exchange Commission. Form 10-K. February 21, 2017 at 3 and exhibit 21.1.

3 Johnson, Jim. "Cal Am water bills to rise as much as 79 percent by March; more increases pending." *Monterey County Herald.* January 21, 2017.

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THE STATE OF PUBLIC WATER
IN THE UNITED STATES

food&waterwatch

About Food & Water Watch

Food & Water Watch champions healthy food and clean water for all. We stand up to corporations that put profits before people, and advocate for a democracy that improves people's lives and protects our environment. We envision a healthy future for our families and for generations to come, a world where all people have the wholesome food, clean water and sustainable energy they need to thrive. We believe this will happen when people become involved in making democracy work and when people, not corporations, control the decisions that affect their lives and communities.

Food & Water Watch has state and regional offices across the country to help engage concerned citizens on the issues they care about. For the most up-to-date contact information for our field offices, visit *foodandwaterwatch.org*.

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THE STATE OF PUBLIC WATER
IN THE UNITED STATES

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Executive Summary

Nearly nine out of ten people in the United States receive their water service from a publicly owned utility. Although water privatization receives a great deal of attention from policy makers, the dominant trend is in the other direction — toward public ownership.

There are many good reasons for this trend. By owning and operating their water and sewer systems, local governments have control over the decisions that determine the cost and quality of services that are essential for public health and wellbeing as well as economic viability. This control allows governments to direct development, planning and growth and to better protect the environment and sustain their local economies.

Food & Water Watch reviewed eight years of data from the Federal Safe Drinking Water Information System to document the ongoing annual shift toward public ownership.

Food & Water Watch also conducted a comprehensive survey of the water rates of the 500 largest U.S. community water systems and found that large for-profit, privately owned systems charged 59 percent more than large publicly owned systems. This is the largest water rate survey of its kind in the country.

Key Findings

Public water prevails across the country. The vast majority of people receive tap water from a publicly owned utility.

- Publicly owned utilities served 87 percent of people that have piped water service.
- For-profit water companies own only about 10 percent of water systems, most of which serve small communities.

There is an ongoing nationwide trend toward public ownership of water systems. More and more people each year receive their water service from a public utility.

- From 2007 to 2014, the portion of people with water service from publicly owned systems increased from 83 percent to 87 percent.
- Over that period, the number of private systems dropped 7 percent (a loss of nearly 1,700 privately

owned systems), while the number of people served by privately owned systems fell 18 percent (8 million people).

- At the same time, the number of publicly owned systems remained fairly constant, but these public systems saw their service population grow by 10 percent, adding 24 million people to their networks.
- Public water utilities are taking over and consolidating private systems.

Public service is the most affordable option. A survey of the 500 largest community water systems reveals:

- On average, private for-profit utilities charged households 59 percent more than local governments charged for drinking water service — an extra $185 a year.
- The average government utility charged $315.56 for 60,000 gallons a year, while the average for-profit company charged $500.96 (59 percent more) for the same amount of water.
- In New York and Illinois, private systems charged about twice as much as their public counterparts.
- In Pennsylvania, private systems charged 84 percent more than public systems, adding $323 onto the typical household's annual water bill.
- In New Jersey, private systems charged 79 percent more than public systems, adding $230 onto the typical household's annual water bill.

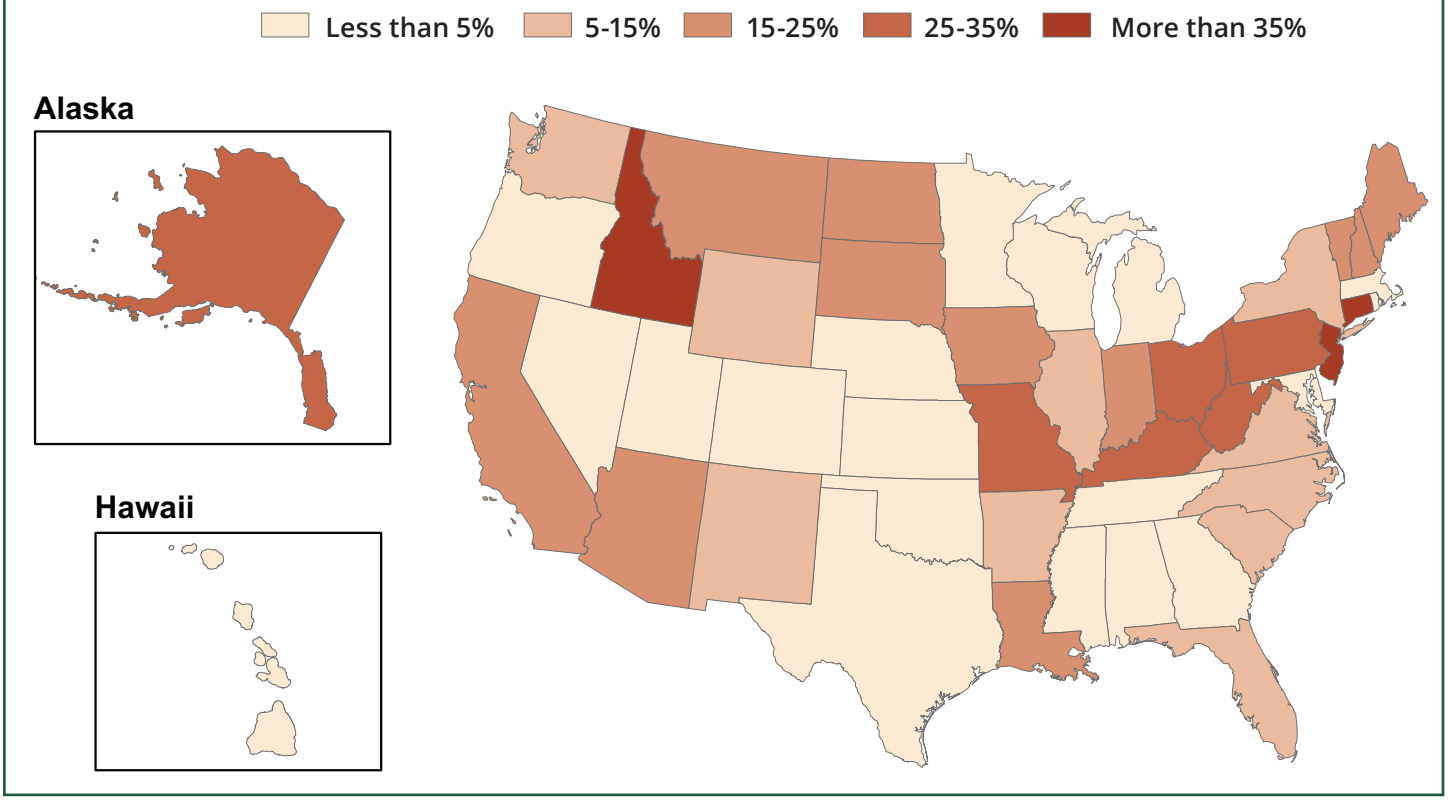
Background: The Progressive Era's Turn to Public Ownership of Water Systems

Historically, public provision of water services has led to better quality, less-expensive and more-equitable service, and substantial improvements in public health.

Private water companies had served many of the nation's largest cities until the turn of the twentieth century, when cholera outbreaks and destructive fires inspired a surge of cities to take over water provision for health and public safety reasons. From about 1880 to about 1920, thousands of cities — including Los Angeles and San Francisco — assumed public control of their water systems. This wave drew inspiration from earlier movements toward public water in Boston, New York City, Philadelphia, Baltimore and Chicago.[1]

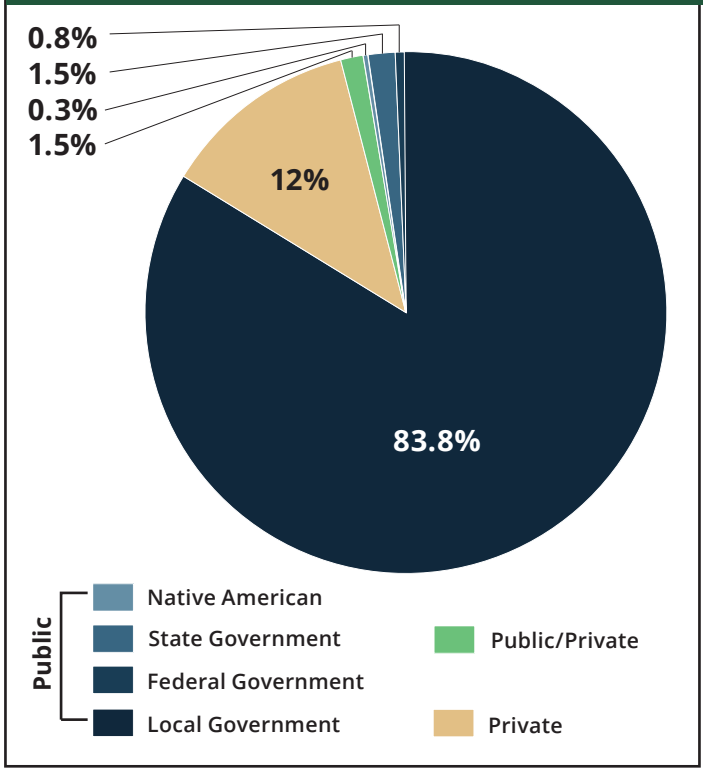
In the 1800s, New York City took over responsibility for providing drinking water services, creating a new system apart from the one privately held by the Manhattan

Figure 1: Private Ownership of Community Water Systems by Service Population (2014)



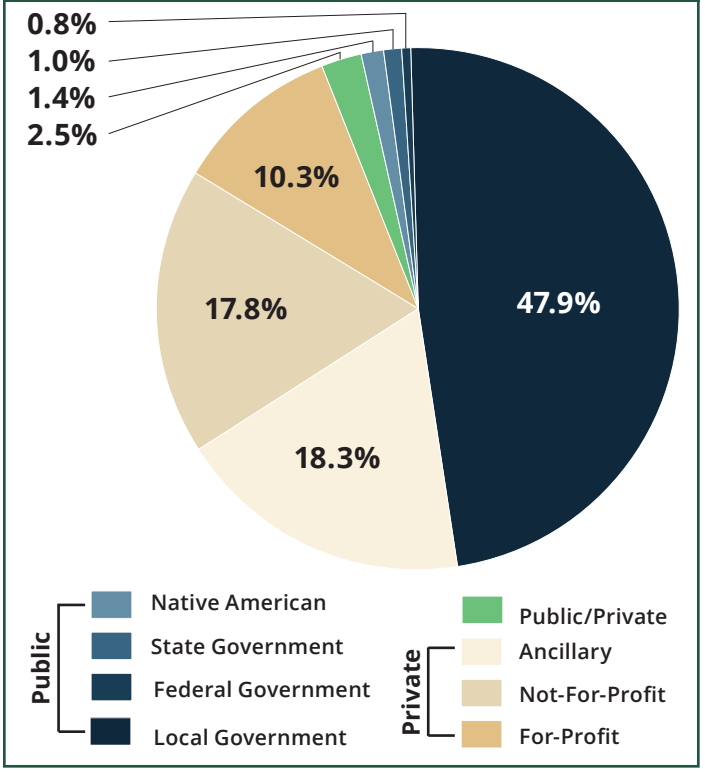
SOURCE: U.S. Environmental Protection Agency. Safe Drinking Water Federal Information System. FY2014 Inventory Data.

Figure 2: Community Water System Ownership By Number of People Served (2014)



SOURCE: U.S. Environmental Protection Agency. Safe Drinking Water Federal Information System. FY2014 Inventory Data. June 30, 2014.

Figure 3: Community Water System Ownership By Number of Systems (2014)



SOURCES: Food & Water Watch calculations based on U.S. Environmental Protection Agency (EPA). Safe Drinking Water Federal Information System. FY2014 Inventory Data; U.S. EPA. "2006 Community Water System Survey: Volume 1." February 2009 at 9.

Company.[2] The city did this after the Manhattan Company, the predecessor of JPMorgan Chase,[3] was blamed for an outbreak of cholera that killed 3,500 people and for inadequate water infrastructure to fight fires.[4] Similarly, by 1900, concerns about water supply, high prices and poor service had led both Los Angeles and San Francisco to take public control of their water systems from private entities.[5]

For customers, public ownership meant lower water prices. An 1899 federal survey found that public water utilities were charging rates that were 24 percent less than those of private water companies at the time.[6]

Public ownership also significantly expanded access and improved water quality, helping to prevent diseases.[7] Many cities made large improvements to their water supplies and built new treatment facilities.[8]

For example, after Billings, Mont., bought the Billings Water Company in 1915, the city built a purification plant and extended water lines to serve the whole city.[9] After New Orleans took over the local private water system in 1908, the city made investments that cut waterborne disease rates dramatically. The private water company that had served the city distributed unfiltered water from the Mississippi River, which was contaminated by sewage dumped upriver. After residents successfully organized to strip the company of its charter, the city purchased the system and, over the next 15 years, undertook massive improvement projects to expand service and install a filtration system.[10]

Public ownership reaped great public health outcomes in large part because it allowed for more-equitable service. Local governments extended water lines to low-income and black communities that had been neglected by private companies.[11] One analysis found that public ownership of water systems cut typhoid rates in black populations in the South by as much as 42 percent, yet public ownership had no statistically significant impact on typhoid rates among white populations.[12]

Public ownership remains the most affordable and equitable option today.

The State of the Industry Today

Publicly owned utilities provide most water and sewer services in the United States.[13] In 2014, public entities served about 87 percent of people with piped water service (see Figure 2).[14] Private water service is concen-

trated in a few states. In 25 states, private water companies serve less than 10 percent of the population, while 4 states have private water companies serving more than 35 percent of their population (see Figure 1).[15]

While most people in the United States have public tap water, only about half of U.S. water systems are publicly owned (see Figure 3). The reason is that there are many small private systems serving subdivisions and other small communities, while nearly every large city owns its own water system and serves a much larger population.

According to survey data from the U.S. Environmental Protection Agency (EPA), less than a quarter (22.3 percent) of the privately owned systems are for-profit water businesses.[16] The rest are non-profit entities or ancillary systems, which are systems that are owned by entities whose primary function is not water provision (for example, manufactured home parks).[17]

Overall, for-profit water companies own only about 10 percent of U.S. community water systems.[18] The vast majority of the water systems owned by for-profit companies are small, with about 90 percent serving fewer than 3,300 people.[19]

Trends

Nationally, there has been an ongoing shift to public ownership of drinking water services. Between 2007 and 2014, the portion of the population with public water increased from 83 percent to 87 percent (see Table 1).

Over this period, the total number of people served by public systems increased by 10 percent, as public systems added 24 million people to their customer base. Meanwhile, the number of people served by privately owned systems fell by 18 percent, as private companies served 8 million fewer people in 2014 than in 2007 (see Table 1).[20]

One reason for the trend is that the number of private systems decreased 7 percent (see Table 2). There were nearly 1,700 fewer privately owned systems in 2014 than in 2007. The much larger number of public systems remained fairly stable over this period, increasing by just 99 systems.[21] Migration from rural to urban settings and different rates of population growth also could contribute to this trend.

Reports by the U.S. EPA identified earlier declines in private water systems. One EPA report noted a decrease

Table 1. People Served by Public, Private and Mixed Ownership of Community Water Systems, 2007 and 2014

Ownership Type	People Served (Portion of Total)		Increase or Decrease	% Increase (Decrease)
	2007	2014		
Public	237,634,535 (83.0%)	261,745,966 (87%)	24,111,431	10%
Private	44,459,100 (15.5%)	36,338,067 (12%)	-8,121,033	-18%
Public/Private	4,357,569 (1.5%)	4,511,784 (1%)	154,215	4%
Total	**286,451,204**	**302,595,817**	**16,144,613**	**6%**

Table 2. Number of Public, Private and Mixed-Ownership Community Water Systems, 2007 and 2014

Ownership Type	Number of Systems (Portion of Total)		Increase or Decrease	% Increase (Decrease)
	2007	2014		
Public	25,671 (49%)	25,770 (51%)	99	0%
Private	25,081 (48%)	23,395 (46%)	-1,686	-7%
Public/Private	1,358 (3%)	1,266 (3%)	-92	-7%
Total	**52,110**	**50,431**	**-1,679**	**-3%**

in private provision between 2006 and 2008 of about 11 percent.[22] Also, the EPA's 2006 Community Water System Survey found a 9 percent decrease in private ownership of water systems from 2000 to 2006, with the biggest drop, percentagewise, coming from larger systems.[23]

Municipalization — when local governments buy private systems — is a major reason for the decrease in the number of private systems. Local governments frequently purchase small private systems and combine them with their existing networks.

Accountable Service

Accountability is a major reason why many communities seek public ownership of their water and sewer services. Safe and affordable drinking water and sanitation services are essential, and governments have a basic responsibility to provide these services to protect public health and wellbeing. This entails safeguarding water supplies from pollution and other threats, providing sufficient amounts of safe water and charging water service fees that are affordable.[24]

When local governments operate water and sewer systems, elected officials make the major policy decisions that determine the cost, availability and quality of these services. They set rates and decide the type and timing of system improvements to address the needs of their constituents.[25] If residents object to their service, they can exercise their power at the ballot box by electing officials that are more responsive to their concerns.

Private water companies, in contrast, have no responsibility to promote public health and wellbeing.[26] They are accountable first and foremost to their owners and make their investment decisions based on profitability.[27] Because water service is a natural and often legal monopoly,[28] if a private water company charges high rates or provides bad service, customers cannot simply switch to another provider. Rather, they are stuck with the company unless they are able to move to another community, which is neither realistic nor desirable for most people.

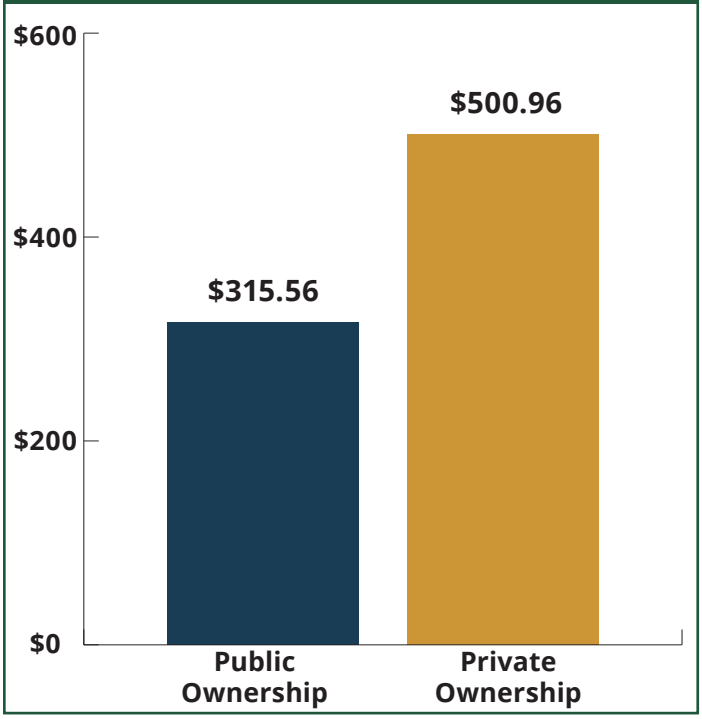
Affordable Service

In order to protect public health and wellbeing, local governments must ensure that water service is affordable for every household in a community. With federal support dwindling, water systems aging and the climate changing, achieving universal access to safe water is an increasingly difficult and crucial task for local governments.

Water itself is a priceless common resource, but there is a cost to treating and distributing water to household taps, as well as to collecting and treating the resulting wastewater. With local control over water and wastewater services, a governing body in the local community is able to decide how to allocate the burden of those costs among different users.[29] Local governments may subsidize water provision to ensure affordable service for their entire population.[30] They could also decide to keep household rates low while charging higher connection fees as a way to promote affordability and discourage sprawling development.[31]

Affordability and accountability go hand in hand. For example, residents can apply political pressure on public officials to keep water rates affordable[32] and to implement affordability programs to assist struggling households. With private ownership, residents have little recourse.

Figure 4: Annual Savings With Public Water
Average Annual Water Bills of Households Using 60,000 Gallons a Year From the 500 Largest Water Systems in the Country, 2015



Water Charges of the 500 Largest Water Systems

An analysis of the 500 largest water systems shows that publicly owned water utilities charge considerably lower rates than their private peers.

Food & Water Watch compiled the rates of the 500 largest community water systems and found that, on average, private, for-profit utilities charged typical households 59 percent more than local governments charged for drinking water service. A typical household, using 60,000 gallons a year, paid $316 for water service from a local government and $501 for service from a private company. That is, private ownership corresponds to about $185 extra each year for the average household (see Figure 4).

Water prices vary across the country, with utilities in the South charging less on average; however, uniformly, private companies had higher prices than government systems (see Figure 5 on page 8). The biggest disparity occurs in the Northeast, where the largest investor-owned utilities are based.

At the state level, the disparities are particularly dramatic in four of the five states with the largest number of private systems (see Figure 6 on page 9).

The survey found that:

- In California, private systems charged 17 percent more than public systems, or an extra $67 a year.
- In Illinois, private systems charged 95 percent more than public systems, or an extra $286 a year.
- In New Jersey, private systems charged 79 percent more than public systems, or an extra $230 a year.
- In New York, private systems charged more than twice as much as public systems, or an extra $260 a year.
- In Pennsylvania, private systems charged 84 percent more than public systems, or an extra $323 a year.

Other surveys of water rates and ownership have had similar findings. An analysis of water rates in California cities in 2003 found that private companies charged about 20 percent more on average.[33] A 2010 survey of the largest utilities in the Great Lakes region indicated that private water utilities charged typical households more than twice as much as municipal utilities did.[34] A survey of water rates in Delaware and surrounding states showed that, in 2011, investor-owned utilities charged 69 percent more than public utilities.[35]

U.S. EPA survey data also suggest that privately owned systems charged households higher rates than publicly owned systems, overall and across size categories.[36] Indeed, it is widely accepted that private ownership of water systems is associated with higher prices.[37]

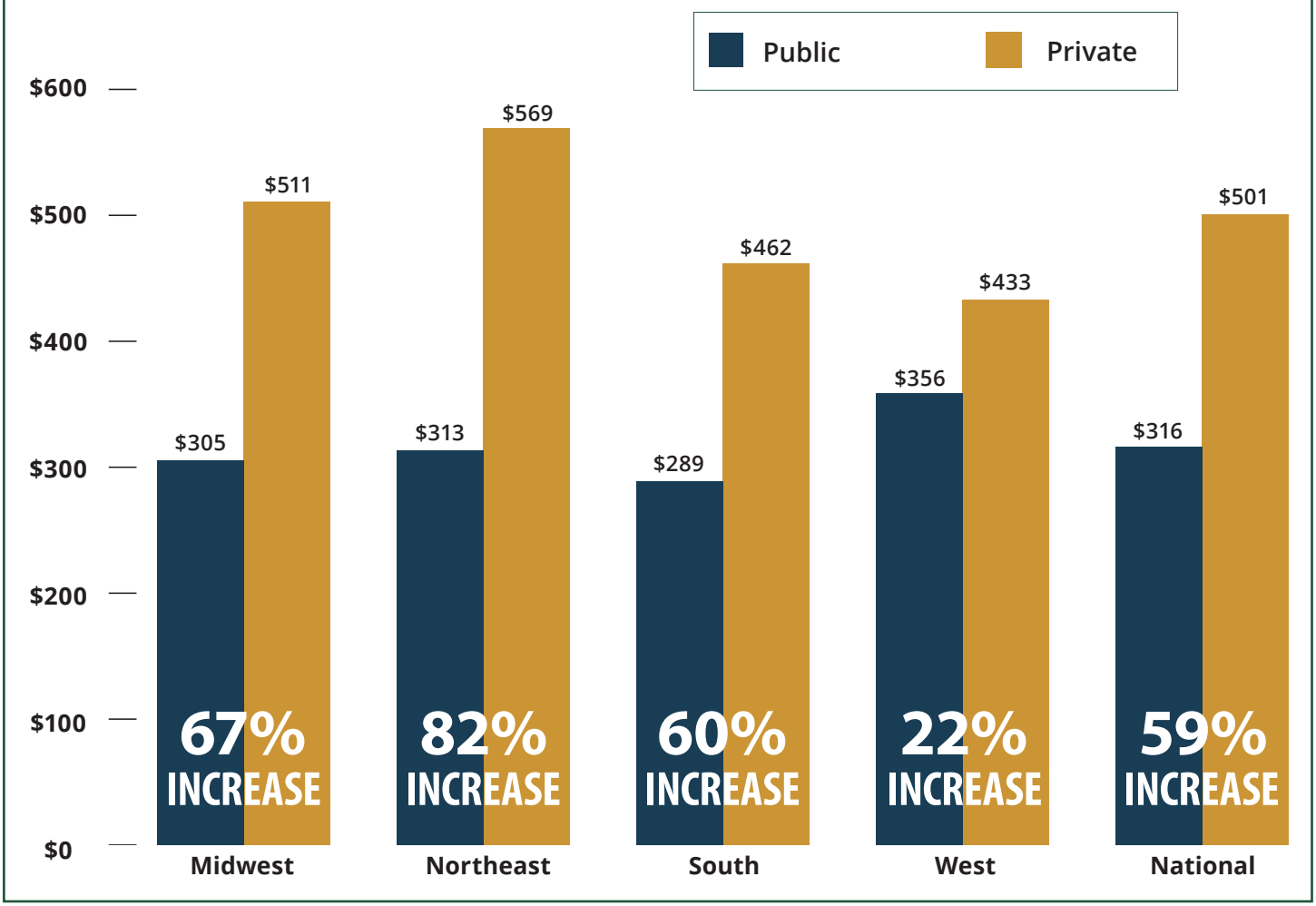
There are a variety of reasons why public water offers customer savings. Most importantly, public entities normally collect only the revenue necessary to improve and run their water systems. Privately owned utilities, however, generate profit by increasing rates. Other factors that make private water more costly for customers include: executive compensation, corporate overhead, subsidies, financing costs, rights of way, and differences in rate-making and financing practices.[38]

Equitable Service

Because they are directly accountable to their residents, publicly owned utilities generally are more concerned than private entities about issues of social equity.[40] Public ownership also is more equitable because it provides customers with clearer legal protections from discrimination, given that the Equal Protection Clause applies only to "state action."[41]

Private companies often steer clear of economically depressed and struggling areas that are less profitable. As

Figure 5: Average Annual Water Bill 2015
For Households Using 60,000 Gallons a Year Based on the 500 Largest Community Water Systems



NOTE: See Appendix for methodology and details.

a result, they generally avoid small and rural communities where household income is low or where water quality problems are significant. They typically target a small system only if it is near their existing infrastructure network and they can take advantage of economies of scale.[42]

Environmentally Responsible Service

A public entity also can be more responsive to its customers — its voters — when it comes to environmental concerns and goals.[43]

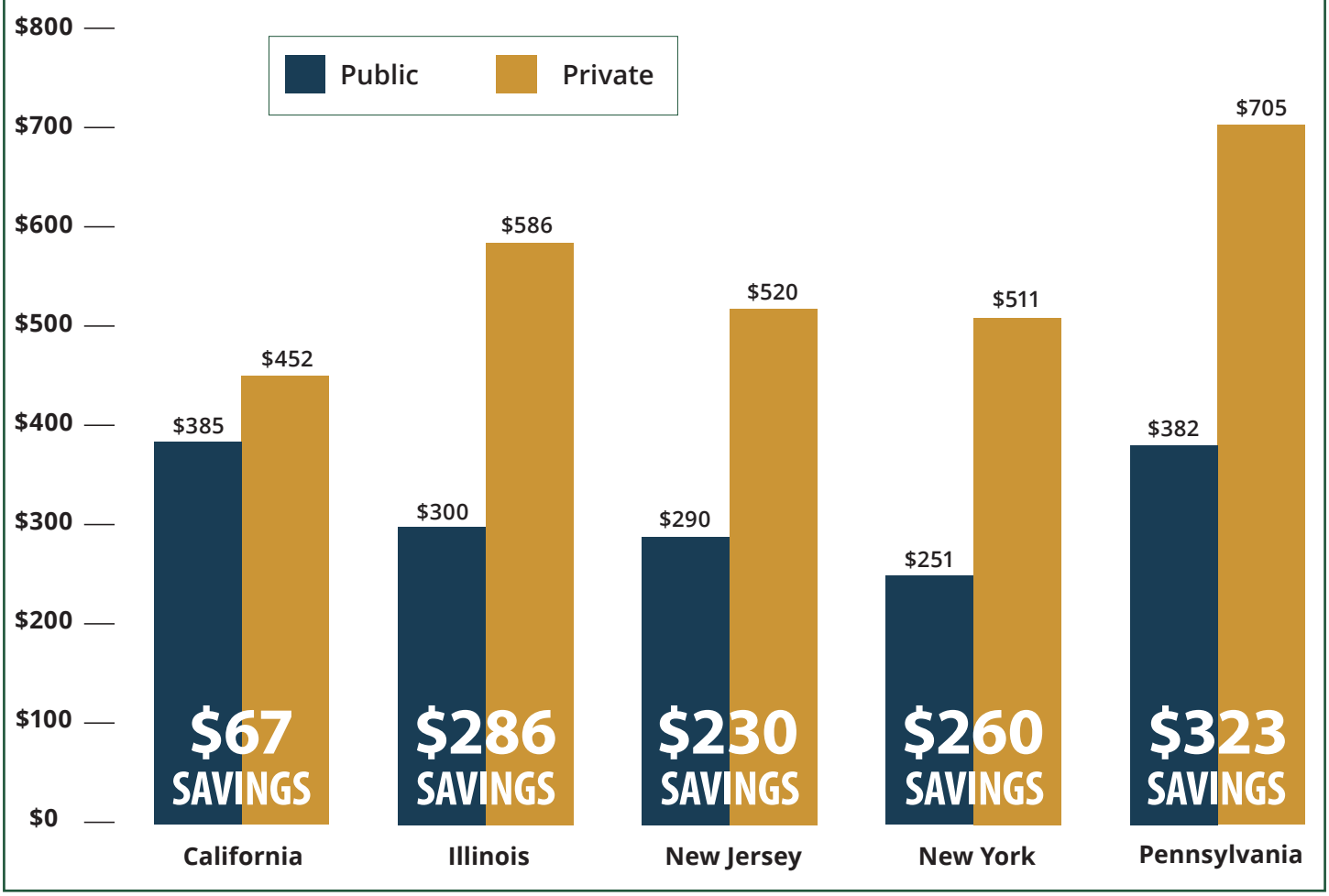
Watershed Protection

Water utilities must work to safeguard their watershed and water supplies from drilling, fracking and coal mining, pipeline spills and oil train accidents, irresponsible logging practices and other disruptive impacts.[44] Because they are a natural buffer from pollution, forests and open lands protect water supplies, improve water quality and reduce drinking water treatment costs in manifest ways.[45] Public sector utilities that have strong citizen engagement tend to have stronger watershed protections.[46]

Some private companies have sold land protecting water supplies to developers.[47] In the 1980s, United Water transferred about 600 acres of land, originally acquired to protect the water supply in Bergen County, New Jersey, to its real estate development subsidiary, which planned to resell the land to developers for substantial profits.[48]

Local governments also have paid the costs of private mismanagement. The city of Willits, California bought its water utility and watershed lands from a private firm in 1984, only to find that the company had failed to make required investments in the water system when it logged the valuable old timber from the land. The city's water

Figure 6: Public Savings Vary by State
Average Annual Water Bills in 2015 for Households Using 60,000 Gallons/Year



system was failing, had many water quality problems and needed a new treatment plant, in large part because of the private company's financial neglect and logging activities.[49]

Water Conservation

Research from California shows that, compared to private water utility companies, publicly owned water utilities more actively encourage and promote water conservation.[50] Private water systems in California have typically waited for the state to mandate conservation before taking action during droughts.[51]

Local Planning and Smart Growth

Public ownership of water and sewer systems allows local governments to direct and plan economic growth and development.[52] A local governing body decides on capital improvements and extensions to new areas.[53] It can coordinate the extension of water and sewer lines to reduce costs or to serve areas with contaminated private wells or that lack adequate fire service.[54]

Public ownership of water systems is necessary to promote smart growth. Sprawling development can harm the water supply because it changes the natural landscape. When rain hits hard pavement, less of it filters naturally into the ground to recharge the underground aquifers that supply water to wells and often connect to rivers, lakes and streams. Instead, the rainwater can be diverted into storm drains and discharged into surface waters.[55] Overall, this can strain local drinking water sources that rely on groundwater, and it can lead to sewer overflows when stormwater overwhelms wastewater collection systems.[56]

Private water companies make money on costly sprawling systems, and real estate developers frequently partner with them to serve new satellite developments.[57] Munic-

ipal systems can also have policies that protect residents from paying to extend service outside the municipal limits to new developments, while private companies often force their customers to subsidize new development.[58]

More broadly, local public control of water utilities is often necessary for successful planning that protects natural resources in that region.[59] Private ownership of water utilities can complicate and interfere with planning activities. There is no built-in incentive to cooperate with neighboring municipalities and government agencies in protecting water resources, managing watersheds, or working on affordability, equity and sustainability.[60]

Effective Service

Local government water and sewer departments typically work together to reduce costs and share resources. Cities may use wastewater trucks to remove snow or conduct other government tasks, and water department employees may help with emergency preparations for intense storms. Private contractors and utilities, in contrast, have no incentive to share equipment and worker hours.[61]

In addition to pooling resources, water and sewer utilities often coordinate with other city departments around transportation projects, urban planning efforts and fire safety, all to more effectively and efficiently protect public

Top Ten Most and Least Expensive Water Systems

Top Ten Most Expensive Water Providers as of January 2015

Rank	Entity	State	Service Population	Ownership	Annual Bill
1	Flint[a]	MI	124,943	Public	$910.05
2	Padre Dam Municipal Water District	CA	96,589	Public	$826.94
3	American Water – West	PA	93,368	Private	$792.84
4	American Water – Pittsburgh	PA	516,411	Private	$792.84
5	American Water – Lake Scranton	PA	134,570	Private	$792.84
6	American Water – Norristown	PA	94,724	Private	$792.84
7	Aqua America – Main	PA	784,939	Private	$782.38
8	Goleta Water District	CA	87,000	Public	$736.62
9	American Water – Monterey	CA	94,700	Private	$716.18
10	American Water - Kanawha Valley	WV	217,959	Private	$710.63

Top Ten Least Expensive Water Providers as of January 2015

Rank	Entity	State	Service Population	Ownership	Annual Bill
491	Toho Water Authority	FL	110,102	Public	$123.96
492	Memphis	TN	671,450	Public	$120.71
493	Medford Water Commission	OR	90,932	Public	$117.84
494	Hagerstown	MD	88,000	Public	$116.48
495	Miami-Dade	FL	2,100,000	Public	$116.46
496	Jefferson Parish – District 1	LA	308,362	Public	$104.40
497	Jefferson Parish – District 2	LA	209,972	Public	$104.40
498	Hempstead	NY	110,000	Public	$101.74
499	Clovis	CA	102,499	Public	$100.80
500	Phoenix	AZ	1,500,000	Public	$84.24

a When the survey was conducted in January 2015, Flint, Michigan had the most expensive water service in the country, but during August 2015, a judge ruled that certain rate increases were unlawful and ordered the city to reduce its rates by 35 percent and to end a service fee.[39]

Note: Annual bills were calculated for households using 60,000 gallons of water a year.

health, safety and welfare.[62] For example, cities can time water main repairs before road repairs to avoid having to repave roads again after digging up water lines.

In recent years, cities such as Kyle, Texas and Fort Worth, Indiana have sought local public control of water systems to improve water quality and supplies. Expensive, low-quality water and bad service can scare away new businesses and hurt economic development,[63] while insufficient water supplies and pressure can put public safety at risk.[64]

Ways Forward

Publicly owned water systems provide the most affordable and equitable service. Government utilities are directly accountable to the people they serve, and they have a fundamental responsibility to promote and protect public health and safety. They are generally more responsive to their community's specific needs and environmental goals, and can best coordinate among different government divisions to achieve gains in public health and welfare.

Public water utilities can further improve their services by:

- Enhancing public input through open and transparent procedures that encourage stakeholder involvement;
- Boosting in-house expertise through targeted hiring, reducing contracting and investing in job training for current staff;
- Implementing water affordability programs that provide credits to low-income households, adjusting their water bills to a level that they can afford to pay;
- Working to ensure source water protection locally and regionally;
- Maximizing services and reducing costs through greater coordination among their departments; and
- Sharing resources and expertise through public-public partnerships with other public sector, labor and non-profit entities.

Our local water systems should not have to go it alone. The federal government has a responsibility to ensure that our local public water and sewer systems receive the support they need. Communities across the country need a dedicated source of federal funding for our water systems to improve water quality, protect the environment, create good jobs and ensure safe, reliable water for generations to come.

With a renewed federal investment in our water resources, robust, responsive and responsible public utilities can best meet the needs of communities and ensure safe and affordable water for all.

Appendix A: Rate Survey State Details

Average Annual Household Water Bills, as of January 2015
Based on the 500 Largest Community Water Systems in the United States and Assuming 60,000 Gallons a Year per Household

Region and State	System Ownership		Increase Under Private	
	Public	Private	Amount	Percent
Midwest	**$305.48**	**$511.05**	**$205.57**	**67%**
Illinois	$300.31	$586.33	$286.02	95%
Indiana	$267.04	$407.67	$140.63	53%
Iowa	$270.87	$468.75	$197.88	73%
Kansas	$364.50			
Michigan	$324.10			
Minnesota	$236.49			
Missouri	$357.76	$422.41	$64.65	18%
Nebraska	$224.32			
North Dakota	$255.00			
Ohio	$302.81	$519.52	$216.71	72%
South Dakota	$320.34			
Wisconsin	$246.45			
Northeast	**$313.12**	**$569.35**	**$256.23**	**82%**
Connecticut	$343.02	$459.27	$116.25	34%
Maine	$246.12			
Massachusetts	$297.28			
New Hampshire	$358.59			
New Jersey	$290.01	$519.92	$229.91	79%
New York	$251.05	$510.56	$259.51	103%
Pennsylvania	$382.31	$705.00	$322.69	84%
Rhode Island	$371.78			
South	**$288.89**	**$461.71**	**$172.82**	**60%**
Alabama	$284.87			
Arkansas	$265.70			
Delaware	$375.42	$542.85	$167.43	45%
District of Columbia	$420.12			
Florida	$292.44			
Georgia	$306.27			
Kentucky	$365.06	$478.71	$113.65	31%
Louisiana	$187.39	$277.85	$90.45	48%
Maryland	$228.73			
Mississippi	$257.47			
North Carolina	$287.71			

Average Annual Household Water Bills, as of January 2015 *(continued)*				
Region and State	System Ownership		Increase Under Private	
	Public	Private	Amount	Percent
South	**$288.89**	**$461.71**	**$172.82**	**60%**
Oklahoma	$296.94			
South Carolina	$203.16			
Tennessee	$303.65	$316.57	$12.92	4%
Texas	$290.04			
Virginia	$317.89	$297.48	-$20.41	-6%
West Virginia		$710.63		
West	**$356.25**	**$433.06**	**$76.81**	**22%**
Alaska	$606.48			
Arizona	$247.45	$285.23	$37.78	15%
California	$385.50	$452.25	$66.75	17%
Colorado	$301.41			
Hawaii	$343.08			
Idaho		$254.78		
Montana	$273.26			
Nevada	$428.22			
New Mexico	$261.94			
Oregon	$298.15			
Utah	$231.50			
Washington	$380.45			
Grand Total	**$315.56**	**$500.96**	**$185.40**	**59%**

Note: None of the 500 largest community water systems was located in Vermont or Wyoming.

Appendix B: Rate Survey Methodology

The survey compared the residential water prices of investor-owned utilities and local government-owned utilities.

Identifying the Largest Systems. Using the U.S. EPA's Safe Drinking Water Federal Information System, frozen in October 2013, the 500 largest community water systems were identified as the systems serving the largest number of people.

Exclusions. Systems were excluded if they were primarily bulk water sellers (systems serving large populations but fewer than 100 customers), if they were Federal or Native American-owned systems and if they were not located in U.S. states and the District of Columbia. Three systems were private, non-profit entities, and, although their rates were collected, they were excluded from the rate analysis.

Data Collection. During January 2015, system water rates were compiled from utility websites and local government ordinances, if available. In three cases, the rates were not found online, and they were found by calling the utility's customer service line. All source documents are on file with Food & Water Watch.

Household Bill Calculations. Annual water bills were calculated assuming that a typical household uses about 60,000 gallons or 80.2083 hundred cubic feet a year of indoor water. For systems with water budgets, all water use was assumed to be indoor usage. Seasonal rates were weighted to arrive at an annual average. Rates were calculated for the main service division or inside jurisdiction. The annual bill includes special water-related fees and surcharges, and public fire protection charges if those fees were charged to all households (excluding private fire service protection lines and hydrants).

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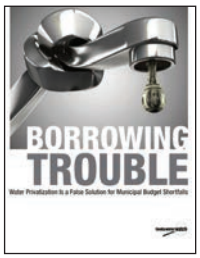
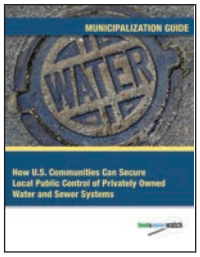
More Food & Water Watch Research on Water



Borrowing Trouble: Water Privatization Is a False Solution for Municipal Budget Shortfalls

The 2008 global financial crisis left many governments around the world with serious fiscal challenges, and a number of public officials across the globe sought to lease or sell public water and sewer systems to fund ongoing government functions or to pay down liabilities. The government's primary objective in these privatization arrangements is to obtain a sizable upfront payment from the company or consortium that takes over the water or sewer system, often as a desperate response to a fiscal crisis. But this money is not free; rather, it should be thought of as a loan. Residents and local businesses will have to repay it, with interest, through their water bills.



Water Municipalization Guide

Many communities across the country want local public control of their water and sewer services. Municipalization — the purchase of a privately owned system by a local government — is a fairly common occurrence, but for communities unfamiliar with it, the process could appear daunting. This guide provides an overview of the process and a number of logistical considerations involved in government purchases of privately owned water and sewer systems. Although the general procedure is similar, the specifics will vary by situation, partly because every state has its own legal and regulatory framework.

Aqua America: A Corporate Profile

Aqua America focuses on buying water systems and hiking water prices. It typically purchases small water and sewer systems in areas near its existing network. In addition to owning systems, the company operates a handful of local government-owned systems, but it uses those deals as a way to build its reputation and to get a foot in the door on a possible acquisition of the systems. After taking over and building out its systems, the company seeks to increase water rates. The ability to hike consumer bills is the key to its earnings.

American Water: a Corporate Profile

American Water Works Company is the largest publicly traded U.S. water utility company, serving approximately 14 million people in more than 30 states and two Canadian provinces. American Water has come under fire from communities across the country for charging high rates, providing poor service, endangering public safety and lacking public accountability. From Birmingham, Alabama, in the 1950s to Felton, California, in 2008, communities across the country have wrested local control of their water systems from American Water.

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Gmail CEO STOLDT

james hicks <hixjas55@gmail.com>

f word pr points for presentation to a doubting business group

2 messages

james hicks <hixjas55@gmail.com>
To: comments@mpwmd.net

Sun, Jan 20, 2019 at 1:30 PM

1 no puc involvement in any and all rate decisions-no bribes
2 no state politicians influence & socialistic policies – as in PGE
3 limit court jurisdiction to so cal state courts-no 9th circuit
4 no-rate discrimination among business, labor & residents- based on gallonage
5 long term financial outlook & transparency-like chinese
rate increase limits-10% year 1, 5% year 2, 0% year 3, then vote
vote on all compensation above $30,000
6 asset CA parcels minimum – not desal plant & expenses
7 Prior PGE record evidence of corruption

support@mpwmd.net <support@mpwmd.net>
To: hixjas55@gmail.com

Sun, Jan 20, 2019 at 1:30 PM

Delivery has failed to these recipients or groups:

comments@mpwmd.net – What does

Your message can't be delivered because delivery to this address is restricted.

Diagnostic information for administrators:

Generating server: mpwmd.net

comments@mpwmd.net
#550 5.7.1 RESOLVER.RST.NotAuthorized; not authorized ##

Original message headers:

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Received: from mail20.ess.barracuda.com (209.222.83.71) by
 cas1h2o.h2ocorp.mpwmd.dst.ca.us (192.168.7.21) with Microsoft SMTP Server
 (TLS) id 14.3.408.0; Sun, 20 Jan 2019 13:30:21 -0800
Received: from mail-pl1-f180.google.com (mail-pl1-f180.google.com
 [209.85.214.180]) by mx2004.ess.tym.cudaops.com (version=TLSv1.2
 cipher=ECDHE-RSA-AES128-GCM-SHA256 bits=128 verify=NO); Sun, 20 Jan 2019
 21:30:19 +0000
Received: by mail-pl1-f180.google.com with SMTP id u6so8759369plm.8        for
 <comments@mpwmd.net>; Sun, 20 Jan 2019 13:30:19 -0800 (PST)
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        h=mime-version:from:date:message-id:subject:to;
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PG&E failures demand audit of PUC's oversight

In the wake of California's deadly wildfires and the impending PG&E bankruptcy, it's time for California leaders once again to question whether the state's utilities regulator is up to the task.

The California Public Utilities Commission's ability to provide adequate oversight of PG&E has been in doubt since the 2010 San Bruno explosion that killed eight people, injured 66 and destroyed 38 homes.

An independent audit in 2016 found that "frequent management changes, shifting priorities and reactive responses to internal and external recommendations post-San Bruno has led to a loss of focus, lack of clear direction, loss of trust in leadership and unacceptable work backlogs."

The PUC shortcomings also included a "lack of consistency, focus, organization, depth and rigor, adequate record keeping, clear expectations and follow-through in utility inspection practices."

The audit offered few assurances that the PUC understood the extent of its problems or took sufficient action to remedy them.

And little seems to have changed since then.

PG&E's failure to adequately maintain its power transmission lines and its role in the 2017 and 2018 deadly Northern California wildfires strongly suggests that the PUC still isn't doing its job.

Gov. Gavin Newsom should insist that the state conduct another independent audit of the PUC's performance to determine what reforms are necessary to ensure proper oversight of the state's utilities.

The commission has a troubled history of cozying up to the industry it's supposed to be regulating, especially under the past leadership of former President Michael Peevey.

Under Peevey, the PUC allowed PG&E to divert ratepayer funds that should have gone to maintaining gas pipelines for shareholder dividends and executive bonuses, leading to the San Bruno tragedy and PG&E's subsequent felony conviction.

Back then, we called on Gov. Jerry Brown to ensure the PUC carried out its regulatory role transparently and in the public interest rather than facilitating higher utility profits at the expense of public safety. It's essential that Newsom succeed where Brown failed.

The new governor last week nominated Genevieve Shiroma to a vacancy on the PUC. Shiroma, who served five terms as a director of the Sacramento Municipal Utility District, faces an immense challenge.

She succeeds Carla Peterman, a highly respected commissioner and former board member of the watchdog group The Utility Reform Network. If Peterman couldn't whip the PUC into shape, it might be because the current structure makes the job impossible.

PG&E's future will be in the spotlight as the governor and Legislature determine how to deal with the utility's potential bankruptcy and how best to ensure a reliable source of energy for the customers it serves. They also must seek a full review of the PUC's role in the crisis and determine how best to transform it into an effective regulator.

Monterey Peninsula Taxpayers Association
PO Box 15
Monterey, CA 93942

January 18, 2019

Board of Directors
Monterey Peninsula Water Management District

Delivered by Hand

RE: MPTA Recommendations on Feasibility Study

Dear Members of the Board:

The Monterey Peninsula Taxpayers Association was formed over 30 years ago when the first buyout of our private water provider was proposed. We actively educated ratepayers & taxpayers during the Measure J campaign. The campaign for Measure J drove home three points:

1) We have the most expensive water in the country.
2) A vote for Measure J will lower your water bill
3) It is "just a feasibility study."

That campaign resonated with voters and the measure passed.

The campaign was very clear on the definition of feasible, a lower water bill **today**. The feasibility analysis must include:

- The current CAW water bill needs to be compared to what the water bill will be after take over.
- People view their water cost based on what they pay on the bill, they do not differentiate between rates and surcharges. Any surcharges which remain need to be shown as well as being calculated into the total cost.
- The cost needs to include everything; new billing systems, new water testing costs, fully funded pensions, as well as debt service.
- Projected litigation costs need to be included in the feasibility calculations.

There has been debate on whether to buy the desalination plant, this is a red herring. By buying Cal-Am you are buying the Cease and Desist Order as well.

- The desalination plant is the only one of the three legs of the water stool that would be 100% under your control.
- ASR is subject to the whims of nature.
- GWR is dependent on source water, currently that is proposed to come from outside the District with no guarantee of its long term availability. There is no

agreement in place for feed water for expansion of that project.

- If you do not buy the desalination plant you need, another source of water. You could buy water from the desalination plant, but you would be at the mercy of what Cal-Am wants to charge and that would need to be figured into the feasibility study.

MPTA believes that the Voters have sent a clear signal in passing Measure J: They want a reduction in the water bills today, not 30 years from now. And it is impossible to forecast what CAW rates will be 30 years from now. Similarly, accurately predicting future MPWMD water rates (after a buy-out) three decades from now is also impossible. No one has a crystal ball!

Sincerely,

Rick Heuer
President