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.



AGENDA

Regular Meeting Board of Directors Monterey Peninsula Water Management District

\*\*\*\*\*

Wednesday, January 23, 2019 6:30 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, January18, 2019

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

| 6:30 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. City of Marina v CPUC
- 4. Adjourn to 7 pm Session

7:00 PM – Regular Meeting

#### CALL TO ORDER/ROLL CALL

#### PLEDGE OF ALLEGIANCE

#### **Board of Directors**

Molly Evans, Chair – Division 3 Alvin Edwards, Vice Chair – Division 1 George Riley – Division 2 Jeanne Byrne – Division 4 Gary Hoffmann – Division 5 Mary Adams, Monterey County Board of Supervisors Representative Vacant – Mayoral Representative

> <u>General Manager</u> David J. Stoldt

This agenda was posted at the District office at 5 Harris Court, Bldg. G Monterey on Friday, January 18, 2018. Staff reports regarding these agenda items will be available for public review on Friday, January 18 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-<u>directors/bod-meeting-agendas-calendar/</u>. 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 February 21, 2019 at 7 pm. **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.

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

**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 December 17, 2018 Board Meeting
- 2. Ratify Board Committee Assignments for Calendar Year 2019
- 3. Consider Expenditure of Funds to Contract with Underwriter for Monterey Peninsula Water Supply Project
- 4. Consider Entering into an Agreement for an Addendum to the MPWMD Aquifer Storage and Recovery Project Environmental Impact Report/Environmental Assessment
- 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
- 6. Confirm Appointments to Ordinance No. 152 Oversight Panel
- 7. Consider Approval of Annual Update on Investment Policy
- 8. Receive Semi-Annual Financial Report on the CAWD/PBCSD Wastewater Reclamation Project
- 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
- 11. Update on Development of Water Supply Projects
- 12. Update on Major District Projects

#### ATTORNEY'S REPORT

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

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

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

PUBLIC HEARINGS - No public hearing items were submitted for consideration by the Board

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

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



Action: Following receipt of the report from staff, the Board will discuss conclusions reached by the public at the listening sessions and provide direction to staff on subsequent action to be taken regarding preparation of the feasibility study required by Rule 19.8 of Measure J.

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

*Action:* The Board will consider authorizing the General Manager to make minor or nonsubstantive changes to the MOU as requested by the other signatories to the agreement.

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

- 17. Discuss District Attendance at Association of California Water Agencies Washington D.C. Legislative Conference February 26-28, 2019
- 18. Discuss Memorandum from David C. Laredo, General Counsel on Smart Meters

**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.

- 19. Letters Received Supplemental Letter Packet
- 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

#### ADJOURNMENT

| leeting Broadcast Schedule – Comcast Channels 25 & 28         |
|---|
| View Live Webcast at Ampmedia.org                             |
| Monterey, Del Rey Oaks, Pacific Grove, Sand City, Seaside     |
| Carmel, Carmel Valley, Del Rey Oaks, Monterey, Pacific Grove, |
| Pebble Beach, Sand City, Seaside                              |
| Carmel, Carmel Valley, Del Rey Oaks, Monterey, Pacific Grove, |
| Pebble Beach, Sand City, Seaside                              |
| Carmel, Carmel Valley, Del Rey Oaks, Monterey, Pacific Grove, |
| Pebble Beach, Sand City, Seaside                              |
|   |

| Board Meeting Schedule      |                       |         |                          |  |
|-----------------------------|-----------------------|---------|--------------------------|--|
| Thursday, February 21, 2019 | Regular Board Meeting | 7:00 pm | District conference room |  |
| 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 |  |



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 Thursday, January 17, 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 DECEMBER 17, 2018 REGULAR BOARD MEETING

| Meeting Date: | January 23, 2019                    | Budgeted:                  | N/A |
|---------------|-------------------------------------|----------------------------|-----|
| From:         | David J. Stoldt,<br>General Manager | Program/<br>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 December 17, 2018 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 December 17, 2018 Regular Meeting of the Board of Directors

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#### EXHIBIT 1-A

DRAFT MINUTES Regular Meeting Board of Directors Monterey Peninsula Water Management District December 17, 2018

Vice Chair Evans called the meeting to order at 7:10 pm in the MPWMD conference room.

CALL TO ORDER/ROLL CALL

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

Directors Absent: None

General Manager present: David J. Stoldt

District Counsel present: David Laredo

The assembly recited the Pledge of Allegiance.

No changes.

The following comments were directed to the Board during Oral Communications. (a) Judi Lehman asked if the listening sessions scheduled in early January regarding Rule 19.8/preparation of a feasibility study could be recorded so that the public could view each session. General Manager Stoldt announced the dates of the Listening Sessions and stated the January 2 and 3, 2019, sessions would be video recorded. All sessions would be audio recorded. (b) Nina **Beety** requested that the Board place on a future agenda a discussion of conducting an investigation into the effect of Neptune smart water meters on persons with electromagnetic sensitivity. Mr. Stoldt advised that installation of Neptune smart meters would not occur as described by Ms. Beetv. because the California Public Utilities Commission (CPUC) had denied California American Water's (Cal-Am) request to install them. (c) Gary Cursio, representing the Coalition of Peninsula Businesses, expressed concern about the District's recent Supreme Court filing in case S251935 in support of Marina Coast Water District. He urged the Board to ensure disclosure and public transparency in its decision making. (d) Michael Baer stated that the Board of Directors

#### PLEDGE OF ALLEGIANCE

ADDITIONS AND CORRECTIONS TO AGENDA

#### **ORAL COMMUNICATIONS**

3

should not support Cal-Am's desalination project, because the company does not own water rights for development of the proposed desalination project, which places financing of the project in peril. (e) Melodie Chrislock – Urged the Board to fast track development of alternative water supplies because Cal-Am might not develop the desalination project due to the lack of water rights.

On a motion by Adams and second of Byrne, the Consent Calendar was approved on a unanimous vote of 6 - 0 by Adams, Byrne, Edwards, Evans, Hoffmann and Riley.

Adopted.

Adopted.

Adopted.

A summary of Mr. Stoldt's report is on file at the District office and can be viewed on the agency's website. He reported that for the period of October 1, 2018 through November 30, 2018, rainfall recorded was at 132% of longterm average; unimpaired flow was at 66% of long term average, and useable storage was at 99% of long term average. He reviewed the handout titled Status Report on Major District Projects dated December 17, 2018. He commended staff member Larry Hampson on completion of the Rancho San Carlos Road Streambank Stabilization Project.

In response to comments made during Oral Communications, Mr. Laredo reported that the Board had previously reviewed the status of pending cases before the California Supreme Court (items 3.A, B and C), and made a motion to intervene in S251935 in order to preserve the District's party status. He noted that there had been no change in position by the District. He stated that the District's submission to the courts was not in support of Marina Coast Water District, neither was it adverse to Cal-Am. Mr. Laredo reported that the California Supreme Court ruled last week to deny without prejudice the petitions for written review in this case. The CPUC considered a request for reconsideration in closed session, but there has been no report on action taken. Regarding the 5:00 pm closed session, the Board received a status report on all matters on the closed session agenda. The Board did not conclude its discussion at the 5:00 pm closed session, and would therefore reconvene the closed session following adjournment of the open session.

#### CONSENT CALENDAR

- 1. Consider Adoption of Minutes of the November 19, 2018 Regular Board Meeting
- 2. Adopt Board Meeting Schedule for 2019
- 3. Consider Adoption of Treasurer's Report for October 2018

#### GENERAL MANAGER'S REPORT

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

#### **ATTORNEY'S REPORT**

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



5

- 3. Conference with Legal Counsel Existing Litigation (Gov Code 54946.9 (a))
- A. Application of California American Water to CPUC (No. 12-04-019) – Monterey Peninsula Water Supply Project
- **B.** Marina Coast Water District v CPUC (No. S251935)
- C. City of Marina v CPUC (No. S251935)
- 4. Conference with Legal Counsel Pending and Threatened Litigation (Gov. Code 56956.9 (b)) – One Case

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

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

#### PRESENTATIONSS

- 7. Receive Pension Reporting Standards Government Accounting Standards Board Statement No. 68 Accounting Valuation Report
- 8. Receive Government Accounting Standards Board Statement No. 75 Accounting and Financial Reporting for Postemployment Benefits other than Pensions

#### **PUBLIC HEARINGS**

9. Consider First Reading of Ordinance No. 181 – Amending Rule 11 and Adding Rule 23.10 to Establish a Water Entitlement for SNG Evariste, LLC, A Delaware Limited Liability Company (CEQA Compliance: Exempt per Section 15268 based on previous environmental determinations made by the Courts.)



Director Adams reported that she attended the November 30, 2018 tour of the Carlsbad Desalination Project sponsored by the Association of California Water Agencies.

Suresh Prasad, Administrative Services Division Manager and Chief Financial Officer, presented the report. A summary is on file at the District office and on the agency's website. <u>On a motion by Byrne and second of Adams the</u> report was received on a unanimous vote of 6 – 0 by Byrne, Adams, Edwards, Evans, Hoffmann and Riley.

Suresh Prasad, Administrative Services Division Manager and Chief Financial Officer, presented the report. A summary is on file at the District office and on the agency's website. On a motion by Byrne and second of Adams, the report was received on a unanimous vote of 6 - 0 by Byrne, Adams, Edwards, Evans, Hoffmann and Riley.

Byrne offered a motion that was seconded by Riley to adopt the first reading of Ordinance No. 181. The motion was adopted on a roll-call vote of 6 - 0 by Byrne, Riley, Adams, Edwards, Evans and Hoffmann.

The following comments were directed to the Board during the public hearing on this item. (a) Paul Bruno, Vice Chair of the Seaside Groundwater Basin Watermaster, expressed support for adoption of the ordinance. (b) Cody Phillips, representing Montage Health, spoke in support of the staff recommendation to adopt the first reading of the ordinance. On a motion of Edwards and second by Riley, the January through March 2019 Quarterly Water Supply Strategy and Budget was approved on a vote of 6 - 0 by Edwards, Riley, Adams, Byrne, Evans and Hoffmann. No comments were directed to the Board during the public hearing on this item.

On a motion by Edwards and second of Byrne, the report was received by the Board on a unanimous vote of 6 - 0 by Edwards, Byrne, Adams, Evans, Hoffmann and Riley.

Suresh Prasad, Administrative Services Division Manager and Chief Financial Officer, presented a summary of the report. In addition, Mike Riley and Rae Gularte of Hayashi and Wayland provided information and responded to questions from the Board.

The following comments were directed to the Board during the public hearing on this item. (a) Tom Rowley, representing the Monterey Peninsula Taxpayers Association, asked when either the water supply charge or the user fee would be retired, and described collection of both funding sources as double-dipping into the rate payers' pocketbooks. (b) Paul Bruno, a member of the Ordinance No. 152 Oversight Panel, stated that the panel supports reduction of the property tax as soon as possible due to restoration of the user fee. General Manager Stoldt stated that the Ordinance No. 152 Oversight Panel had concurred with the Board's policy to collect both the user fee and the water supply charge for three years, and then determine if the water supply charge could be reduced or sunset. He also noted that the Superior Court, Appeals Court and California Supreme Court have all determined that the water supply charge is not a property tax.

Byrne offered a motion that was seconded by Edwards to approve the staff recommendation to enter into agreements with qualified consultants to be funded by the balance of the unexpended 2018-19 budgeted amount for this task. The motion was approved on a vote of 5 - 1 by Directors Byrne, Edwards, Evans, Hoffmann and Riley. Director Adams abstained. No comments were directed to the Board during the public comment period on this item.

On a motion by Adams and second of Byrne, Board officers for 2019 were elected as follows: Evans, Chair; Edwards, Vice Chair; Stoldt, Secretary; and Prasad, Treasurer. The motion was approved on a unanimous vote of 6 - 0 by Adams, Byrne, Edwards, Evans, Hoffmann and Riley. No comments were directed to the Board during the public comment period on this item.

There was no discussion of these items.

- 10. Consider Adoption of January through March 2019 Quarterly Water Supply Strategy and Budget (Notice of Exemption, CEQA, Article 19, Section 15301 (Class 1))
- 11. Receive Fiscal Year 2017-2018 Comprehensive Annual Financial Report

#### **ACTION ITEMS**

- 12. Consider Approval for Retaining Consultant Services for an Update of the Integrated Regional Water Management Plan for the Monterey Peninsula, Carmel Bay, and Southern Monterey Bay
- 13. Conduct Election of Board Officers for 2019

#### INFORMATIONAL ITEMS/STAFF REPORTS

- 14. Letters Received
- 15. Committee Report



- 16. Monthly Allocation Report
- 17. Water Conservation Program Report
- 18. Carmel River Fishery Report
- 19. Monthly Water Supply and California American Water Production Report

At 9 pm the meeting was adjourned to a continuation of the 5 pm Closed Session of the Board.

ADJOURNMENT

Arlene M. Tavani, Deputy District Secretary

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#### ITEM: CONSENT CALENDAR

#### 2. RATIFY BOARD COMMITTEE ASSIGNMENTS FOR CALENDAR YEAR 2019

| Meeting Date: | January 23, 2019                    | Budgeted:                  | N/A |
|---------------|-------------------------------------|----------------------------|-----|
| From:         | David J. Stoldt,<br>General Manager | Program/<br>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:** A list of committee assignments for calendar year 2019 is attached as **Exhibit 2-A**.

All committees are made up of less than a quorum of the Board. The Administrative Committee is the District's one standing committee. It generally meets one week prior to the Board meeting. The other committees do not meet regularly, but only as needed.

When this list was developed, the Board of Directors was comprised of six members. The Mayoral representative should join the Board at the January 23, 2019 meeting, and committee membership may be revised at a future meeting to include all seven members of the Board.

**RECOMMENDATION:** Ratify appointments as presented or modify them by motion.

#### EXHIBIT

2-A Proposed Committee Assignments for Calendar Year 2019

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EXHIBIT 2-A

## **PROPOSED BOARD COMMITTEE ASSIGNMENTS FOR 2019**

Presented for Adoption on January 23, 2019

| <b>BOARD COMMITTEES</b>   |   |
|---|---|
| Administrative Committee  | George Riley – Chair<br>Gary Hoffman<br>Molly Evans<br>Dave Potter, Alternate           |
| Public Outreach/Communications  | Jeanne Byrne – Chair<br>Molly Evans<br>Alvin Edwards<br><i>Mary Adams, Alternate</i>    |
| Water Demand  | Alvin Edwards – Chair<br>Jeanne Byrne<br>Molly Evans<br>Dave Potter, Alternate          |
| Legislative Advocacy  | Molly Evans – Chair<br>Gary Hoffman<br>Mary Adams<br><i>Jeanne Byrne, Alternate</i>     |
| Water Supply Planning   | Gary Hoffman – Chair<br>Jeanne Byrne<br>George Riley<br><i>Alvin Edwards, Alternate</i> |
| <b>OUTSIDE AGENCIES/LIAISONS</b>  |   |
| Seaside Groundwater Basin Watermaster                                     | George Riley, Representative<br>Jeanne Byrne, Alternate                                 |
| Monterey County Special Districts'<br>Association                         | Alvin Edwards Representative<br>George Riley, Alternate                                 |
| Policy Advisory Committee   | (Board Chair serves as Chair), Chair<br>Alvin Edwards, Alternate                        |
| Monterey Peninsula Water Supply Project<br>Governance Committee           | Molly Evans, Representative<br>Jeanne Byrne, Alternate                                  |
| Association of California Water<br>Agencies/Joint Powers Insurance Agency | Gary Hoffman, Representative  |

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#### **ITEM: CONSENT CALENDAR**

#### 3. CONSIDER EXPENDITURE OF FUNDS TO CONTRACT WITH UNDERWRITER FOR MONTEREY PENINSULA WATER SUPPLY PROJECT

| Meeting Date:  | January 23, 2019                    | Budgeted:                  | Yes                           |  |  |
|--|-------------------------------------|----------------------------|-------------------------------|--|--|
| From:  | David J. Stoldt,<br>General Manager | Program/<br>Line Item No.: | Cal-Am Desal Project<br>1-9-1 |  |  |
| Prepared By:   | David J. Stoldt                     | Cost Estimate:             | Not to exceed \$104,000       |  |  |
| General Counsel Approval: N/A<br>Committee Recommendation: N/A<br>CEQA Compliance: This action does not constitute a project as defined by the California<br>Environmental Quality Act Guidelines Section 15378. |                                     |                            |                               |  |  |

**SUMMARY:** On September 13, 2018 the California Public Utilities Commission (CPUC) issued its decision regarding construction of the Monterey Peninsula Water Supply Project. The decision stated:

"Financing elements specifically authorized in this decision include: 1) the construction funding charge (also referred to as "Surcharge 2") with specific requirements as to review for reasonableness and prudency as set forth below; 2) SRF debt; 3) *public agency contribution or securitized debt (referred to as Securitization here and in the Comprehensive Settlement)*; and 4) equity." (emphasis added)

The ordering language in the decision went on to say:

"24. California-American Water Company shall file an application with the Commission requesting issuance of a financing order to allow for the securitization financing option consistent with this decision."

The decision's Conclusions of Law state:

"18. The Commission should, as authorized by Senate Bill (SB) 936, Chapter 482, issue financing orders to facilitate the recovery, financing, or refinancing of water supply costs, defined to mean reasonable and necessary costs incurred or expected to be incurred by a qualifying water utility. The Commission should find that the bonds would provide savings to water customers on the Monterey Peninsula, which will allow the Monterey Peninsula Water Management District to issue water rate relief bonds. Savings from these bonds should result from the lower interest rates that would apply to this financing compared to market-rate financing."

The District would contract with the underwriter for the eventual bond issue, but pay for services required during the 12 months expected to structure the financing and achieve a financing order

on a current basis, because the date of the issuance of bonds is unknown and could be imperiled by lawsuits. If the bonds are never issued, then the District will have paid from budgeted funds under project 1-9-1. The District entered into a similar contract with the same firm in 2013 in order to advance the financing concept further and to provide expert testimony during the December 2013 hearings.

The contract will not start until the District and Cal-Am meet and provide additional clarity on the timeline to apply for a Financing Order at the CPUC. The underwriter will begin to work with the District, District's Bond Counsel, the rating agencies, and Cal-Am to develop a secure credit and to ensure issuance of the Financing Order. The contract also provides for services on other potential District financings. If such additional advice happens during the period during which the securitization and the Financing Order are developed such additional services are included in the estimated \$80,000. If the securitization does not get initiated or is stalled or suspended, then other additional services are capped at \$24,000. Hence, there is a possibility that such services become "de-linked" so the maximum potential budget is \$104,000

**RECOMMENDATION:** The General Manager recommends that the Board of Directors approve the hiring of Raymond James Associates to provide lead underwriting services for the Water Rate Relief Bonds, with near-term services not to exceed \$104,000 over the 12-16 months required to develop the securitization.

### EXHIBIT

**3-A** Draft Underwriting Agreement

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#### EXHIBIT 3-A

#### **UNDERWRITING AGREEMENT**

#### BETWEEN

### MONTEREY PENINSULA WATER MANAGEMENT DISTRICT AND RAYMOND JAMES & ASSOCIATES, INC.

**THIS AGREEMENT** ("<u>Agreement</u>") is by and between the Monterey Peninsula Water Management District ("<u>Client</u>") and Raymond James & Associates, Inc. ("Underwriter").

WHEREAS, Client wishes to avail itself of the services of Underwriter with respect to the Client's anticipated Water Rate Relief Revenue Bonds (the "Bonds") to fund its public contribution (the "Financing") to the California American Water Company's ("Cal Am") proposed Monterey Peninsula Water Supply Project (the "Cal Am <u>Project</u>"); and, whereas the Client may wish to avail itself of the services of the Underwriter with respect to other potential bond financings; and Underwriter, through its Public Finance Department, is engaged in the business of providing, and is authorized under applicable Federal and State statutes to provide, such bond underwriting services;

**NOW THEREFORE**, it is agreed by all parties signing this Agreement that:

#### I. <u>SCOPE OF SERVICES OF RAYMOND JAMES</u>

- 1) Underwriter, in cooperation with the District's bond counsel, will:
  - Advise and consult with the Client on strategic, tactical and finance matters relating to the Project including, but not limited to: taxable and tax exempt issues; fixed rate and variable rate issues; current and forecasted interest rates; bond market conditions and other capital market developments; new and innovative methods of finance; and any other matters as reasonably requested by the Client to enable the Client to make fully informed decisions pertaining to the size, timing, sources, and related issues for funding of the Project.
  - Assist the Client in making presentations concerning the Project to the various internal and external groups whose approval will be required. Support shall include, but is not limited to creation and presentation, as requested, of appropriate presentation materials and assistance to the Client in negotiating and structuring said presentation
    - Provide to the Client (and periodically update as requested) one or more analytic computer models showing key financial assumption and alternative financing mixes, including alternatives that detail flexible and cost-effective combinations of funding mechanisms.



- Assist the Client in obtaining a private rating indication for the Bonds to determine the cost-effectiveness of the Bonds.
- Assist in the preparation of a Public Offering Memorandum, Private Placement Memorandum or other applicable information and offering material (the "Memorandum"). Responsibility for the contents of such Memorandum shall be solely that of Client and any issuer of the Bonds.
  - Review all related Bond documents.
  - Manage, structure, arrange for and participate in all discussions with nationally recognized rating agencies for obtaining ratings on the Bonds, if appropriate.
  - Assist in presenting the Bonds to potential bond insurers
- Assist in presentations to potential issuers.
- Engage in the marketing and underwriting of the Bonds.
  - Submit a bond purchase agreement for the purchase of the Bonds.
- 2) Any services in connection with either financing noted above with respect to reinvestment of proceeds or swaps or derivative products shall not be included within the scope of this Agreement and shall be governed by a separate Agreement.

#### II. <u>UNDERTAKINGS AND REPRESENTATIONS BY THE CLIENT</u>

- 1) The Client shall make available to Underwriter financial and other data and information concerning the Client and the Project. Client management and staff shall cooperate with the Underwriter in collecting and assembling the documentation essential to its financing activities and disclosure responsibilities.
- 2) As relevant, the Client shall work with legal counsel who shall issue an approving legal opinion to accompany the issuance of any debt, and appropriate legal counsel with respect to any loans. The Client shall also retain counsel to advise it as to the adequacy of disclosure and to assist in the preparation of any offering documents, as relevant, and to assist in all matters related to any proposed debt.
- 3) With respect to the Cal Am Project and the Bonds, in order that Client and the Underwriter can best coordinate efforts to effect a financing satisfactory to Client, Client grants the Underwriter sole and exclusive right and authority to perform the services described herein and agrees that it will not initiate or participate in any discussions relating to the financing with any person other than Raymond James.

## DRAFT

It is expressly understood that the Client may engage the services of other underwriters with respect to other bond financings.

4) The Client understands that the consummation of the Bonds will be based upon, among other things, the truth, accuracy and completeness of the information included in the Memorandum or otherwise provided to the Underwriter. The Client agrees that all such information will be true, correct and complete, and that it will update such information during the course of the underwriting, or placement, as appropriate, and that all projections provided to the Underwriter will have been prepared in good faith and based upon reasonable assumptions. The Client acknowledges and agrees that the Underwriter will rely upon such information and projections without independent verification. Any bond purchase or placement agreement entered into between the Underwriter and the Client will, to the extent permitted by law, contain customary indemnification and contribution provisions to indemnify the Underwriter and its affiliates and their officers, directors, employees and agents and any person controlling any of the foregoing.

## III. <u>PAYMENT TO RAYMOND JAMES</u>

1) For performance of the services related to the Cal-Am Project enumerated in Article I, the Client will compensate the Underwriter with: 1) a quarterly retainer of \$10,000 payable on the Start Date and quarterly thereafter through the issuance of a Financing Order upon receipt of an invoice, and 2) upon issuance of a Financing Order by the Public Utilities Commission of the State of California, payment of \$40,000 shall be made upon receipt of an invoice. The Start Date shall be the date the financing for the Cal Am Project is authorized to proceed, as determined by the Client in consultation with Cal Am. Payment and services provided hereunder may be suspended in the event the Cal Am project is stalled, delayed, or cancelled. Client will notify Underwriter of such suspension.

For performance of the services related to other bond financings, Client will compensate the Underwriter within the quarterly retainer described above, or in the event services and payment for underwriting services for the Cal Am Project have not been initiated or have been suspended, then at the rate of \$300 per hour, not to exceed 80 hours without written authorization by the Client.

Client may also suspend services and payment in the event Robert Larkins leaves the employment of the Underwriter.

2) As compensation for the Underwriter's services hereunder, Client will pay an underwriting fee equal as follows:

\$6/\$1,000 bond, assuming a minimum rating of BBB-, but less than the A category;

\$5/\$1,000 bond if A category; and

\$4/\$1,000 bond if AA category or better,



each exclusive of the Underwriter's out-of-pocket expenses, assuming the Client retains separate disclosure counsel, and assuming a term not to exceed 30 years.

- 3) The Client and the Underwriter expressly agree that the Underwriter's services will be fully performed and such underwriting fee will be due and payable only upon issuance of the Bonds, whether or not the issuance of the Bonds was arranged or underwritten by the Underwriter or such issuance occurs subsequent to the expiration of this Agreement.
- 4) The Client agrees to pay the Underwriter's out-of-pocket expenses in connection with any services provide hereunder, which shall include, but not be limited to, travel, delivery and similar charges, and fees and expenses of the Underwriter's legal counsel.

#### IV. <u>PAYMENT OF COSTS OF ISSUANCE</u>

Regardless of the plan of financing selected, the Client shall be responsible for payment of all the costs of issuing the Bonds or other debt instruments and completing a financing, including but not limited to:

- a) Printing and distribution of any offering documents (as relevant);
- b) Other printing costs;
- c) Counsel fees;
- d) Financial advisory fees
- e) Auditor fees;
- f) Feasibility Consultant fees;
- g) Rating Agency fees;
- h) Bond Trustee fees;
- i) Letter of Credit fees;
- j) Bank fees and expenses as required (for bank loans or direct purchase arrangements); and
- k) Bond insurance premiums, if any.

### V. <u>GENERAL PROVISIONS</u>

1) Client acknowledges and agrees that this Agreement does not constitute a guarantee by the Underwriter to underwrite or place any bonds or other financing. It is understood that the Underwriter's obligations under this agreement are to use reasonable efforts throughout the term of this agreement to perform the services described herein. The Client acknowledges and agrees that the Underwriter is being retained to act solely as underwriter for the Bonds, and not as an agent or advisor. This agreement is not intended to confer rights or benefits on any member, affiliate, shareholder or creditor of Client or any other person or entity or to provide Client or any other person with any assurances that the transaction will be consummated. Underwriter shall act as an independent contractor under this Agreement, and not in any other capacity, including as a fiduciary. Client acknowledges and agrees



that: (i) the transaction contemplated by this Agreement is an arm's length, commercial transaction between Client and the Underwriter in which Underwriter is acting solely as a principal and is not acting as a municipal advisor, financial advisor or fiduciary to the Client; (ii) Underwriter has not assumed any advisory or fiduciary responsibility to the Client with respect to the transaction contemplated hereby and the discussions, undertakings and procedures leading thereto (irrespective of whether the Underwriter has provided other services or is currently providing other services to the Client on other matters); (iii) the only obligations Underwriter has to the Client with respect to the transaction contemplated hereby expressly are set forth in this Agreement; and (iv) the Client has consulted its own legal, accounting, tax, financial and other advisors, as applicable, to the extent it has deemed appropriate.

- 2) The Underwriter will enter into a definitive agreement to underwrite or place bonds if and only if the security, structure, disclosure and other aspects of the issue are satisfactory in all respects to the Underwriter. Without limiting the generality of the foregoing, the approval of the Underwriter's management and its appropriate internal credit committee(s), based upon independent internal credit review and analysis of the Bonds, will be required for the Underwriter to serve as underwriter or placement agent for the bonds. Client acknowledges and agrees that if either the Underwriter's management or the Underwriter's internal credit committee does not approve such underwriting or private placement, the Underwriter's obligations under this agreement will terminate immediately, with no liability to the Underwriter. Upon such termination Client shall be obligated to pay any unreimbursed out of pocket expenses described above.
- 3) Client should be aware that the Underwriter or its affiliates may have trading and other business relationships with public agencies within Cal Am's Monterey Service District, other participants in the proposed transaction, including financial services firms engaged by Cal Am, as well as potential purchasers of the Bonds. These relationships include, but may not be limited to, trading lines, frequent purchases and sales of securities and other engagements through which the Underwriter may have, among other things, an economic interest. In addition, you should be aware that the primary role of an underwriter is to purchase, or arrange for the placement of, securities in an arm's-length commercial transaction between the issuer and the underwriter and that the Underwriter has financial and other interests that differ from those of the issuer. Notwithstanding the foregoing, the Underwriter will not receive any compensation with respect to the Bonds other than as disclosed above or otherwise disclosed to Client. The Underwriter is involved in a wide range of activities from which conflicting interests or duties may arise. Information which is held elsewhere within the Underwriter, but of which none of the Underwriter's personnel involved in the proposed transaction actually has knowledge, will not for any purpose be taken into account in determining Underwriter's responsibilities to the Client.
- 4) Both parties acknowledge and agree that the Underwriter is not serving as a financial advisor, municipal advisor or other fiduciary to the Client, nor is the



Underwriter serving as a fiduciary of any other party to the transaction. The Underwriter is not providing legal or accounting advice. Client also acknowledges that Susan N. Story, a Director of the Underwriter, is President and Chief Executive Officer of American Water Works Company, Inc., parent of Cal Am.

- 5) Either Client or the Underwriter may terminate this agreement in its sole discretion upon 30 days' written notice without liability to the other except that the Underwriter shall be entitled to the prompt payment of any unreimbursed out-ofpocket expenses described above, and Client shall remain obligated to the Underwriter as provided in Article III, above. Client's indemnification obligation shall survive any termination of this agreement.
- 6) No opinion or advice of the Underwriter shall be reproduced, disseminated, quoted or referred to at any time without the prior written consent of the Underwriter. Upon the completion of the financing, the Underwriter will be entitled to advertise the transaction in publications and at times selected by it at its own expense.
- 7) It is understood that any decision to enter into any Financing and acceptance of the terms and conditions of any Financing is the sole responsibility of the Client.
- 8) The Client hereby covenants and agrees that it will indemnify and hold harmless the Underwriter against any and all losses, claims, demands, damages or liabilities of any kind whatsoever, arising from or out of the acts, omissions or doings of the Client, its representatives, agents or employees, or in any way relating to the Financing or other matter within the purview of this Agreement, whether pursuant to statute or at common law or otherwise (hereinafter, "Claims"), and will reimburse the Underwriter for any legal or other expense reasonably incurred by it in connection with investigating or defending any such Claims or actions or proceedings arising from such Claims, whether or not resulting in any liability.
- 9) The term of this Agreement shall be for three years from the date shown in the signature block, below.
- 10) This Agreement embodies all the terms, agreements, conditions and rights contemplated and negotiated by Client and the Underwriter, and supersedes any and all discussions and understandings, written or oral, between the Client and the Underwriter regarding the subject matter hereof. Any modifications and/or amendments must be made in writing and signed by both parties.
- 11) This agreement shall be governed by and construed in accordance with the laws of the State of California without reference to any conflicts of law provisions that would require application of the law of a different jurisdiction.
- 12) Any dispute arising out of this Agreement or the performance hereof shall be resolved in binding arbitration before the American Arbitration Association, pursuant to its commercial arbitration rules. Each party, to the fullest extent permitted by law, knowingly, voluntarily and intentionally waives its right to a jury

## DRAFT

trial in any action or other legal proceeding arising out of or relating to this agreement or the performance hereof.

## VI. <u>INSURANCE</u>

- 1) Underwriter shall obtain and keep insurance policies in full force and effect for the following form of coverage:
  - a. Automobile liability including property damage and bodily injury with a combined single limit of \$300,000.
  - b. Commercial General Liability (CGL) with a combined single limit of \$1,000,000.
  - c. Consultant shall add to his/her Commercial General Liability insurance policy a severability or interest clause or such similar wording if his/her policy does not automatically have this clause already written into it. Such language shall be similar to: "The insurance afforded applies separately to each insured against whom claim is made or suit is brought, including claims made or suits brought by any person any other such person or organization."
- 2) Underwriter shall provide photocopies of its current Automobile insurance policy or policies including endorsements thereto, or current certificates of insurance in lieu thereof, to the Client.
- 3) Underwriter shall require any subcontractor to provide evidence of the same insurance coverages specified in Article VI paragraph 1.
- 4) Underwriter shall provide notice to the Client of any non-payment cancellation in insurance coverage where the Client has been named as additional insured, such notice to be delivered to the Client at least ten (10) days before the effective date of such non-payment cancellation of insurance.
- 5) Evidence acceptable to the Client that Underwriter has complied with the provisions of this Article VI shall be provided to the Client, prior to commencement of work under this Agreement.
- 6) All policies carried by the Underwriter, under which the Client is named additional insured, shall provide primary coverage instead of any and all other policies that may be in force. The Client shall not be responsible for any premium due for the insurance coverages specified in this Agreement.

## DRAFT

**IN WITNESS WHEREOF**, THE PARTIES HERETO HAVE DULY CAUSED THIS AGREEMENT to be signed and sealed by their respective authorized officers this \_\_\_\_\_ day of \_\_\_\_\_\_, 2019.

### Monterey Peninsula Water Management District

By: \_\_\_\_\_\_ Name: Title:

#### Raymond James & Associates, Inc.

By: \_\_\_\_\_ Name: Title:

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#### **ITEM: CONSENT CALENDAR**

#### 4. CONSIDER ENTERING INTO AN AGREEMENT FOR AN ADDENDUM TO THE MPWMD AQUIFER STORAGE AND RECOVERY PROJECT ENVIRONMENTAL IMPACT REPORT/ENVIRONMENTAL ASSESSMENT

| Meeting Date: | January 23, 2019                    | <b>Budgeted:</b>       | Yes                                   |
|---------------|-------------------------------------|------------------------|---------------------------------------|
| From:         | David J. Stoldt,<br>General Manager | Program/<br>Line Item: | Water Supply Projects<br>35-04-786004 |
| Prepared By:  | Maureen Hamilton                    | Cost Estimate:         | \$23,797                              |

General Counsel Review: N/A

Committee Recommendation: The Administrative Committee has not reviewed this item due to cancellation of the January 2019 meeting.

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

**SUMMARY:** Permanent water treatment facilities at MPWMD's Aquifer Storage and Recovery (ASR) Santa Margarita site located at 1910 General Jim Moore Boulevard must be constructed. Improvements to the water treatment facilities analyzed in the MPWMD ASR Project Environmental Impact Report/Environmental Assessment (ASR EIR/EA) are required to accommodate production from Cal-Am's Seaside Middle School ASR site. The improvements include increased capacity, a second building, and an exterior injection manifold.

Staff proposes to enter into a contract with Denise Duffy & Associates, Inc. (DD&A) to assist with the preparation of an Addendum to the ASR EIR/EA for the proposed improvements to the Santa Margarita site water treatment facilities (Project). Based on a review of the preliminary plans, the Project is not expected to create new significant environmental impacts or substantially increase the severity of previously identified significant impacts.

**RECOMMENDATION:** Staff recommends that the Board authorize the General Manager to contract with DD&A for preparation of an Addendum to the ASR EIR/EA for the amount of \$19,831 with a 20% contingency, a total authorization not-to-exceed (NTE) \$23,797.

**BACKGROUND:** Water recovered, also referred to as water produced, from ASR wells must be treated prior to distribution. The ASR EIR/EA, adopted August 22, 2006, evaluated the environmental impact for the Phase 1 ASR Project located at MPWMD's Santa Margarita site. The ASR EIR/EA evaluated Water Treatment Following Extraction for water recovered from the Santa Margarita site. Mitigation measures to reduce the significant impacts to less-than-significant level were adopted.

Addendum 1 to the ASR EIR/EA, adopted April 23, 2012, evaluated environmental impact for the Phase 2 ASR Project located at Cal-Am's Seaside Middle School site. Water treatment equipment at that site was disallowed by the School Board and was not environmentally evaluated. Recovered

water from the Seaside Middle School site will be conveyed using existing transmission to the Santa Margarita site for treatment.

Cal-Am will construct two additional ASR wells at the planned Fitch Park site. Although the Fitch Park ASR facility will include water treatment, several project conditions might require treatment of additional recovered water at the Santa Margarita site. Conditions include planned or emergency shutdowns of that treatment equipment, the potential for additional ASR or production wells which may be intertied to the northern transmission line, and delays in Fitch Park facilities completion. The existing northern transmission line is sized to accommodate 12.9 MGD. Thus, the environmental review will evaluate increased capacity to accommodate water produced from three sites, or 12.9 MGD.

Other modifications to the original ASR EIR that will be evaluated include:

- a new building to house treatment works<sup>1</sup>,
- a delivery system, and
- a water treatment manifold constructed outside and located in between the buildings.

Based on a review of the proposed changes, the preliminary determination is that an Addendum would be appropriate because the Project is not expected to create new significant environmental impacts or substantially increase the severity of previously identified significant impacts. The Addendum sections and analysis will document the preliminary determination per CEQA Guidelines sections 15162 and 15164.

DD&A has extensive experience providing similar services in connection with a number of infrastructure related projects. DD&A prepared the Santa Margarita Backflush Basin Expansion Addendum to the ASR EIR/EA, and the Pure Water Monterey/Groundwater Replenishment Project Environmental Impact Report located on the same Assessor's Parcel Number (APN). The parcel has unique and complex requirements due to its location on a Munitions Response Area and as part of the Installation-Wide Multispecies Habitat Management Plan for Former Fort Ord, California. As a result, DD&A is uniquely qualified to assist MPWMD with the preparation of an Addendum for the proposed Project. The proposal is attached as **Exhibit 4-A**.

A twenty percent contingency, to be expended upon written authorization by staff, is requested due to the strict timeline and likelihood of changes at this stage of the design.

### EXHIBIT

**4-A** Proposal for Environmental Services for Aquifer Storage and Recovery CEQA Addendum dated January 9, 2019.

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<sup>&</sup>lt;sup>1</sup> The new building will be similar in size and architecture to the existing building on-site. Chemicals stored inside the building will be below-grade with double containment.



## Denise Duffy & Associates, Inc.

PLANNING AND ENVIRONMENTAL CONSULTING

## Environmental Services Monterey Peninsula Water Management District Aquifer Storage and Recovery CEQA Addendum

January 9, 2019

## Background/Project Understanding

The Monterey Peninsula Water Management District (MPWMD or District) has requested that Denise Duffy & Associates (DD&A) prepare a CEQA addendum to the Aquifer Storage and Recovery Project (ASR) Envrionmetal Impact Report/Envriomental Assessment (EIR/EA) for the revision to a component of the ASR Project.

The proposed revision to the ASR Project involves:

- The construction of a new treatment building and above-grade treatment works. The proposed building will be located on the existing site and be esthetically consistent with existing facilities;
- Increased disinfection capacity to accommodate production from existing facilities located at the Seaside Middle School site and potential future facilities; and
- The potential inclusion of an additional water supply treatment if required in the future.

Together these changes comprise the Proposed Project.

## **Previous Environmental Documentation**

Pursuant to the California Environmental Quality Act, Public Resources Code Sections 21000 et seq. ("CEQA") and the State CEQA Guidelines, Title 14, California Code of Regulations, Sections 15000 et seq. ("CEQA Guidelines"), the District has considered the following documents:

- Final Environmental Impact Report (FEIR), certified by the District in August 2006 for the Seaside Groundwater Basin ("SGB") Aquifer Storage and Recovery ("ASR") Project (or "ASR Project");
- Addendum No. 1 to the ASR EIR/EA addressing the full implementation of Phase 2 ASR, dated April 2012;
- Addendum No. 2 to the ASR EIR/EA addressing the Hilby Avenue Pump Station, dated June 2016;
- Addendum No. 3 to the ASR EIR/EA addressing the Monterey Pipeline, dated February 2017;
- Addendum No. 4 to the ASR EIR/EA addressing the Backflush Basin Expansion Project, dated July 2018; and

DD&A Scope and Budget MPWMD ASR CEQA Addendum January 9, 2018

• Additional documentation for background information includes the Final PWM/GWR EIR certified October 2015 and the Final Monterey Peninsula Water Supply Project EIR/EIS, April 2018.

Based on a review of the preliminary plans, an addendum would be appropriate because the proposed project is not expected to create new significant environmental impacts or substantially increase the severity of previously identified significant impacts per CEQA Guidelines sections 15162 and 15164. The following presents DD&A's proposed scope of work for preparation of the Addendum.

## Scope of Services

The following provides a scope of services and budget based on the preliminary project information provided by the District (December 2018) and information from conversations with the District.

### Task 1. Project Initiation/Site Visit/Initial Checklist

DD&A will initiate the Addendum process by completing the following tasks necessary for ultimate preparation of a thorough and defensible addendum:

- DD&A will communicate with District staff to confirm project details and schedule needs, and to gather and review available information;
- DD&A staff will conduct one site visit and photograph existing conditions;
- DD&A will conduct an assessment of the existing relevant background reports. DD&A will collect data required to supplement the existing analysis consistent with CEQA;
- DD&A will review and edit the MPWMD provided project description for the Addendum;
- DD&A will generate a basic site plan for use in the project description of the Addendum; and
- DD&A will conduct initial evaluation by reviewing applicable CEQA regulations, existing CEQA documentation prepared for the project, and prepare an Initial Study checklist.

The Addendum will concisely describe and graphically depict the relevant site-specific features of the project.

## Task 2. Prepare Administrative Draft Addendum

An Administrative Draft Addendum will be prepared in compliance with Section 15164 of the CEQA Guidelines to clearly and concisely describe the changes due to the proposed project. The Addendum will include a description of the changes to the project and itemize revisions to the projects compared to how they are described in the base environmental documentation. The administrative draft will be submitted in electronic form (in MS Word and PDF via email) to the District for review and comment. The Addendum will clearly and

### EXHIBIT 4-A

DD&A Scope and Budget MPWMD ASR CEQA Addendum January 9, 2018

concisely describe the reasons for the Addendum determination. The following sections and analysis in the addendum will document the preliminary determination per CEQA Guidelines sections 15162 and 15164<sup>1</sup>.

Sections of the Addendum may include the following:

- Introduction
  - Addendum Overview
  - Background on the Project
  - Addendum Requirements
  - Review of existing CEQA documentation
  - Description of the Project
    - Location
    - Description of construction and operational characteristics
    - Comparison of Project to facilities evaluated in the existing CEQA documentation
- Impacts and Mitigation of the Project\* (See Topical Analysis below)
- Comparison to the Conditions Listed in CEQA Guidelines Related to Addendum Preparation
  - Changes to the Project Considered Not Substantial
  - No New Information Leading to Environmental Effects
  - No Change in Project Circumstances
- Conclusions
- References/Acronyms/Appendices

\*Topical Analysis: The addendum will include the following brief analyses, at a minimum:

Air Quality/Greenhouse Gasses. The Addendum will evaluate any potential changes to the previous impact analysis for air quality and greenhouse gasses based on the proposed increase in construction area. The environmental documentation previously prepared for the project concluded that project and cumulative air quality impacts are considered to be less-than-significant. No change in the conclusions from the previous assessment is anticipated.

**Biological Resources.** The Addendum will evaluate whether the proposed revised construction area would result in any additional biological impacts. DD&A will review the existing biological reports for the site and provide updated technical documentation related to biological resources as needed. Based upon a preliminary review of relevant project documentation, no new significant impacts or a worsening of severity of significant impact is anticipated.

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<sup>&</sup>lt;sup>1</sup> Note: As noted above, a preliminary determination has been made that use of an addendum would be appropriate under CEQA and the proposed project would not create new significant environmental impacts or substantially increase the severity of previously identified significant impacts.

### EXHIBIT 4-A

**Cultural Resources.** The Addendum will also evaluate potential impacts to cultural resources. More specifically, the Addendum will describe how the impacts on cultural resources will not be increased in severity when compared to the impacts identified in the previous environmental documentation.

**Hazards and Hazardous Materials.** The Addendum will identify potential hazards that exist on the site including those specific to the Former Fort Ord, such as the potential for unexploded ordinances (UXO) and soil contamination. This section will describe local protections that apply to the site and discuss the project's ability to comply with applicable regulations.

**Hydrology and Water Quality.** The Addendum will evaluate hydrology and water quality effects of the project. The Addendum will also describe the proposed storm water management system and identify the potential drainage and water quality impacts from the project. This section will identify local and regional programs for maintenance of water quality and the project's adherence to these programs.

Land Use and Planning. The Addendum will describe the existing land uses in the project area compared to the base environmental documentation and address potential land use effects.

**Noise.** The Addendum will describe the noise impacts on sensitive receptors when compared to the impacts identified in the previous environmental documentation and review applicable mitigation. Based upon a preliminary review of relevant project documentation, no new significant impacts or a worsening of severity of significant impact is anticipated.

**Traffic.** The Addendum will evaluate any potential changes to construction traffic based on the proposed revised construction area. The environmental documentation previously prepared for the project concluded that project and cumulative traffic impacts are considered to be less-than-significant. It is assumed that only minor traffic modifications would be needed for the proposed project.

**Topic by Topic Discussion.** Other topics, including geotechnical, geology, hazards/hazardous materials, hydrology and water quality, population/housing, public services and recreation, and utilities and service systems will be briefly addressed to describe how the revised project will not create any new impacts and will not increase the severity of those impacts previously identified. No assessment of agricultural resources is needed.

The Administrative Draft Addendum will be transmitted digitally for MPWMD staff review.

### Task 3. Prepare Screencheck Draft and Draft Addendum

Based upon review comments from District staff, DD&A will prepare an Administrative Draft followed by a Screencheck Draft Addendum for final review by MPWMD staff. This scope of work assumes DD&A will receive two sets of comments from MPWMD on the each of the above referenced documents. The Addendum will be prepared pursuant to the California CEQA Guidelines Section 15164, to describe the modifications to the Project and to evaluate whether the modifications present any new significant impacts not identified in the previously certified documentation or any increase in severity in any previously identified significant impacts.

### Task 4. Prepare Final Addendum

Based upon comments on the Draft Addendum, DD&A will revise a Final Addendum to accompany the final staff report.

# Task 5. Prepare CEQA Findings, Mitigation Monitoring and Reporting Program; Review Staff Report, Draft, and Final Resolution

In preparation for the MPWMD Board action on the Addendum and project approval, DD&A will prepare CEQA-required findings related to the conclusions of the Addendum. DD&A will also assist with review and preparation of a staff report and draft Board Resolution. It is assumed that the proposed project will not result in amendments to the Mitigation Monitoring and Reporting Program (MMRP). This scope does not include an update to the MMRP. Based upon comments on the CEQA findings, DD&A will revise and prepared the final document to accompany the staff report.

#### Task 6. Prepare Notices

After project approval, DD&A will prepare draft and final notices, as needed, related to the project approval. DD&A will file notices with proper documentation of previous fee payment to the Monterey County Clerk, Office of Planning and Research (OPR), or others, if requested.<sup>2</sup>

#### Task 7. Meetings and Conference Calls

This task includes attendance/involvement in meetings and conference calls with the involved agencies and MPWMD. The budget assumes attendance by the Project Manager at up to one public hearing. In addition, DD&A's Project Manager will coordinate meeting and conference call scheduling and prepare and distribute meeting agendas and summaries of key discussion points, if requested.

### Task 8. Project Management

This task consists of project management and communication responsibilities, including correspondence, schedule/budget tracking, project oversight, and document production. This task also includes coordination with MPWMD and others during preparation of the Addendum.

## Schedule

Assuming there are no changes to the proposed project described above, work performed under this scope of services will be completed within sixty (60) days of authorization by the District.

<sup>&</sup>lt;sup>2</sup> Filing a Notice of Determination is optional; thus DD&A would do this task only after confirmation by the MPWMD.

DD&A Scope and Budget MPWMD ASR CEQA Addendum January 9, 2018

## Budget

|   | CEQA Addendum for ASR Addendum No. 5                     |                            |  |                                |              |                |          |
|---|--|----------------------------|--|--------------------------------|--------------|----------------|----------|
| Task #  | Task Description   | Denise Duffy,<br>Principal | Diana Staines,<br>Assistant Project<br>Manager | Associate<br>Planner/Scientist | Graphics/GIS | Administrative | Total    |
|   | Rate   | \$225                      | \$119  | \$108                          | \$103        | \$63           |          |
| 1   | Project Initiation/Site Visit                            | 1                          | 4  | 4                              |              | 2              | \$1,259  |
| 2   | Prepare Administrative Draft Addendum                    | 2                          | 30   | 20                             | 4            | 3              | \$6,781  |
| 3   | Prepare Draft Addendum                                   | 2                          | 24   | 12                             | 2            | 2              | \$4,934  |
| 4   | Prepare Final Addendum                                   | 2                          | 4  | 4                              | 3            | 1              | \$1,730  |
| 5   | Prepare Draft and Final Resolution/CEQA<br>Findings/MMRP | 2                          | 12   | 2                              |              | 1              | \$2,157  |
| 6   | Prepare Notices  |                            | 1  | 3                              |              | 4              | \$695    |
| 7   | Meetings and Conference Calls                            | 2                          | 4  | 2                              |              |                | \$1,142  |
| 8   | Project Management                                       | 2                          | 3  |                                |              | 2              | \$933    |
| Total DD&A hours by person                      |  | 11                         | 74   | 47                             | 9            | 13             |          |
|   | Expenses*  |                            |  |                                |              |                | \$200    |
| TOTAL \$2,475 \$8,806 \$5,076 \$927 \$819 \$19, |  |                            |  |                                | \$19,831     |                |          |
| *Please no                                      | te that all deliverables will be provided electroni      | cally.                     |  |                                |              |                |          |
|   |  |                            |  |                                | Total        | Budget         | \$19,831 |

#### Denise Duffy & Associates, Inc. Budget Estimate for the CEQA Addendum for ASR Addendum No. 5

#### NOTES:

1. Approach. This budget estimate is based on the current understanding of approach per consultation with District.

2. Responding to agency comments. This budget estimate assumes an average number and length of comments from the reviewers with no new technical analysis. DD&A reserves the right to review the comments and adjust the estimated budget to accommodate responding to excessive comments. Specifically, responding to more than an average number of comments revising or conducting new analysis and/or excessively complex comments may require an amendment to the contract.

**3. Direct Costs**. Estimate does not include any filing fee for Notice of Determination or photocopying costs. Unless otherwise noted or requested, DD&A assumes that all deliverables would be submitted electronically (in PDF format, or if needed, Microsoft Word) only.

4. New technical studies. This task assumes assessment of the following issue areas based upon available information and assumes no new technical studies are needed: aesthetics/visual resources (visual simulations), air quality, biological resources, coastal act consistency, cultural resources, energy, geotechnical and geologic hazards, hazardous materials, hydrology and water quality, noise, traffic and transportation, and utilities/water supply.

#### ITEM: CONSENT CALENDAR

#### 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 ADDITONAL COOPERATIVE RESEARCH AND MONITORING PROJECT

| Meeting Date: | January 23, 2019                    | Budgeted:                  | No                               |
|---------------|-------------------------------------|----------------------------|----------------------------------|
| From:         | David J. Stoldt,<br>General Manager | Program/<br>Line Item No.: |                                  |
| Prepared By:  | Suresh Prasad                       | Cost Estimate:             | Up to \$39,198<br>(reimbursable) |

General Counsel Approval: N/A

Committee Recommendation: The Administrative Committee did not review this item due to cancellation of the January 2019 committee meeting.

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

**SUMMARY:** In 2017 and 2018, the District entered into an interagency contract with National Oceanographic and Atmospheric Agency's (NOAA) National Marine Fisheries Service-Southwest Fisheries Science Center (NMFS-SWFSC) for the purposes of conducting juvenile steelhead population studies. As part of a second new three-year contract, for fiscal year 2018-2019, MPWMD will provide local employees to support up to two positions. The positions will be filled at one of five levels, depending on increasing skill level, possession of specific certifiable skills in electrofishing, surgical fish tagging, and red-legged frog identification and avoidance. Field work will be conducted for five months from January through May for a total of 1,360 combined hours.

The contract is limited to \$39,198 per year. The funding for this contract comes from California American Water as a requirement of Water Rights Order 2016-0016. This field work will focus on evaluating steelhead survival through Los Padres Reservoir and over the spillway and through the new Behavioral Guidance System of Los Padres Dam (LPD). The data collected will guide future steelhead management by the NMFS and California Department of Fish and Wildlife, and is required information needed in future decisions on what to do with LPD.

Authorization is requested to hire a combination of limited-term Water Resources Assistants, Fisheries Aides, Fish Rescue Crew Leader, Fisheries Technician, Field Biology Assistant not to exceed the allocated contract amount for the year, and to purchase a boat, motor, and trailer and miscellaneous supplies for the project. The District is also loaning its existing 5' Screw Trap to the project. These positions would prevent the accrual of excessive compensatory time and overtime for higher level regular full-time positions.

**RECOMMENDATION:** Staff recommends that the Board approve two temporary field staff positions for cooperative research and monitoring projects with the NOAA/NMFS for fiscal year

2018-2019. This is a fully reimbursed project so the impact to the District will be zero. This project was not part of the FY 2018-2019 Budget so it will be included in the District's mid-year budget amendment.

**IMPACTS TO STAFF/RESOURCES:** The total cost of the limited-term staffing described above would not exceed the interagency contract amount. MPWMD will provide the administrative overhead for onboarding, and payroll administration. The employees will not use the District's vehicles.

### EXHIBIT

None

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#### ITEM: CONSENT CALENDAR

#### 6. CONFIRM APPOINTMENTS TO ORDINANCE NO. 152 OVERSIGHT PANEL

| Meeting Date:         | January 23, 2019                 | Budgeted:                  | N/A                         |
|-----------------------|----------------------------------|----------------------------|-----------------------------|
| From:                 | David Stoldt,<br>General Manager | Program/<br>Line Item No.: | N/A                         |
| Prepared By:          | Arlene Tavani                    | Cost Estimate:             | N/A                         |
| General Counse        | l Review: N/A                    |                            |                             |
| <b>Committee Reco</b> | ommendation: N/A                 |                            |                             |
| <b>CEQA</b> Complia   | nce: This action does not        | constitute a project as    | s defined by the California |
| Environmental         | Quality Act Guidelines Se        | ction 15378.               | •                           |

**SUMMARY:** Ordinance No. 152 created a nine member "Ordinance 152 Citizen's Oversight Panel" as an advisory group to the Board of Directors on expenditures from the Connection Charge adopted in June 2012. Each Director selects an appointee to the Panel for a two-year term. Shown below are the appointees selected by recently-elected Directors Edwards, Riley and Hoffmann, and Director Evans' appointee who replaces a committee member that resigned.

**RECOMMENDATION:** Ratify the appointment of members to the Ordinance No. 152 Oversight Panel for a two-year term ending January 1, 2021, or the date the appointing Director vacates office as a member of the MPWMD Board of Directors, whichever shall occur first.

| Directors' Appointees to Ordinance No. 152 Oversight Panel<br>Presented for Confirmation on 1/23/2019 |                           |  |  |
|---|---------------------------|--|--|
| Panel Member  | Appointed by              |  |  |
| Susan Schiavone   | Alvin Edwards, Division 1 |  |  |
| Jason Campbell  | George Riley, Division 2  |  |  |
| John Tilley   | Gary Hoffmann, Division 5 |  |  |
| Patie McCracken   | Molly Evans, Division 3   |  |  |

#### EXHIBIT None

None

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## ITEM: CONSENT CALENDAR

#### 7. CONSIDER APPROVAL OF ANNUAL UPDATE ON INVESTMENT POLICY

| Meeting Date: | January 23, 2019                    | Budgeted:                  | N/A |
|---------------|-------------------------------------|----------------------------|-----|
| From:         | David J. Stoldt,<br>General Manager | Program/<br>Line Item No.: | N/A |
| Prepared By:  | Suresh Prasad                       | Cost Estimate:             | N/A |

## General Counsel Review: N/A

Committee Recommendation: There was no Administrative Committee in January 2019. CEQA Compliance: This action does not constitute a project as defined by the California Environmental Quality Act Guidelines Section 15378.

**SUMMARY:** The State of California Government Code requires the District Board to annually review and approve the District Investment Policy. The District's current investment policy, included as **Exhibit 7-A**, was adopted by the Board on September 20, 1997 and has been reviewed and approved annually by the Board. The policy provides guidance for the District Treasurer, who acts on behalf of the Board in all investment matters. The policy was last reviewed and approved by the Board on January 24, 2018. District staff has again reviewed the investment policy and determined that it complies with the current Government Code; and that it is adequate for protecting safety and providing liquidity while yielding a reasonable rate of return given current market conditions.

**RECOMMENDATION:** District staff recommends that the Board review and approve the District's Investment Policy. This item will be approved if adopted along with the Consent Calendar.

**BACKGROUND:** The State of California Government Code requires the District Board to annually review and approve the District Investment Policy. The District's current policy was adopted on September 20, 1997 and has been reviewed and approved annually by the Board since that time. Additionally, State law, as well as District policy, requires that each quarter the Board receive and approve a report of investments held by the District. This requirement has been met as the Board has received quarterly reports on the contents and performance of the investment policy.

## EXHIBIT

7-A Monterey Peninsula Water Management District Investment Policy

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# MONTEREY PENINSULA WATER MANAGEMENT DISTRICT

# **INVESTMENT POLICY**

Approved by the MPWMD Board on January 24<u>3</u>, 2018<u>9</u>



Page 1 of 6

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# MONTEREY PENINSULA WATER MANAGEMENT DISTRICT

# **INVESTMENT POLICY**

# <u>1</u> Introduction

This policy governs the investment of District funds. The purpose of the policy is to provide guidance to the District Treasurer to invest funds in a manner that provides for the protection of principal (safety), meets the cash flow (liquidity) demands of the District and earns a reasonable yield. It shall be the policy of the District to invest all funds in strict conformance with all state statutes governing the investment of public monies. Moreover, it shall be the policy to manage investments under the prudent investor rule. This rule affords the District a broad spectrum of investment opportunities so long as the investment is deemed prudent and is allowable under State of California Government Code section 53600 et. seq., the investment policy of Monterey County and Section 118-507 (West's Annotated Government Code) of the District's enabling legislation.

# 2 Prudence

The District Treasurer is a trustee and therefore a fiduciary subject to the prudent investor standard. When investing, reinvesting, purchasing, acquiring, exchanging, selling and managing public funds, the treasurer shall act with the care, skill, prudence and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of investments of a like character and with like aims to safeguard the principal and maintain the liquidity needs of the District. Within the limitation of this policy and considering individual investments as part of an overall investment strategy, a trustee is authorized to acquire investments as authorized by law.

# <u>3 Investment and Risk</u>

The objectives of the District's investment program in order of priority are:

- 1) Safety of invested funds The Treasurer shall ensure the safety of the District's invested funds by limiting, as much as possible, credit and interest rate risk. Credit risk is the risk of loss due to failure of the security issuer or backer. Interest rate risk is the risk that the market value of investments will fall due to an increase in the general level of interest rates.
- 2) Maintenance of sufficient liquidity to meet cash flow requirements Attainment of a market average rate of return during budgetary and economic cycles, taking into account the District's investment risk constraints and cash requirements. The Treasurer, acting in accordance with District procedures and this policy and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price change, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments.

District funds may be placed in any instrument or medium approved by the State of California as enumerated in Government Code Section 53651, and not otherwise limited by the Monterey County Investment Policy. A listing of currently eligible securities shall be maintained. The Treasurer shall submit any proposed changes to the list of eligible investments to the Administrative Committee and Board of Directors. The Administrative Committee shall approve investment in a class of securities included on the list, but in which the District has not previously invested. The Board of Directors shall approve changes to the list of eligible securities. The currently approved list of securities is incorporated as Attachment I.

## 5 Prohibited Investments

The District shall not be authorized to invest in any security that has the possibility of returning a zero or negative yield if held to maturity except that investment in U. S. Treasury Certificates of indebtedness ("SLUGS") issued by the U. S. Bureau of Public debt is authorized. Prohibited investments shall include inverse floaters, range notes and interests only strips derived from a pool of mortgages.

## 6 Access to Funds

The premise underlying the District's investment policy is to ensure that money is available when needed. To this end, the District will maintain funds on deposit in a local bank or other federal or state regulated depository sufficient to meet expenditure requirements for the following six months as represented in the most recent budget adopted by the Board of Directors.

## 7 Authority

The Treasurer of the Board of Directors of the Monterey Peninsula Water Management District is responsible for the custody and management of District investments. Management activity will adhere to applicable state law, provisions of the District's enabling legislation and this policy. The Treasurer may delegate ministerial duties related to the investment program to other District staff, but shall retain responsibility for all transactions undertaken and shall establish a system of internal control to regulate activity of subordinate personnel.

## 8 Reports

Pursuant to Government Code Section 53646 the Treasurer shall provide quarterly investment reports to the Board of Directors. Each report shall include a listing of all securities held in the portfolio. It shall list investments by type, issuer, maturity, par value, market value, and dollar amount invested. The report shall contain a citation of compliance with this policy, an explanation for any non-compliance and a statement as to the ability or inability to meet expenditure requirements for the following six months. District monies over which the Treasurer does not exercise control or safekeeping e.g., does not determine how the funds are to be invested or banked, need not be included in the report. Agency contributions to the Public Employees Retirement

System need not be included. Deferred compensation funds (Section 457) held by third-party administrators and invested at the direction of program participants need not be included pursuant to PL 104-188.

# 9 Audits

The District's portfolio, quarterly reports, policy, internal control procedures and investment practices shall be the subject of scrutiny in the course of annual audits performed by external independent auditors selected by the Board of Directors<u>.</u> and approved by the Monterey County Auditor-Controller.

# 10 Policy Review

The Board of Directors shall review this policy at least annually.

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# 11 Attachment I

# ALLOWABLE INVESTMENT INSTRUMENTS PER STATE GOVERNMENT CODE AS OF JANUARY 1, 20169

| INVESTMENT<br>TYPE   | MAXIMUM<br>SECURITY | MAXIMUM<br>SPECIFIED<br>% OF<br>PORTFOLIO    | MINIMUM<br>QUALITY<br>REQUIREMENTS                     |
|--|---------------------|--|--|
| Local Agency Bonds   | 5 years             | None   | None   |
| U.S. Treasury Obligations  | 5 years             | None   | None   |
| State Obligations – CA and Others                                  | 5 years             | None   | None   |
| CA Local Agency Obligations  | 5 years             | None   | None   |
| U.S. Agency Obligations  | 5 years             | None   | None   |
| Bankers' Acceptances   | 180 days            | 40%  | None   |
| Commercial Paper – Pooled Funds                                    | 270 days            | 40% of the agency's money                    | Highest letter and<br>number rating by an<br>NRSRO     |
| Commercial Paper – Non-Pooled Funds                                | 270 days            | 25% of the agency's money                    | Highest letter and<br>number rating by an<br>NRSRO     |
| Negotiable Certificates of Deposits                                | 5 years             | 30%  | None   |
| Non-negotiable Certificates of Deposits                            | 5 years             | None   | None   |
| Placement Service Deposits   | 5 years             | 30%  | None   |
| Placement Service Certificates of Deposits                         | 5 years             | 30%  | None   |
| Repurchase Agreements  | 1 year              | None   | None   |
| Reverse Repurchase Agreements and<br>Securities Lending Agreements | 92 days             | 20% of the base<br>value of the<br>portfolio | None   |
| Medium-Term Notes  | 5 years             | 30%  | "A" rating category<br>or its equivalent or<br>better  |
| Mutual Funds And Money Market Mutual<br>Funds                      | N/A                 | 20%  | Multiple   |
| Collateralized Bank Deposits                                       | 5 years             | None   | None   |
| Mortgage Pass–Through Securities                                   | 5 years             | 20%  | "AA" rating<br>category or its<br>equivalent or better |
| County Pooled Investment Funds                                     | N/A                 | None   | None   |
| Joint Powers Authority Pool  | N/A                 | None   | Multiple   |
| Local Agency Investment Fund (LAIF)                                | N/A                 | None   | None   |
| Voluntary Investment Program Fund                                  | N/A                 | None   | None   |
| Supranational Obligations  | 5 years             | 30%  | "AA" rating<br>category or its<br>equivalent or better |

#### **CONSENT CALENDAR**

## 8. RECEIVE SEMI-ANNUAL REPORT ON THE CAWD/PBCSD WASTEWATER RECLAMATION PROJECT

| Meeting Date: | January 23, 2019                    | Budgeted:                  | N/A |
|---------------|-------------------------------------|----------------------------|-----|
| From:         | David J. Stoldt,<br>General Manager | Program/<br>Line Item No.: | N/A |
| Prepared By:  | Suresh Prasad                       | Cost Estimate:             | N/A |

#### General Counsel Review: N/A

# Committee Recommendation: There was no Administrative Committee in January 2019. CEQA Compliance: This action does not constitute a project as defined by the California Environmental Quality Act Guidelines Section 15378.

This report relates to the original CAWD/PBCSD Wastewater Reclamation Project (Phase I) only and does not contain any information related to the CAWD/PBCSD Recycled Water Expansion Project (Phase II). On December 10, 1992, the Monterey Peninsula Water Management District (MPWMD or District) sold \$33,900,000 worth of variable rate certificates of participation to finance the wastewater reclamation project in Pebble Beach. The tables below summarize the investment information on funds held for future use, disbursements, and interest rate trends on the outstanding certificates for the period July 1, 2018 through December 31, 2018. During the first reporting period in 2006, the Wastewater Reclamation Project's (Project) Operations and Maintenance Reserve and Renewal and Replacement Reserve accounts were transferred to the Carmel Area Wastewater District in accordance with the Project's Amended Construction and Operations Agreement dated December 15, 2004. The Project's Operations and Maintenance account (Bank of America) and Certificate of Participation accounts (U.S. Bank) remain under the control of the District and will continue to be reported on this report and future reports.

Par of 1992 Certificates

\$33,900,000

Investments as of December 31, 2018:

| Description               | Institution     | Market Value | Rate/Yield | <u>Term</u> |
|---------------------------|-----------------|--------------|------------|-------------|
| Interest Fund             | U.S. Bank       | \$331        | 0.00%      | Daily       |
| Certificate Payment Fund  | U.S. Bank       | \$801        | 0.00%      | Daily       |
| Acquisition/Rebate Funds  | U.S. Bank       | \$19         | 0.00%      | Daily       |
| Water Sales Revenue Acct. | Bank of America | \$941,321    | 0.04%      | Daily       |

#### **Operation and Maintenance Disbursements:**

MPWMD transferred advances in the amount of \$2,920,000 from the Water Sales Revenue Account to the Carmel Area Wastewater District during this reporting period. Advance payments are provided in accordance with the terms and conditions of Section 5.5 (a) of the Operation and Maintenance Agreement.

As provided in the Water Purchase Agreement, the obligation of the District to make disbursements is a special obligation of the District, payable solely from net operating revenues of the project, monies in the Revenue Fund, and other funds described in the Trust Agreement. In no event, will disbursements be payable out of any funds or properties of the District other than such sources.

## Principal and Interest on Certificates:

A principal payment of \$2,100,000 was made by the Project during this reporting period. The outstanding balance on the Certificates is currently \$9,800,000.

The interest rate on the Series 1992 Certificates was set initially at 2.30 percent per annum until December 16, 1992. On that date and weekly thereafter, so long as the certificates are in the variable mode, the Remarketing Agent, Stone & Youngberg, determines the rate of interest. Interest rates for this reporting period fluctuated between 0.70% and 1.42%.

On June 7, 2000, the Reclamation Management Committee noted that the Capital Interest Fund, used for payment of monthly interest on the outstanding certificates, would soon be exhausted. The Committee discussed the use of water sales revenue to make future interest payments. On July 3, 2000, the Reclamation Technical Advisory Committee affirmed the use of water sales revenue for interest payments when excess funds are available.

Effective July 1, 2013, the Reclamation Project water rates have been delinked from the California American Water Company potable rates. The rates are now set based on revenue requirement for the Project.

# EXHIBIT

None

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## ITEM: CONSENT CALENDAR

## 9. CONSIDER ADOPTION OF TREASURER'S REPORT FOR NOVEMBER 2018

| Meeting Date: | January 23, 2019                    | Budgeted:                  | N/A |
|---------------|-------------------------------------|----------------------------|-----|
| From:         | David J. Stoldt,<br>General Manager | Program/<br>Line Item No.: | N/A |
| Prepared By:  | Suresh Prasad                       | Cost Estimate:             | N/A |

## General Counsel Review: N/A

Committee Recommendation: There was no Administrative Committee in January 2019. CEQA Compliance: This action does not constitute a project as defined by the California Environmental Quality Act Guidelines Section 15378.

**SUMMARY: Exhibit 9-A** comprises the Treasurer's Report for November 2018. **Exhibit 9-B** and **Exhibit 9-C** are listings of check disbursements for the period November 1-30, 2018. Check Nos. 33204 through 33612, the direct deposits of employee's paychecks, payroll tax deposits, and bank charges resulted in total disbursements for the period in the amount of \$793,333.36. That amount included \$71,746.39 for conservation rebates. **Exhibit 9-D** reflects the unaudited version of the financial statements for the month ending November 30, 2018.

**RECOMMENDATION:** District staff recommends adoption of the November 2018 Treasurer's Report and financial statements, and ratification of the disbursements made during the month.

## **EXHIBITS**

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

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#### MONTEREY PENINSULA WATER MANAGEMENT DISTRICT TREASURER'S REPORT FOR NOVEMBER 2018

| Description                         | <u>Checking</u> | MPWMD<br><u>Money Market</u> | <u>L.A.I.F.</u> | Wells Fargo<br><u>Investments</u> | Multi-Bank<br><u>Securities</u> | MPWMD<br><u>Total</u> | Rabobanl<br>Line of Credit | PB<br>Reclamation<br><u>Money Market</u> |
|-------------------------------------|-----------------|------------------------------|-----------------|-----------------------------------|---------------------------------|-----------------------|----------------------------|--|
| Beginning Balance                   | \$175,039.28    | \$373,067.08                 | \$6,585,872.04  | \$2,751,346.95                    | \$1,493,221.49                  | \$11,378,546.84       | \$0.00                     | \$22,377.12                              |
| Fee Deposits                        |                 | 719,641.03                   |                 |                                   |                                 | 719,641.03            |                            | 866,082.49                               |
| Line of Credit Draw/Payoff          |                 |                              |                 |                                   |                                 | 0.00                  |                            |  |
| Interest Received                   |                 | 5.70                         |                 | 3,729.06                          | 2,421.44                        | 6,156.20              |                            | 3.61                                     |
| Transfer to/from LAIF               |                 |                              |                 |                                   |                                 | 0.00                  |                            |  |
| Transfer - Money Market/Checking    | 420,000.00      | (420,000.00)                 |                 |                                   |                                 | 0.00                  |                            |  |
| Transfer - Money Market/Multi-Bank  |                 | (246,000.00)                 |                 |                                   | 246,000.00                      | 0.00                  |                            |  |
| Transfer - Money Market/Wells Fargo |                 | 254,492.01                   |                 | (254,492.01)                      |                                 | 0.00                  |                            |  |
| MoCo Tax & WS Chg Installment Pymt  |                 |                              |                 |                                   |                                 | 0.00                  |                            |  |
| Transfer to CAWD                    |                 |                              |                 |                                   |                                 | 0.00                  |                            |  |
| Voided Cks                          |                 |                              |                 |                                   |                                 | 0.00                  |                            |  |
| Bank Corrections/Reversals/Errors   |                 |                              |                 |                                   |                                 | 0.00                  |                            |  |
| Bank Charges/Rtn'd Deposits/Other   | (301.06)        |                              |                 |                                   |                                 | (301.06)              |                            |  |
| Payroll Tax/Benefit Deposits        | (37,892.40)     |                              |                 |                                   |                                 | (37,892.40)           |                            |  |
| Payroll Checks/Direct Deposits      | (127,215.90)    |                              |                 |                                   |                                 | (127,215.90)          |                            |  |
| General Checks                      | (572,739.48)    |                              |                 |                                   |                                 | (572,739.48)          |                            |  |
| Bank Draft Payments                 | (55,184.52)     |                              |                 |                                   |                                 | (55,184.52)           |                            |  |
| Ending Balance                      | (\$198,294.08)  | \$681,205.82                 | \$6,585,872.04  | \$2,500,584.00                    | \$1,741,642.93                  | \$11,311,010.71       | \$0.00                     | \$888,463.22                             |



# PENINSULA Monterey Peninsula Water Management Dist

# 49 Check Report

By Check Number

Date Range: 11/01/2018 - 11/30/2018

| Vendor Number    | Vendor Name                                    | Payment Date             | Payment Type | Discount Amount | Payment Amount     | Number |
|------------------|--|--------------------------|--------------|-----------------|--------------------|--------|
| Bank Code: APBNK | -Bank of America Checking                      |                          |              |                 |                    |        |
| Payment Type: R  | egular   |                          |              |                 |                    |        |
| 02660            | Forestry Suppliers Inc.                        | 11/16/2018               | Regular      | 0.00            | -77.90             | 33072  |
| 05370            | California Secretary of State                  | 11/13/2018               | Regular      | 0.00            | -1.00              | 33151  |
| 02840            | California Conservation Corps                  | 11/01/2018               | Regular      | 0.00            | 8,580.00           | 33204  |
| 01009            | Cory Hamilton                                  | 11/01/2018               | Regular      | 0.00            | 313.23             | 33205  |
| 08109            | David Olson, Inc.                              | 11/01/2018               | Regular      | 0.00            | 727.00             | 33206  |
| 00761            | Delores Cofer                                  | 11/01/2018               | Regular      | 0.00            | 356.00             | 33207  |
| 00041            | Denise Duffy & Assoc. Inc.                     | 11/01/2018               | Regular      | 0.00            | 12,614.50          | 33208  |
| 07418            | McMaster-Carr                                  | 11/01/2018               | Regular      | 0.00            | 54.12              | 33209  |
| 00118            | Monterey Bay Carpet & Janitorial Svc           | 11/01/2018               | Regular      | 0.00            | 1,000.00           | 33210  |
| 13396            | Navia Benefit Solutions, Inc.                  | 11/01/2018               | Regular      | 0.00            | 70.00              | 33211  |
| 00282            | PG&E   | 11/01/2018               | Regular      | 0.00            | 216.68             | 33212  |
| 00166            | Rickly Hydrological Co.                        | 11/01/2018               | Regular      | 0.00            | 2,854.58           | 33213  |
| 09989            | Star Sanitation Services                       | 11/01/2018               | Regular      | 0.00            | 106.51             | 33214  |
| 00258            | TBC Communications & Media                     | 11/01/2018               | Regular      | 0.00            | 3,500.00           | 33215  |
| 07769            | University Corporation at Monterey Bay         | 11/01/2018               | Regular      | 0.00            | 5,010.83           | 33216  |
| 00221            | Verizon Wireless                               | 11/01/2018               | Regular      | 0.00            | 653.63             | 33217  |
| 00249            | A.G. Davi, LTD                                 | 11/09/2018               | Regular      | 0.00            | 395.00             | 33304  |
| 01188            | Alhambra                                       | 11/09/2018               | Regular      | 0.00            | 141.54             | 33305  |
| 00253            | AT&T   | 11/09/2018               | Regular      | 0.00            | 212.27             |        |
| 00253            | AT&T   | 11/09/2018               | Regular      | 0.00            | 3,739.75           |        |
| 00236            | AT&T Long Distance                             | 11/09/2018               | Regular      | 0.00            | 88.92              | 33308  |
| 16311            | Big Sur Land Trust                             | 11/09/2018               | Regular      | 0.00            | 3,549.61           | 33309  |
| 12188            | Brown and Caldwell                             | 11/09/2018               | Regular      | 0.00            | 20,321.33          |        |
| 00252            | Cal-Am Water                                   | 11/09/2018               | Regular      | 0.00            |                    | 33311  |
| 00252            | Cal-Am Water                                   | 11/09/2018               | Regular      | 0.00            | 114.33             |        |
| 02840            | California Conservation Corps                  | 11/09/2018               | Regular      | 0.00            | 5,060.00           |        |
| 00243            | CalPers Long Term Care Program                 | 11/09/2018               | Regular      | 0.00            | 150.18             |        |
| 12601            | Carmel Valley Ace Hardware                     | 11/09/2018               | Regular      | 0.00            | 117.41             |        |
| 01001            | CDW Government                                 | 11/09/2018               | Regular      | 0.00            | 3,112.99           |        |
| 00024            | Central Coast Exterminator                     | 11/09/2018               | Regular      | 0.00            | 104.00             |        |
| 00230            | Cisco WebEx, LLC                               | 11/09/2018               | Regular      | 0.00            | 174.80             |        |
| 16910            | Corryn Bennett                                 | 11/09/2018               | Regular      | 0.00            | 207.68             |        |
| 00267            | Employment Development Dept.                   | 11/09/2018               | Regular      | 0.00            | 2,060.00           |        |
| 00225            | Escalon Services c/o Palace Business Solutions | 11/09/2018               | Regular      | 0.00            | 669.46             |        |
| 00758            | FedEx  | 11/09/2018               | Regular      | 0.00            | 207.02             |        |
| 02660            | Forestry Suppliers Inc.                        | 11/09/2018               | Regular      | 0.00            |                    | 33323  |
| 00993            | Harris Court Business Park                     | 11/09/2018               | Regular      | 0.00            | 721.26             |        |
| 00083            | Hayashi & Wayland Accountancy Corp.            | 11/09/2018               | Regular      | 0.00            | 8,000.00           |        |
| 00277            | Home Depot Credit Services                     | 11/09/2018               | Regular      | 0.00            | 170.55             |        |
| 00768            | ICMA   | 11/09/2018               | Regular      | 0.00            | 5,235.09           |        |
| 04717            | Inder Osahan                                   | 11/09/2018               | Regular      | 0.00            | 1,218.97           |        |
| 06745            | KBA Docusys - Lease Payments                   | 11/09/2018               | Regular      | 0.00            | 947.22             |        |
| 00259            | Marina Coast Water District                    | 11/09/2018               | Regular      | 0.00            | 1,556.36           |        |
| 00259            | Marina Coast Water District                    | 11/09/2018               | Regular      | 0.00            |                    | 33331  |
| 05829            | Mark Bekker                                    | 11/09/2018               | Regular      | 0.00            | 814.00             |        |
| 00223            | Martins Irrigation Supply                      | 11/09/2018               | Regular      | 0.00            | 109.36             |        |
| 00242            | MBAS   | 11/09/2018               | Regular      | 0.00            | 3,600.00           |        |
| 07418            | McMaster-Carr                                  | 11/09/2018               | Regular      | 0.00            | 951.63             |        |
| 00118            | Monterey Bay Carpet & Janitorial Svc           | 11/09/2018               | Regular      | 0.00            | 1,000.00           |        |
| 00127            | Monterey Peninsula Engineering                 | 11/09/2018               | Regular      | 0.00            | 24,711.40          |        |
| 13396            | Navia Benefit Solutions, Inc.                  | 11/09/2018               | Regular      | 0.00            | 798.34             |        |
| 04032<br>00154   | Normandeau Associates, Inc.                    | 11/09/2018<br>11/09/2018 | Regular      | 0.00<br>0.00    | 6,792.50<br>244.00 |        |
| 00134            | Peninsula Messenger Service                    | 11/03/2010               | Regular      | 0.00            | 244.00             | JJJ4U  |

50 Date Range: 11/01/2018 - 11/30/2018

| Спеск керогт   |   |                          |                    | U               | ate Range: 11/01/20  | 18 - 11/30/201 |
|----------------|---|--------------------------|--------------------|-----------------|----------------------|----------------|
| Vendor Number  | Vendor Name   | Payment Date             | Payment Type       | Discount Amount | Payment Amount       | Number         |
| 00755          | Peninsula Welding Supply, Inc.                        | 11/09/2018               | Regular            | 0.00            | 143.83               |                |
| 00282          | PG&E  | 11/09/2018               | Regular            | 0.00            | 2,067.99             |                |
| 00752          | Professional Liability Insurance Service              | 11/09/2018               | Regular            | 0.00            |                      | 33343          |
| 00159          | Pueblo Water Resources, Inc.                          | 11/09/2018               | Regular            | 0.00            | 22,808.55            |                |
| 07627          | Purchase Power  | 11/09/2018               | Regular            | 0.00            | 500.00               |                |
| 00262          | Pure H2O  | 11/09/2018               | Regular            | 0.00            |                      | 33346          |
| 00251          | Rick Dickhaut   | 11/09/2018               | Regular            | 0.00            | 1,030.00             |                |
| 04709          | Sherron Forsgren                                      | 11/09/2018               | Regular            | 0.00            | 715.47               |                |
| 00766          | Standard Insurance Company                            | 11/09/2018               | Regular            | 0.00            | 1,421.19             |                |
| 01349          | Suresh Prasad   | 11/09/2018               | Regular            | 0.00            | 170.92               |                |
| 00258          | TBC Communications & Media                            | 11/09/2018<br>11/09/2018 | Regular            | 0.00            | 4,586.42             |                |
| 00207<br>00271 | Universal Staffing Inc.<br>UPEC, Local 792            | 11/09/2018               | Regular            | 0.00<br>0.00    | 3,505.02<br>1,023.00 |                |
| 06009          | yourservicesolution.com                               | 11/09/2018               | Regular<br>Regular | 0.00            | 365.00               |                |
| 05368          | Zim Industries, Inc.                                  | 11/09/2018               | Regular            | 0.00            | 10,066.00            |                |
| 00763          | ACWA-JPIA   | 11/16/2018               | Regular            | 0.00            | 307.65               |                |
| 00760          | Andy Bell   | 11/16/2018               | Regular            | 0.00            | 699.00               |                |
| 00232          | Balance Hydrologics, Inc                              | 11/16/2018               | Regular            | 0.00            | 1,835.90             |                |
| 00252          | Cal-Am Water  | 11/16/2018               | Regular            | 0.00            | 292.78               |                |
| 05370          | California Secretary of State                         | 11/16/2018               | Regular            | 0.00            |                      | 33512          |
| 16911          | Cruz By Leak Detection & Pipe Locating                | 11/16/2018               | Regular            | 0.00            | 375.00               |                |
| 02660          | Forestry Suppliers Inc.                               | 11/16/2018               | Regular            | 0.00            |                      | 33514          |
| 00083          | Hayashi & Wayland Accountancy Corp.                   | 11/16/2018               | Regular            | 0.00            | 30,000.00            | 33515          |
| 00986          | Henrietta Stern                                       | 11/16/2018               | Regular            | 0.00            | 1,218.97             | 33516          |
| 00277          | Home Depot Credit Services                            | 11/16/2018               | Regular            | 0.00            | 4.92                 | 33517          |
| 03857          | Joe Oliver  | 11/16/2018               | Regular            | 0.00            | 1,218.97             | 33518          |
| 00094          | John Arriaga  | 11/16/2018               | Regular            | 0.00            | 2,500.00             | 33519          |
| 00222          | M.J. Murphy   | 11/16/2018               | Regular            | 0.00            | 2.79                 | 33520          |
| 00117          | Marina Backflow Company                               | 11/16/2018               | Regular            | 0.00            | 75.00                | 33521          |
| 00256          | PERS Retirement                                       | 11/16/2018               | Regular            | 0.00            | 1,544.40             | 33522          |
| 00282          | PG&E  | 11/16/2018               | Regular            | 0.00            | 18.23                | 33523          |
| 00282          | PG&E  | 11/16/2018               | Regular            | 0.00            | 41,957.35            | 33524          |
| 00282          | PG&E  | 11/16/2018               | Regular            | 0.00            | 10.13                | 33525          |
| 00282          | PG&E  | 11/16/2018               | Regular            | 0.00            | 20,509.19            |                |
| 00282          | PG&E  | 11/16/2018               | Regular            | 0.00            | 57.87                | 33527          |
| 13394          | Regional Government Services                          | 11/16/2018               | Regular            | 0.00            | 2,285.15             |                |
| 04703          | Schaaf & Wheeler                                      | 11/16/2018               | Regular            | 0.00            | 277.50               |                |
| 00283          | SHELL   | 11/16/2018               | Regular            | 0.00            | 903.58               |                |
| 04719          | Telit lo T Platforms, LLC                             | 11/16/2018               | Regular            | 0.00            | 576.25               |                |
| 09425          | The Ferguson Group LLC                                | 11/16/2018               | Regular            | 0.00            | 8,000.00             |                |
| 00203          | ThyssenKrup Elevator                                  | 11/16/2018               | Regular            | 0.00            | 623.28               |                |
| 00207          | Universal Staffing Inc.                               | 11/16/2018               | Regular            | 0.00            | 1,845.20             |                |
| 00994<br>04039 | Whitson Engineers<br>American Water Works Association | 11/16/2018               | Regular            | 0.00<br>0.00    | 630.00<br>1,757.00   |                |
| 00253          | ATT&T   | 11/21/2018<br>11/21/2018 | Regular<br>Regular | 0.00            | 773.59               |                |
| 00253          | AT&T  | 11/21/2018               | Regular            | 0.00            | 222.13               |                |
| 00036          | Bill Parham   | 11/21/2018               | Regular            | 0.00            | 650.00               |                |
| 01001          | CDW Government  | 11/21/2018               | Regular            | 0.00            | 130.32               |                |
| 00024          | Central Coast Exterminator                            | 11/21/2018               | Regular            | 0.00            | 104.00               |                |
| 06268          | Comcast   | 11/21/2018               | Regular            | 0.00            | 276.72               |                |
| 04362          | Costco Membership                                     | 11/21/2018               | Regular            | 0.00            | 120.00               |                |
| 06001          | Cypress Coast Ford                                    | 11/21/2018               | Regular            | 0.00            |                      | 33549          |
| 00761          | Delores Cofer   | 11/21/2018               | Regular            | 0.00            | 356.00               |                |
| 00192          | Extra Space Storage                                   | 11/21/2018               | Regular            | 0.00            | 833.00               | 33551          |
| 00758          | FedEx   | 11/21/2018               | Regular            | 0.00            |                      | 33552          |
| 00277          | Home Depot Credit Services                            | 11/21/2018               | Regular            | 0.00            |                      | 33553          |
| 00266          | I.R.S.  | 11/21/2018               | Regular            | 0.00            | 245.40               | 33554          |
| 00768          | ICMA  | 11/21/2018               | Regular            | 0.00            | 8,719.09             | 33555          |
| 09982          | Kyle Smith  | 11/21/2018               | Regular            | 0.00            | 502.45               | 33556          |
| 05830          | Larry Hampson   | 11/21/2018               | Regular            | 0.00            | 250.17               | 33557          |
| 13431          | Lynx Technologies, Inc                                | 11/21/2018               | Regular            | 0.00            | 1,800.00             | 33558          |
|                |   |                          |                    |                 |                      |                |

| Vendor Number | Vendor Name                                      | Payment Date | Payment Type       | Discount Amount | Payment Amount | Number |
|---------------|--|--------------|--------------------|-----------------|----------------|--------|
| 00117         | Marina Backflow Company                          | 11/21/2018   | Regular            | 0.00            | 150.00         | 33559  |
| 00242         | MBAS   | 11/21/2018   | Regular            | 0.00            | 4,040.00       | 33560  |
| 13396         | Navia Benefit Solutions, Inc.                    | 11/21/2018   | Regular            | 0.00            | 798.34         | 33561  |
| 00282         | PG&E   | 11/21/2018   | Regular            | 0.00            | 24.34          | 33562  |
| 00282         | PG&E   | 11/21/2018   | Regular            | 0.00            | 22.40          | 33563  |
| 00752         | Professional Liability Insurance Service         | 11/21/2018   | Regular            | 0.00            | 72.12          | 33564  |
|               | **Void**   | 11/21/2018   | Regular            | 0.00            | 0.00           | 33565  |
|               | **Void**   | 11/21/2018   | Regular            | 0.00            | 0.00           | 33566  |
|               | **Void**   | 11/21/2018   | Regular            | 0.00            | 0.00           | 33567  |
|               | **Void**   | 11/21/2018   | Regular            | 0.00            | 0.00           | 33568  |
|               | **Void**   | 11/21/2018   | Regular            | 0.00            | 0.00           | 33569  |
| 00207         | Universal Staffing Inc.                          | 11/21/2018   | Regular            | 0.00            | 1,476.16       | 33570  |
| 08105         | Yolanda Munoz                                    | 11/21/2018   | Regular            | 0.00            | 540.00         | 33571  |
| 00176         | Sentry Alarm Systems                             | 11/21/2018   | Regular            | 0.00            | 215.50         | 33572  |
| 02838         | Solinst Canada Ltd                               | 11/21/2018   | Regular            | 0.00            | 1,184.64       | 33573  |
| 00766         | Standard Insurance Company                       | 11/21/2018   | Regular            | 0.00            | 1,494.08       |        |
| 00269         | U.S. Bank  | 11/21/2018   | Regular            | 0.00            | 5,124.68       |        |
|               | **Void**   | 11/21/2018   | Regular            | 0.00            |                | 33576  |
| 15399         | Accela Inc.                                      | 11/30/2018   | Regular            | 0.00            | 50,660.96      |        |
| 00767         | AFLAC  | 11/30/2018   | Regular            | 0.00            | 1,207.44       |        |
| 00236         | AT&T Long Distance                               | 11/30/2018   | Regular            | 0.00            | 344.29         |        |
| 16235         | California Department of Tax and Fee Administrat |              | Regular            | 0.00            | 401.37         |        |
| 16235         | California Department of Tax and Fee Administrat |              | Regular            | 0.00            | 1,000.00       |        |
| 16235         | California Department of Tax and Fee Administrat |              | Regular            | 0.00            | 435.97         |        |
| 16235         | California Department of Tax and Fee Administrat |              | Regular            | 0.00            | 1,952.47       |        |
| 00243         | CalPers Long Term Care Program                   | 11/30/2018   | Regular            | 0.00            | -              | 33584  |
| 04043         | Campbell Scientific, Inc.                        | 11/30/2018   | Regular            | 0.00            | 9,462.28       |        |
| 00237         | Chevron  | 11/30/2018   | Regular            | 0.00            | 421.52         |        |
| 00230         | Cisco WebEx, LLC                                 | 11/30/2018   | Regular            | 0.00            |                | 33587  |
| 00224         | City of Monterey                                 | 11/30/2018   | Regular            | 0.00            |                | 33588  |
| 000224        | Colantuono, Highsmith, & Whatley, PC             | 11/30/2018   | -                  | 0.00            | 9,277.68       |        |
| 00281         | CoreLogic Information Solutions, Inc.            | 11/30/2018   | Regular<br>Regular | 0.00            | 1,251.62       |        |
| 16912         | Cortina Whitmore                                 | 11/30/2018   | -                  | 0.00            | 316.76         |        |
| 04041         | Cynthia Schmidlin                                | 11/30/2018   | Regular            | 0.00            | 682.59         |        |
|               |  |              | Regular            |                 |                |        |
| 00046         | De Lay & Laredo                                  | 11/30/2018   | Regular            | 0.00            | 24,367.50      |        |
| 00225         | Escalon Services c/o Palace Business Solutions   | 11/30/2018   | Regular            | 0.00            | 233.76         |        |
| 00993         | Harris Court Business Park                       | 11/30/2018   | Regular            | 0.00            | 721.26         |        |
| 08929         | HDR Engineering, Inc.                            | 11/30/2018   | Regular            | 0.00            | 3,322.08       |        |
| 00277         | Home Depot Credit Services                       | 11/30/2018   | Regular            | 0.00            |                | 33597  |
| 04717         | Inder Osahan                                     | 11/30/2018   | Regular            | 0.00            | 1,218.97       |        |
| 08828         | Johnson Construction Enterprise LLC              | 11/30/2018   | Regular            | 0.00            | 425.42         |        |
| 06999         | KBA Docusys                                      | 11/30/2018   | Regular            | 0.00            | 2,015.17       |        |
| 06745         | KBA Docusys - Lease Payments                     | 11/30/2018   | Regular            | 0.00            | 947.22         |        |
| 12658         | McCampbell Analytical, Inc.                      | 11/30/2018   | Regular            | 0.00            | 1,981.00       |        |
| 13396         | Navia Benefit Solutions, Inc.                    | 11/30/2018   | Regular            | 0.00            |                | 33603  |
| 04032         | Normandeau Associates, Inc.                      | 11/30/2018   | Regular            | 0.00            | 2,992.62       |        |
| 00282         | PG&E   | 11/30/2018   | Regular            | 0.00            | 36,731.59      |        |
| 09989         | Star Sanitation Services                         | 11/30/2018   | Regular            | 0.00            |                | 33606  |
| 00258         | TBC Communications & Media                       | 11/30/2018   | Regular            | 0.00            | 6,742.84       |        |
| 09425         | The Ferguson Group LLC                           | 11/30/2018   | Regular            | 0.00            |                | 33608  |
| 00207         | Universal Staffing Inc.                          | 11/30/2018   | Regular            | 0.00            | 1,063.63       |        |
| 07769         | University Corporation at Monterey Bay           | 11/30/2018   | Regular            | 0.00            | 7,475.81       |        |
| 04340         | Valley Trophies & Detectors                      | 11/30/2018   | Regular            | 0.00            | 251.49         |        |
| 00221         | Verizon Wireless                                 | 11/30/2018   | Regular            | 0.00            | 709.14         | 33612  |
|               |  |              | 0                  |                 |                |        |

#### Check Report

52 Date Range: 11/01/2018 - 11/30/2018

| Vendor Number   | Vendor Name                        | Payment Date | Payment Type | Discount Amount   | Payment Amount | Number     |
|-----------------|------------------------------------|--------------|--------------|-------------------|----------------|------------|
| Payment Type: B | ank Draft                          |              |              |                   |                |            |
| 00266           | I.R.S.                             | 11/09/2018   | Bank Draft   | 0.00              | 11,227.26      | DFT0001253 |
| 00266           | I.R.S.                             | 11/09/2018   | Bank Draft   | 0.00              | 2,685.66       | DFT0001254 |
| 00267           | Employment Development Dept.       | 11/09/2018   | Bank Draft   | 0.00              | 4,438.79       | DFT0001255 |
| 00266           | I.R.S.                             | 11/09/2018   | Bank Draft   | 0.00              | 312.76         | DFT0001256 |
| 00266           | I.R.S.                             | 11/07/2018   | Bank Draft   | 0.00              | 9.58           | DFT0001258 |
| 00266           | I.R.S.                             | 11/07/2018   | Bank Draft   | 0.00              | 54.82          | DFT0001259 |
| 00266           | I.R.S.                             | 11/07/2018   | Bank Draft   | 0.00              | 234.36         | DFT0001260 |
| 00266           | I.R.S.                             | 11/21/2018   | Bank Draft   | 0.00              | 11,252.81      | DFT0001266 |
| 00266           | I.R.S.                             | 11/21/2018   | Bank Draft   | 0.00              | 2,686.66       | DFT0001267 |
| 00267           | Employment Development Dept.       | 11/21/2018   | Bank Draft   | 0.00              | 4,451.26       | DFT0001268 |
| 00266           | I.R.S.                             | 11/21/2018   | Bank Draft   | 0.00              | 76.82          | DFT0001269 |
| 00266           | I.R.S.                             | 11/21/2018   | Bank Draft   | 0.00              | 69.16          | DFT0001271 |
| 00266           | I.R.S.                             | 11/21/2018   | Bank Draft   | 0.00              | 74.40          | DFT0001272 |
| 00266           | I.R.S.                             | 11/21/2018   | Bank Draft   | 0.00              | 318.06         | DFT0001273 |
| 00256           | PERS Retirement                    | 11/09/2018   | Bank Draft   | 0.00              | 14,924.98      | DFT0001276 |
| 00256           | PERS Retirement                    | 11/21/2018   | Bank Draft   | 0.00              | 15,179.54      | DFT0001277 |
| 00769           | Laborers Trust Fund of Northern CA | 11/14/2018   | Bank Draft   | 0.00              | 25,080.00      | DFT0001278 |
|                 |                                    |              |              | Total Bank Draft: | 93,076.92      |            |

|                | Bank Code APBNK  | Summary          |          |            |
|----------------|------------------|------------------|----------|------------|
| Payment Type   | Payable<br>Count | Payment<br>Count | Discount | Payment    |
| Regular Checks | 212              | 160              | 0.00     | 501,071.99 |
| Manual Checks  | 0                | 0                | 0.00     | 0.00       |
| Voided Checks  | 0                | 8                | 0.00     | -78.90     |
| Bank Drafts    | 25               | 17               | 0.00     | 93,076.92  |
| EFT's          | 0                | 0                | 0.00     | 0.00       |
|                | 237              | 185              | 0.00     | 594,070.01 |

| Check Report          |   |              |              | [               | 0ate Range: 11/01/20 | 18 - 11/30/2 |
|-----------------------|---|--------------|--------------|-----------------|----------------------|--------------|
| Vendor Number         | Vendor Name                               | Payment Date | Payment Type | Discount Amount | Payment Amount       | Number       |
| Bank Code: REBATES-02 | 2-Rebates: Use Only For Rebates           |              |              |                 |                      |              |
| Payment Type: Reg     | gular                                     |              |              |                 |                      |              |
| 16857                 | ADRIANNE DAMICO                           | 11/09/2018   | Regular      | 0.00            | 75.00                | 33223        |
| 16883                 | ALISSA M KISPERSKY                        | 11/09/2018   | Regular      | 0.00            | 500.00               | 33224        |
| 16868                 | Anthony Peacock                           | 11/09/2018   | Regular      | 0.00            | 150.00               | 33225        |
| 16842                 | Brittany McAnally                         | 11/09/2018   | Regular      | 0.00            | 500.00               | 33226        |
| 16898                 | BRODIE & LYNNE KEAST                      | 11/09/2018   | Regular      | 0.00            | 500.00               | 33227        |
| 16876                 | BRUCE TEIGEN                              | 11/09/2018   | Regular      | 0.00            | 125.00               | 33228        |
| 16836                 | CARA COHEN                                | 11/09/2018   | Regular      | 0.00            | 494.99               | 33229        |
| 16869                 | CASS GIL                                  | 11/09/2018   | Regular      | 0.00            | 75.00                | 33230        |
| 16853                 | CASS GIL                                  | 11/09/2018   | Regular      | 0.00            | 75.00                | 33231        |
| 16871                 | CHARLES DAVIES                            | 11/09/2018   | Regular      | 0.00            | 125.00               | 33232        |
| 16827                 | CHERI PADIN                               | 11/09/2018   | Regular      | 0.00            | 75.00                | 33233        |
| 16895                 | CHRISTINE A VITALE                        | 11/09/2018   | Regular      | 0.00            | 500.00               | 33234        |
| 16859                 | CHRISTINE MEYER                           | 11/09/2018   | Regular      | 0.00            | 150.00               | 33235        |
| 16829                 | Custom House Realty                       | 11/09/2018   | Regular      | 0.00            | 75.00                | 33236        |
| 16904                 | Custom House Realty & Property Management | 11/09/2018   | Regular      | 0.00            | 75.00                | 33237        |
| 16893                 | DAN KERR                                  | 11/09/2018   | Regular      | 0.00            | 500.00               | 33238        |
| 16856                 | DAVID ALBIOL                              | 11/09/2018   | Regular      | 0.00            | 75.00                | 33239        |
| 16862                 | DAVID DAI                                 | 11/09/2018   | Regular      | 0.00            | 125.00               | 33240        |
| 16890                 | Dolores Bell                              | 11/09/2018   | Regular      | 0.00            | 500.00               | 33241        |
| 16841                 | Don Corona                                | 11/09/2018   | Regular      | 0.00            | 500.00               | 33242        |
| 16879                 | DONNA SHADE                               | 11/09/2018   | Regular      | 0.00            | 500.00               | 33243        |
| 16854                 | DUANE L YOUNG                             | 11/09/2018   | Regular      | 0.00            | 75.00                | 33244        |
| 16901                 | DUANE L YOUNG                             | 11/09/2018   | Regular      | 0.00            | 75.00                | 33245        |
| 16902                 | ELSBETH STRATTON                          | 11/09/2018   | Regular      | 0.00            | 225.00               | 33246        |
| 16874                 | G. MICHAEL BUTLER                         | 11/09/2018   | Regular      | 0.00            | 125.00               | 33247        |
| 16900                 | GREGG & MARY WELLS                        | 11/09/2018   | Regular      | 0.00            | 500.00               | 33248        |
| 16867                 | HOWARD ORIBA                              | 11/09/2018   | Regular      | 0.00            | 75.00                | 33249        |
| 16865                 | IAN L. SAYERS                             | 11/09/2018   | Regular      | 0.00            | 250.00               | 33250        |
| 16884                 | JACQUELYN C. CERCHI                       | 11/09/2018   | Regular      | 0.00            | 500.00               | 33251        |
| 16843                 | JAMES & PATRICIA KIRSHNER                 | 11/09/2018   | Regular      | 0.00            | 500.00               | 33252        |
| 16875                 | JAMES C HENRY, JR .                       | 11/09/2018   | Regular      | 0.00            | 125.00               | 33253        |
| 16870                 | Jason Lei                                 | 11/09/2018   | Regular      | 0.00            | 125.00               | 33254        |
| 16886                 | Jay Hughes                                | 11/09/2018   | Regular      | 0.00            | 500.00               | 33255        |
| 16849                 | JOANNE DAVISON                            | 11/09/2018   | Regular      | 0.00            | 500.00               | 33256        |
| 16863                 | JOANNE M MAY                              | 11/09/2018   | Regular      | 0.00            | 75.00                | 33257        |
| 16880                 | JOSEPH LUCIDO                             | 11/09/2018   | Regular      | 0.00            | 500.00               | 33258        |
| 16837                 | JOSEPH & ALICIA ASHBY                     | 11/09/2018   | Regular      | 0.00            | 500.00               | 33259        |
| 16872                 | JOSEPHINE FAVAZZA                         | 11/09/2018   | Regular      | 0.00            | 125.00               | 33260        |
| 16835                 | JULIE AULENTA                             | 11/09/2018   | Regular      | 0.00            | 500.00               | 33261        |
| 16888                 | KATHLEEN REYNOLDS                         | 11/09/2018   | Regular      | 0.00            | 500.00               | 33262        |
| 16851                 | Kent Durgan                               | 11/09/2018   | Regular      | 0.00            | 75.00                | 33263        |
| 16850                 | LARRY & CARMELA BORRELLI                  | 11/09/2018   | Regular      | 0.00            | 75.00                | 33264        |
| 16861                 | LEE CHANG                                 | 11/09/2018   | Regular      | 0.00            | 75.00                | 33265        |
| 16897                 | LILLIAN DEAN                              | 11/09/2018   | Regular      | 0.00            | 500.00               | 33266        |
| 16908                 | LILLIAN DEAN                              | 11/09/2018   | Regular      | 0.00            | 500.00               | 33267        |
| 16830                 | LINDA STROH                               | 11/09/2018   | Regular      | 0.00            | 375.00               | 33268        |
| 16882                 | Lucas Connolly                            | 11/09/2018   | Regular      | 0.00            | 500.00               | 33269        |
| 16889                 | LUCY CARLTON                              | 11/09/2018   | Regular      | 0.00            | 500.00               | 33270        |
| 16828                 | LYLE BREWER                               | 11/09/2018   | Regular      | 0.00            | 75.00                | 33271        |
| 16844                 | MARIA STAROW                              | 11/09/2018   | Regular      | 0.00            | 500.00               | 33272        |
| 16906                 | Mark J. Schott                            | 11/09/2018   | Regular      | 0.00            | 500.00               | 33273        |
| 16826                 | MICHAEL GORTZ                             | 11/09/2018   | Regular      | 0.00            | 75.00                | 33274        |
| 16892                 | MICHAEL & LINDA DELEHUNT                  | 11/09/2018   | Regular      | 0.00            | 500.00               | 33275        |
| 16846                 | Michelle And Warren Lally                 | 11/09/2018   | Regular      | 0.00            | 500.00               | 33276        |
| 16891                 | MONICA SCIUTO                             | 11/09/2018   | Regular      | 0.00            | 500.00               | 33277        |
| 16831                 | NICHOLAS SASSON                           | 11/09/2018   | Regular      | 0.00            | 125.00               | 33278        |
| 16894                 | Norma Curiel                              | 11/09/2018   | Regular      | 0.00            | 500.00               | 33279        |
| 16840                 | OLIVER & JENNIFER FELLGUTH                | 11/09/2018   | Regular      | 0.00            | 500.00               | 33280        |
| 16839                 | PAUL BOON                                 | 11/09/2018   | Regular      | 0.00            | 500.00               | 33281        |
|                       |   |              |              |                 |                      |              |

54 Date Range: 11/01/2018 - 11/30/2018

| Спеск керогс   |                                     |                          |                    | L               | ate Range: 11/01/20 | 18 - 11/30/201 |
|----------------|-------------------------------------|--------------------------|--------------------|-----------------|---------------------|----------------|
| Vendor Number  | Vendor Name                         | Payment Date             | Payment Type       | Discount Amount | Payment Amount      | Number         |
| 16860          | PAULS O'LEARY                       | 11/09/2018               | Regular            | 0.00            |                     | 33282          |
| 16833          | Peter Berry                         | 11/09/2018               | Regular            | 0.00            | 125.00              |                |
| 16885          | QIAN WANG                           | 11/09/2018               | Regular            | 0.00            | 500.00              |                |
| 16899          | RATNA ANAGOL                        | 11/09/2018               | Regular            | 0.00            | 500.00              |                |
| 16873          | ROBERT RICHARDS                     | 11/09/2018               | Regular            | 0.00            | 125.00              |                |
| 16852          | ROBERT WALDERMAR YOUNG              | 11/09/2018               | Regular            | 0.00            |                     | 33287          |
| 16866          | ROGER MANLEY                        | 11/09/2018               | Regular            | 0.00            | 150.00              |                |
| 16878          | RON EVANS                           | 11/09/2018               | Regular            | 0.00            | 125.00              |                |
| 16896          | SALLY A BARTON                      | 11/09/2018               | Regular            | 0.00            | 500.00              |                |
| 16847          | SAM G TARANTINO                     | 11/09/2018<br>11/09/2018 | Regular            | 0.00            | 200.00              |                |
| 16881<br>16864 | Sharon Nuss<br>SIRVANT M NIMRI      | 11/09/2018               | Regular<br>Regular | 0.00<br>0.00    | 500.00<br>150.00    |                |
| 16855          | STEVE R KAHN                        | 11/09/2018               | Regular            | 0.00            |                     | 33294          |
| 16903          | SVETLANA V MINDIRGASOVA             | 11/09/2018               | Regular            | 0.00            | 150.00              |                |
| 16907          | Talmadge Dodson                     | 11/09/2018               | Regular            | 0.00            | 500.00              |                |
| 16858          | Terri Milligan                      | 11/09/2018               | Regular            | 0.00            | 575.00              |                |
| 16832          | THOMAS W DIETRICH                   | 11/09/2018               | Regular            | 0.00            | 125.00              |                |
| 16887          | TIMOTHY PIPES                       | 11/09/2018               | Regular            | 0.00            | 500.00              |                |
| 16905          | TINA LIU ANNESLEY                   | 11/09/2018               | Regular            | 0.00            | 150.00              |                |
| 16838          | URSULA HERRICK TRS                  | 11/09/2018               | Regular            | 0.00            | 500.00              |                |
| 16848          | Veronica F. Wilcox                  | 11/09/2018               | Regular            | 0.00            | 500.00              |                |
| 16845          | XIBO HENDERSON                      | 11/09/2018               | Regular            | 0.00            | 500.00              |                |
| 17259          | A J HOUSTON                         | 11/16/2018               | Regular            | 0.00            | 500.00              | 33356          |
| 17557          | ADRIENNE CLEARY                     | 11/16/2018               | Regular            | 0.00            | 200.00              | 33357          |
| 17536          | Ahmed Shehadey                      | 11/16/2018               | Regular            | 0.00            | 75.00               | 33358          |
| 17260          | ALLISON LENZI                       | 11/16/2018               | Regular            | 0.00            | 449.10              | 33359          |
| 17145          | ANDRES ROBERTO VENEGAS              | 11/16/2018               | Regular            | 0.00            | 500.00              | 33360          |
| 17213          | ANDREW W RAPP                       | 11/16/2018               | Regular            | 0.00            | 75.00               | 33361          |
| 17276          | Angel Morales                       | 11/16/2018               | Regular            | 0.00            | 500.00              | 33362          |
| 17590          | Ann Houle                           | 11/16/2018               | Regular            | 0.00            | 500.00              | 33363          |
| 17241          | ANNE MARTELLARO                     | 11/16/2018               | Regular            | 0.00            | 500.00              |                |
| 17226          | BARBARA JAMISON                     | 11/16/2018               | Regular            | 0.00            | 125.00              |                |
| 17250          | BEDREDIN E VENTURA                  | 11/16/2018               | Regular            | 0.00            | 500.00              |                |
| 17593          | Benjamin Carpenter                  | 11/16/2018               | Regular            | 0.00            | 500.00              |                |
| 17148          | BERJ AMIR                           | 11/16/2018               | Regular            | 0.00            | 500.00              |                |
| 17207          | BRENDA LEWIS                        | 11/16/2018               | Regular            | 0.00            | 179.10              |                |
| 17219          | BRENDA S HOOT                       | 11/16/2018               | Regular            | 0.00            |                     | 33370          |
| 17230<br>17254 | BRUCE GAYA<br>BRYAN DRAPER          | 11/16/2018<br>11/16/2018 | Regular<br>Regular | 0.00<br>0.00    | 125.00<br>500.00    |                |
| 17555          | BUENA VISTA LAND COMPANY            | 11/16/2018               | Regular            | 0.00            |                     | 33372          |
| 17264          | Carmen Black                        | 11/16/2018               | Regular            | 0.00            | 500.00              |                |
| 17217          | CAROL J IMWALLE                     | 11/16/2018               | Regular            | 0.00            |                     | 33375          |
| 17247          | CAROLINE T STEPOVICH                | 11/16/2018               | Regular            | 0.00            | 500.00              |                |
| 17221          | CATHERINE FLATLEY                   | 11/16/2018               | Regular            | 0.00            |                     | 33377          |
| 17146          | CHARLES L. CLIFTON JR.              | 11/16/2018               | Regular            | 0.00            | 500.00              |                |
| 17229          | CHARLES R ESHLEMAN                  | 11/16/2018               | Regular            | 0.00            | 125.00              | 33379          |
| 17233          | CHRISTIAN TORREY                    | 11/16/2018               | Regular            | 0.00            | 500.00              | 33380          |
| 17600          | Christine Sutphen                   | 11/16/2018               | Regular            | 0.00            | 500.00              | 33381          |
| 17245          | CHRISTOPHER TINKER                  | 11/16/2018               | Regular            | 0.00            | 500.00              | 33382          |
| 17139          | CLAGETT E RAINS                     | 11/16/2018               | Regular            | 0.00            | 75.00               | 33383          |
| 17549          | CLAUDIA WARD                        | 11/16/2018               | Regular            | 0.00            | 75.00               | 33384          |
| 17556          | Custom House Realty                 | 11/16/2018               | Regular            | 0.00            | 75.00               | 33385          |
| 17268          | Custom House Realty & Property Mgt. | 11/16/2018               | Regular            | 0.00            |                     | 33386          |
| 17265          | Daeyoon Yung                        | 11/16/2018               | Regular            | 0.00            | 500.00              |                |
| 17538          | DAN ROBINSON                        | 11/16/2018               | Regular            | 0.00            |                     | 33388          |
| 17533          | DAVID FINKBEINER                    | 11/16/2018               | Regular            | 0.00            |                     | 33389          |
| 17577          |                                     | 11/16/2018               | Regular            | 0.00            | 500.00              |                |
| 17543          | DAVID EISEN                         | 11/16/2018               | Regular            | 0.00            |                     | 33391          |
| 17220          | DAVID L & KATHLEEN M HOWE           | 11/16/2018               | Regular            | 0.00            | 150.00              |                |
| 17575          |                                     | 11/16/2018               | Regular            | 0.00            | 500.00              |                |
| 17152          | DEBRA LYN SIMONIAN                  | 11/16/2018               | Regular            | 0.00            | 500.00              | 55594          |
|                |                                     |                          |                    |                 |                     |                |

55 Date Range: 11/01/2018 - 11/30/2018

| спеск кероп    |  |                          |                    | U               | ate Kange: 11/01/20 | 10 - 11/ 50/ 201 |
|----------------|--|--------------------------|--------------------|-----------------|---------------------|------------------|
| Vendor Number  | Vendor Name                                    | Payment Date             | Payment Type       | Discount Amount | Payment Amount      | Number           |
| 17239          | DENNIS H JONES                                 | 11/16/2018               | Regular            | 0.00            | 500.00              |                  |
| 17227          | Derek Gibson                                   | 11/16/2018               | Regular            | 0.00            | 125.00              |                  |
| 17535          | DIANE DEWEESE                                  | 11/16/2018               | Regular            | 0.00            |                     | 33397            |
| 17586          | ELLEN EVERS                                    | 11/16/2018               | Regular            | 0.00            | 500.00              |                  |
| 17542          | ELMER LARIOS                                   | 11/16/2018               | Regular            | 0.00            |                     | 33399            |
| 17571          | Eric Wikman                                    | 11/16/2018               | Regular            | 0.00            | 500.00              |                  |
| 17253          | ERIKA S FAUST                                  | 11/16/2018               | Regular            | 0.00            | 500.00              |                  |
| 17136<br>17272 | ERNEST ZERMENO<br>FAY Y WU                     | 11/16/2018<br>11/16/2018 | Regular            | 0.00<br>0.00    |                     | 33402<br>33403   |
| 17272          | FAYYWU   | 11/16/2018               | Regular            | 0.00            | 225.00              |                  |
| 17552          | GARY MEDLIN                                    | 11/16/2018               | Regular<br>Regular | 0.00            | 225.00              |                  |
| 17154          | GARY HUBER                                     | 11/16/2018               | Regular            | 0.00            | 100.00              |                  |
| 17211          | GEORGE ROBERT II & KATHY EYERMAN               | 11/16/2018               | Regular            | 0.00            |                     | 33407            |
| 17149          | GLEN MOZINGO                                   | 11/16/2018               | Regular            | 0.00            | 500.00              |                  |
| 17261          | Glenn Tozier                                   | 11/16/2018               | Regular            | 0.00            | 500.00              |                  |
| 17225          | Greg Hiltunen                                  | 11/16/2018               | Regular            | 0.00            | 125.00              |                  |
| 17550          | GUS BRUNO                                      | 11/16/2018               | Regular            | 0.00            | 150.00              |                  |
| 17141          | HARRY M. CHRISTENSEN                           | 11/16/2018               | Regular            | 0.00            | 125.00              | 33412            |
| 17559          | HELEN G. MCFARLAND                             | 11/16/2018               | Regular            | 0.00            | 125.00              | 33413            |
| 17218          | HUYEN L NGUYEN                                 | 11/16/2018               | Regular            | 0.00            | 75.00               | 33414            |
| 17246          | IAN L. SAYERS                                  | 11/16/2018               | Regular            | 0.00            | 500.00              | 33415            |
| 17238          | JAMES FILICE                                   | 11/16/2018               | Regular            | 0.00            | 500.00              | 33416            |
| 17580          | James Camp                                     | 11/16/2018               | Regular            | 0.00            | 500.00              | 33417            |
| 17240          | JAMES L WAYMAN                                 | 11/16/2018               | Regular            | 0.00            | 500.00              | 33418            |
| 17547          | JANET SMITH                                    | 11/16/2018               | Regular            | 0.00            | 75.00               | 33419            |
| 17581          | Jason Johnson                                  | 11/16/2018               | Regular            | 0.00            | 500.00              |                  |
| 17565          | JENNIFER ROXAS                                 | 11/16/2018               | Regular            | 0.00            | 125.00              |                  |
| 17243          | JOAN D MILLER                                  | 11/16/2018               | Regular            | 0.00            | 500.00              |                  |
| 17269          | JOANNE M MAY                                   | 11/16/2018               | Regular            | 0.00            |                     | 33423            |
| 17135          | JOHN POULOS                                    | 11/16/2018               | Regular            | 0.00            |                     | 33424            |
| 17140          | JOHN BUTLER                                    | 11/16/2018               | Regular            | 0.00            |                     | 33425            |
| 17578          | Jordan Smith                                   | 11/16/2018               | Regular            | 0.00            | 493.20              |                  |
| 17137          | Joseph J Vrhel                                 | 11/16/2018               | Regular            | 0.00            |                     | 33427            |
| 17587<br>17208 | JOSEPHINE CALLAHAN<br>JUAN QUINTANA            | 11/16/2018<br>11/16/2018 | Regular            | 0.00<br>0.00    | 500.00              | 33428<br>33429   |
| 17591          | Justin Atwood                                  | 11/16/2018               | Regular<br>Regular | 0.00            | 500.00              |                  |
| 17138          | Kathleen Eckerson                              | 11/16/2018               | Regular            | 0.00            |                     | 33430<br>33431   |
| 17257          | KATHLEEN F FLYNN                               | 11/16/2018               | Regular            | 0.00            | 500.00              |                  |
| 17234          | KATHLEEN PORTER                                | 11/16/2018               | Regular            | 0.00            | 500.00              |                  |
| 17570          | Katrina McFarland                              | 11/16/2018               | Regular            | 0.00            | 500.00              |                  |
| 17209          | KAY ROSANNE WINTER                             | 11/16/2018               | Regular            | 0.00            |                     | 33435            |
| 17236          | KIM M HANSEN                                   | 11/16/2018               | Regular            | 0.00            | 500.00              |                  |
| 17532          | KIMBERLY WILLISON                              | 11/16/2018               | Regular            | 0.00            | 75.00               | 33437            |
| 17212          | KYLE VAN HOUTEN                                | 11/16/2018               | Regular            | 0.00            | 75.00               | 33438            |
| 17574          | Laura Alexander                                | 11/16/2018               | Regular            | 0.00            | 500.00              | 33439            |
| 17568          | LAUREN KRANYAK                                 | 11/16/2018               | Regular            | 0.00            | 500.00              | 33440            |
| 17572          | Lauren Merin                                   | 11/16/2018               | Regular            | 0.00            | 500.00              | 33441            |
| 17151          | LEE ROWAND                                     | 11/16/2018               | Regular            | 0.00            | 500.00              | 33442            |
| 17215          | LEON ANDERLE                                   | 11/16/2018               | Regular            | 0.00            | 150.00              |                  |
| 17551          | LINDA MACDANNALD                               | 11/16/2018               | Regular            | 0.00            | 150.00              |                  |
| 17563          | LINDSAY SCHUTZLER                              | 11/16/2018               | Regular            | 0.00            | 125.00              |                  |
| 17210          | Louise Slagel                                  | 11/16/2018               | Regular            | 0.00            | 150.00              |                  |
| 17548          |  | 11/16/2018               | Regular            | 0.00            | 150.00              |                  |
| 17537          |  | 11/16/2018               | Regular            | 0.00            |                     | 33448            |
| 17224          | MARK J DEJONGHE                                | 11/16/2018               | Regular            | 0.00            |                     | 33449            |
| 17544<br>17270 | Marla Benner                                   | 11/16/2018<br>11/16/2018 | Regular            | 0.00<br>0.00    |                     | 33450<br>33451   |
| 17255          | MARSHA WALSH ANDREWS<br>MARTA LOUISE KRAFTZECK | 11/16/2018               | Regular<br>Regular | 0.00            | 500.00              |                  |
| 17258          | MARY E BARTELS                                 | 11/16/2018               | Regular            | 0.00            | 500.00              |                  |
| 17569          | Mary Vaugh                                     | 11/16/2018               | Regular            | 0.00            | 500.00              |                  |
| 17263          | Mary Vaugh                                     | 11/16/2018               | Regular            | 0.00            | 500.00              |                  |
|                | , <u> </u>                                     | , ,                      | 0                  |                 |                     | -                |
|                |  |                          |                    |                 |                     |                  |

56 Date Range: 11/01/2018 - 11/30/2018

| check hepoirt |                          |              |              | B               | ate hange. 11/01/2010 - 11/30/20 |
|---------------|--------------------------|--------------|--------------|-----------------|----------------------------------|
| Vendor Number | Vendor Name              | Payment Date | Payment Type | Discount Amount | Payment Amount Number            |
| 17584         | Mary Walker              | 11/16/2018   | Regular      | 0.00            | 500.00 33456                     |
| 17266         | Marzette Henderson       | 11/16/2018   | Regular      | 0.00            | 500.00 33457                     |
| 17573         | Michael McSwiggin        | 11/16/2018   | Regular      | 0.00            | 500.00 33458                     |
| 17561         | MICHAEL SEYBOLD          | 11/16/2018   | Regular      | 0.00            | 125.00 33459                     |
| 17155         | MICHAEL MCMILLAN         | 11/16/2018   | Regular      | 0.00            | 100.00 33460                     |
| 17235         | Michael Smith            | 11/16/2018   | Regular      | 0.00            | 500.00 33461                     |
| 17249         | NANCY B CHIRA-GARCIA     | 11/16/2018   | Regular      | 0.00            | 500.00 33462                     |
| 17144         | NOLAN AND SHELBY JOHNSON | 11/16/2018   | Regular      | 0.00            | 500.00 33463                     |
| 17222         | NORMA G MASON            | 11/16/2018   | Regular      | 0.00            | 75.00 33464                      |
| 17242         | OSCAR DAVID ANTILLON     | 11/16/2018   | Regular      | 0.00            | 500.00 33465                     |
| 17134         | PATRICIA GAGLIOTI        | 11/16/2018   | Regular      | 0.00            | 300.00 33466                     |
| 17244         | PAUL E SCHEFFEL          | 11/16/2018   | Regular      | 0.00            | 500.00 33467                     |
| 17601         | Raymond Johnson          | 11/16/2018   | Regular      | 0.00            | 500.00 33468                     |
| 17142         | RICHARD TEZAK            | 11/16/2018   | Regular      | 0.00            | 125.00 33469                     |
| 17256         | RICKY T SORCI            | 11/16/2018   | Regular      | 0.00            | 500.00 33470                     |
| 17589         | ROBB T KARMAN            | 11/16/2018   | Regular      | 0.00            | 500.00 33471                     |
| 17566         | ROBERT & SANDRA RICE     | 11/16/2018   | Regular      | 0.00            | 125.00 33472                     |
| 17539         | ROBERT & YUKIKO SANFORD  | 11/16/2018   | Regular      | 0.00            | 75.00 33473                      |
| 17251         | ROBERT BROWNING          | 11/16/2018   | Regular      | 0.00            | 500.00 33474                     |
| 17248         | ROBERT C GRITZMACHER     | 11/16/2018   | Regular      | 0.00            | 500.00 33475                     |
| 17214         | ROBERT CRAIG HUTCHINSON  | 11/16/2018   | Regular      | 0.00            | 75.00 33476                      |
| 17594         | ROSE DIROCCO             | 11/16/2018   | Regular      | 0.00            | 200.00 33477                     |
| 17541         | ROXANNE MAHROOM          | 11/16/2018   | Regular      | 0.00            | 225.00 33478                     |
| 17582         | Roy Estrada              | 11/16/2018   | Regular      | 0.00            | 500.00 33479                     |
| 17275         | Ruben Costa              | 11/16/2018   | Regular      | 0.00            | 500.00 33480                     |
| 17228         | SALLY T DEYKERHOFF       | 11/16/2018   | Regular      | 0.00            | 125.00 33481                     |
| 17150         | SALVADOR LOPEZ RAMOS     | 11/16/2018   | Regular      | 0.00            | 500.00 33482                     |
| 17562         | SANDRA KING              | 11/16/2018   | Regular      | 0.00            | 125.00 33483                     |
| 17147         | Sandra Kupiec            | 11/16/2018   | Regular      | 0.00            | 500.00 33484                     |
| 17252         | SARA D IVIE              | 11/16/2018   | Regular      | 0.00            | 500.00 33485                     |
| 17585         | SETH GOLDBERG            | 11/16/2018   | Regular      | 0.00            | 500.00 33486                     |
| 17567         | SHIRLEY C TEMPLE TR      | 11/16/2018   | Regular      | 0.00            | 125.00 33487                     |
| 17534         | SIRI EKLUND              | 11/16/2018   | Regular      | 0.00            | 75.00 33488                      |
| 17592         | SUNG PAK                 | 11/16/2018   | Regular      | 0.00            | 500.00 33489                     |
| 17576         | SUZANNE WALTON           | 11/16/2018   | Regular      | 0.00            | 500.00 33490                     |
| 17271         | SYLVIA MONROY GARCIA     | 11/16/2018   | Regular      | 0.00            | 75.00 33491                      |
| 17274         | Taylor T Howl            | 11/16/2018   | Regular      | 0.00            | 500.00 33492                     |
| 17545         | THERESA BRIANT           | 11/16/2018   | Regular      | 0.00            | 75.00 33493                      |
| 17153         | Thomas Edwards           | 11/16/2018   | Regular      | 0.00            | 500.00 33494                     |
| 17546         | THOMAS H WILSON          | 11/16/2018   | Regular      | 0.00            | 225.00 33495                     |
| 17232         | TIMOTHY ZIELINSKI        | 11/16/2018   | Regular      | 0.00            | 125.00 33496                     |
| 17267         | TIMOTHY ZIELINSKI        | 11/16/2018   | Regular      | 0.00            | 500.00 33497                     |
| 17143         | TOY LORD                 | 11/16/2018   | Regular      | 0.00            | 500.00 33498                     |
| 17583         | Valerie SAIDMAN          | 11/16/2018   | Regular      | 0.00            | 500.00 33499                     |
| 17553         | VERA CHANDLER-HEASTON    | 11/16/2018   | Regular      | 0.00            | 75.00 33500                      |
| 17262         | WARREN E HOY             | 11/16/2018   | Regular      | 0.00            | 500.00 33501                     |
| 17540         | WENDY SWANSON            | 11/16/2018   | Regular      | 0.00            | 225.00 33502                     |
| 17579         | WILLIAM & SARAH SULLIVAN | 11/16/2018   | Regular      | 0.00            | 500.00 33503                     |
| 17223         | WILLIAM MARCUS           | 11/16/2018   | Regular      | 0.00            | 75.00 33504                      |
| 17588         | WOLF SOMMER              | 11/16/2018   | Regular      | 0.00            | 500.00 33505                     |
| 17237         | YANA SHEVCHENKO          | 11/16/2018   | Regular      | 0.00            | 500.00 33506                     |
| 2,23,         |                          | 11/10/2010   |              | 0.00            | 555.00 55500                     |

#### Check Report

| Check Report  |               |              |              | D               | ate Range: 11/01/20 | 18 - 11/30/2018 |
|---------------|---------------|--------------|--------------|-----------------|---------------------|-----------------|
| Vendor Number | Vendor Name   | Payment Date | Payment Type | Discount Amount | Payment Amount      | Number          |
| 17554         | YOUNG GUN KIM | 11/16/2018   | Regular      | 0.00            | 225.00              | 33507           |
|               |               |              |              | Total Regular:  | 71,746.39           |                 |

#### Bank Code REBATES-02 Summary

| Payment Type   | Payable<br>Count | Payment<br>Count | Discount | Payment   |
|----------------|------------------|------------------|----------|-----------|
| Regular Checks | 233              | 233              | 0.00     | 71,746.39 |
| Manual Checks  | 0                | 0                | 0.00     | 0.00      |
| Voided Checks  | 0                | 0                | 0.00     | 0.00      |
| Bank Drafts    | 0                | 0                | 0.00     | 0.00      |
| EFT's          | 0                | 0                | 0.00     | 0.00      |
|                | 233              | 233              | 0.00     | 71,746.39 |

# All Bank Codes Check Summary

| Payment Type   | Payable<br>Count | Payment<br>Count | Discount | Payment    |
|----------------|------------------|------------------|----------|------------|
| Regular Checks | 445              | 393              | 0.00     | 572,818.38 |
| Manual Checks  | 0                | 0                | 0.00     | 0.00       |
| Voided Checks  | 0                | 8                | 0.00     | -78.90     |
| Bank Drafts    | 25               | 17               | 0.00     | 93,076.92  |
| EFT's          | 0                | 0                | 0.00     | 0.00       |
|                | 470              | 418              | 0.00     | 665,816.40 |

# **Fund Summary**

| Fund | Name           | Period  | Amount     |
|------|----------------|---------|------------|
| 99   | POOL CASH FUND | 11/2018 | 665,816.40 |
|      |                |         | 665,816.40 |



# Payroll Bank Transaction Report - MPWMD



PENINSULA Monterey Peninsula Water Management Dist

By Payment Number

Date: 11/1/2018 - 11/30/2018

Payroll Set: 01 - Monterey Peninsula Water Management District

| Payment |              |              | Employee |                       |              | Direct Deposit |               |
|---------|--------------|--------------|----------|-----------------------|--------------|----------------|---------------|
| Number  | Payment Date | Payment Type | Number   | Employee Name         | Check Amount | Amount         | Total Payment |
| 4052    | 11/09/2018   | Regular      | 1024     | Stoldt, David J       | 0.00         | 5,609.31       | 5,609.31      |
| 4053    | 11/09/2018   | Regular      | 1025     | Tavani, Arlene M      | 0.00         | 2,080.94       | 2,080.94      |
| 4054    | 11/09/2018   | Regular      | 1044     | Bennett, Corryn D     | 0.00         | 2,627.35       | 2,627.35      |
| 4055    | 11/09/2018   | Regular      | 1006     | Dudley, Mark A        | 0.00         | 2,834.25       | 2,834.25      |
| 4056    | 11/09/2018   | Regular      | 1018     | Prasad, Suresh        | 0.00         | 4,233.03       | 4,233.03      |
| 4057    | 11/09/2018   | Regular      | 1019     | Reyes, Sara C         | 0.00         | 1,767.36       | 1,767.36      |
| 4058    | 11/09/2018   | Regular      | 1045     | Atkins, Daniel        | 0.00         | 1,720.30       | 1,720.30      |
| 4059    | 11/09/2018   | Regular      | 1005     | Christensen, Thomas T | 0.00         | 3,177.91       | 3,177.91      |
| 4060    | 11/09/2018   | Regular      | 1042     | Hamilton, Maureen C.  | 0.00         | 3,194.01       | 3,194.01      |
| 4061    | 11/09/2018   | Regular      | 1008     | Hampson, Larry M      | 0.00         | 3,060.65       | 3,060.65      |
| 4062    | 11/09/2018   | Regular      | 1009     | James, Gregory W      | 0.00         | 3,291.33       | 3,291.33      |
| 4063    | 11/09/2018   | Regular      | 1011     | Lear, Jonathan P      | 0.00         | 3,708.27       | 3,708.27      |
| 4064    | 11/09/2018   | Regular      | 1012     | Lindberg, Thomas L    | 0.00         | 2,508.71       | 2,508.71      |
| 4065    | 11/09/2018   | Regular      | 1004     | Chaney, Beverly M     | 0.00         | 2,495.18       | 2,495.18      |
| 4066    | 11/09/2018   | Regular      | 1007     | Hamilton, Cory R      | 0.00         | 2,221.16       | 2,221.16      |
| 4067    | 11/09/2018   | Regular      | 6043     | Robinson, Matthew D   | 0.00         | 620.28         | 620.28        |
| 4068    | 11/09/2018   | Regular      | 1043     | Suwada, Joseph        | 0.00         | 1,826.67       | 1,826.67      |
| 4069    | 11/09/2018   | Regular      | 1026     | Urquhart, Kevan A     | 0.00         | 2,204.99       | 2,204.99      |
| 4070    | 11/09/2018   | Regular      | 1001     | Ayala, Gabriela D     | 0.00         | 2,448.35       | 2,448.35      |
| 4071    | 11/09/2018   | Regular      | 1010     | Kister, Stephanie L   | 0.00         | 2,680.54       | 2,680.54      |
| 4072    | 11/09/2018   | Regular      | 1017     | Locke, Stephanie L    | 0.00         | 3,451.99       | 3,451.99      |
| 4073    | 11/09/2018   | Regular      | 1040     | Smith, Kyle           | 0.00         | 2,073.66       | 2,073.66      |
| 4074    | 11/07/2018   | Regular      | 7015     | Adams, Mary L         | 0.00         | 124.67         | 124.67        |
| 4075    | 11/07/2018   | Regular      | 7013     | Clarke, Andrew        | 0.00         | 374.02         | 374.02        |
| 4076    | 11/07/2018   | Regular      | 7014     | Evans, Molly F        | 0.00         | 489.11         | 489.11        |
| 4077    | 11/07/2018   | Regular      | 7003     | Lewis, Brenda         | 0.00         | 124.67         | 124.67        |
| 4078    | 11/21/2018   | Regular      | 1024     | Stoldt, David J       | 0.00         | 5,609.31       | 5,609.31      |
| 4079    | 11/21/2018   | Regular      | 1025     | Tavani, Arlene M      | 0.00         | 2,080.94       | 2,080.94      |
| 4080    | 11/21/2018   | Regular      | 1044     | Bennett, Corryn D     | 0.00         | 2,627.35       | 2,627.35      |
| 4081    | 11/21/2018   | Regular      | 1006     | Dudley, Mark A        | 0.00         | 2,637.71       | 2,637.71      |
| 4082    | 11/21/2018   | Regular      | 1018     | Prasad, Suresh        | 0.00         | 4,233.03       | 4,233.03      |
| 4083    | 11/21/2018   | Regular      | 1019     | Reyes, Sara C         | 0.00         | 1,767.36       | 1,767.36      |
| 4084    | 11/21/2018   | Regular      | 1045     | Atkins, Daniel        | 0.00         | 1,720.30       | 1,720.30      |
| 4085    | 11/21/2018   | Regular      | 1005     | Christensen, Thomas T | 0.00         | 3,177.91       | 3,177.91      |
| 4086    | 11/21/2018   | Regular      | 1008     | Hampson, Larry M      | 0.00         | 3,060.65       | 3,060.65      |
| 4087    | 11/21/2018   | Regular      | 1009     | James, Gregory W      | 0.00         | 3,291.33       | 3,291.33      |
| 4088    | 11/21/2018   | Regular      | 1011     | Lear, Jonathan P      | 0.00         | 3,708.28       | 3,708.28      |
| 4089    | 11/21/2018   | Regular      | 1012     | Lindberg, Thomas L    | 0.00         | 2,508.71       | 2,508.71      |
| 4090    | 11/21/2018   | Regular      | 1004     | Chaney, Beverly M     | 0.00         | 2,495.18       | 2,495.18      |
| 4091    | 11/21/2018   | Regular      | 1007     | Hamilton, Cory R      | 0.00         | 2,221.16       | 2,221.16      |
| 4092    | 11/21/2018   | Regular      | 6043     | Robinson, Matthew D   | 0.00         | 538.61         | 538.61        |
| 4093    | 11/21/2018   | Regular      | 1043     | Suwada, Joseph        | 0.00         | 1,826.67       | 1,826.67      |
| 4094    | 11/21/2018   | Regular      | 1026     | Urquhart, Kevan A     | 0.00         | 2,205.00       | 2,205.00      |
| 4095    | 11/21/2018   | Regular      | 1001     | Ayala, Gabriela D     | 0.00         | 2,448.35       | 2,448.35      |
| 4096    | 11/21/2018   | Regular      | 1010     | Kister, Stephanie L   | 0.00         | 2,680.53       | 2,680.53      |
| 4097    | 11/21/2018   | Regular      | 1017     | Locke, Stephanie L    | 0.00         | 3,451.99       | 3,451.99      |
| 4098    | 11/21/2018   | Regular      | 1040     | Smith, Kyle           | 0.00         | 2,073.65       | 2,073.65      |
| 4099    | 11/21/2018   | Regular      | 1047     | Timmer, Christopher   | 0.00         | 1,512.62       | 1,512.62      |
| 4100    | 11/21/2018   | Regular      | 7015     | Adams, Mary L         | 0.00         | 124.67         | 124.67        |
| 4101    | 11/21/2018   | Regular      | 7013     | Clarke, Andrew        | 0.00         | 439.11         | 439.11        |
| 4102    | 11/21/2018   | Regular      | 7014     | Evans, Molly F        | 0.00         | 489.11         | 489.11        |
| 4103    | 11/21/2018   | Regular      | 7003     | Lewis, Brenda         | 0.00         | 249.34         | 249.34        |
| 33218   | 11/09/2018   | Regular      | 6044     | Masters, Trevor       | 876.51       | 0.00           | 876.51        |
| 33219   | 11/09/2018   | Regular      | 6045     | Pentecost, Megan      | 655.07       | 0.00           | 655.07        |
| 33220   | 11/09/2018   | Regular      | 1046     | Whitmore, Cortina     | 1,218.00     | 750.00         | 1,968.00      |
| 33221   | 11/07/2018   | Regular      | 7007     | Byrne, Jeannie        | 374.02       | 0.00           | 374.02        |
| 33222   | 11/07/2018   | Regular      | 7016     | Rubio, Ralph S        | 249.34       | 0.00           | 249.34        |
|         |              |              |          |                       |              |                |               |

| Payment | EXHIBIT 9    | <u>-C</u>    | Employee |                       |         |             | Direct Deposit | <u></u>                     |
|---------|--------------|--------------|----------|-----------------------|---------|-------------|----------------|-----------------------------|
| Number  | Payment Date | Payment Type | Number   | Employee Name         | C       | heck Amount | Amount         | <sup>60</sup> Total Payment |
| 33536   | 11/21/2018   | Regular      | 1042     | Hamilton, Maureen C.  |         | 0.00        | 0.00           | 0.00                        |
| 33537   | 11/21/2018   | Regular      | 1046     | Whitmore, Cortina     |         | 1,218.00    | 750.00         | 1,968.00                    |
| 33538   | 11/21/2018   | Regular      | 7006     | Brower, Sr., Robert S |         | 124.67      | 0.00           | 124.67                      |
| 33539   | 11/21/2018   | Regular      | 7007     | Byrne, Jeannie        |         | 498.69      | 0.00           | 498.69                      |
| 33540   | 11/21/2018   | Regular      | 7016     | Rubio, Ralph S        |         | 374.02      | 0.00           | 374.02                      |
|         |              |              |          |                       | Totals: | 5,588.32    | 121,627.58     | 127,215.90                  |



#### PENINSULA Monterey Peninsula Water Management Dist

61 Statement of Revenue Over Expense - No Decimals

**Group Summary** 

For Fiscal: 2018-2019 Period Ending: 11/30/2018

| Level                          | November<br>Activity  |           | Variance<br>Favorable<br>(Unfavorable) | Percent<br>Used | YTD<br>Activity | Total Budget | Variance<br>Favorable<br>(Unfavorable) | Percent<br>Used |
|--------------------------------|-----------------------|-----------|--|-----------------|-----------------|--------------|--|-----------------|
| Revenue                        | -                     | -         |  |                 | -               | -            |  |                 |
| R100 - Water Supply Charge     | 0                     | 283,333   | -283,333                               | 0.00 %          | 0               | 3,400,000    | -3,400,000                             | 0.00 %          |
| R120 - Property Taxes Revenues | 0                     | 149,981   | -149,981                               | 0.00 %          | 0               | 1,800,000    | -1,800,000                             | 0.00 %          |
| R130 - User Fees               | 600,458               | 354,133   | 246,325                                | 169.56 %        | 1,514,808       | 4,250,000    | -2,735,192                             | 35.64 %         |
| R140 - Connection Charges      | 33,674                | 20,833    | 12,840                                 | 161.63 %        | 290,299         | 250,000      | 40,299                                 | 116.12 %        |
| R150 - Permit Processing Fee   | 19,468                | 14,578    | 4,891                                  | 133.55 %        | 104,151         | 175,000      | -70,849                                | 59.51 %         |
| R160 - Well Registration Fee   | 50                    | 0         | 50                                     | 0.00 %          | 925             | 0            | 925                                    | 0.00 %          |
| R190 - WDS Permits Rule 21     | 3,000                 | 4,667     | -1,667                                 | 64.29 %         | 8,400           | 56,000       | -47,600                                | 15.00 %         |
| R200 - Recording Fees          | 115                   | 3,332     | -3,217                                 | 3.45 %          | 1,996           | 40,000       | -38,004                                | 4.99 %          |
| R210 - Legal Fees              | 0                     | 1,333     | -1,333                                 | 0.00 %          | 2,250           | 16,000       | -13,750                                | 14.06 %         |
| R220 - Copy Fee                | 5                     | 0         | 5                                      | 0.00 %          | 42              | 0            | 42                                     | 0.00 %          |
| R230 - Miscellaneous - Other   | 165                   | 1,250     | -1,085                                 | 13.21 %         | 911             | 15,000       | -14,089                                | 6.07 %          |
| R250 - Interest Income         | 6,156                 | 2,916     | 3,240                                  | 211.12 %        | 63,267          | 35,000       | 28,267                                 | 180.76 %        |
| R260 - CAW - ASR               | 0                     | 40,950    | -40,950                                | 0.00 %          | 0               | 491,600      | -491,600                               | 0.00 %          |
| R270 - CAW - Rebates           | 0                     | 80,801    | -80,801                                | 0.00 %          | 0               | 970,000      | -970,000                               | 0.00 %          |
| R290 - CAW - Miscellaneous     | 0                     | 3,749     | -3,749                                 | 0.00 %          | 0               | 45,000       | -45,000                                | 0.00 %          |
| R300 - Watermaster             | 0                     | 4,548     | -4,548                                 | 0.00 %          | 0               | 54,600       | -54,600                                | 0.00 %          |
| R308 - Reclamation Project     | 0                     | 1,666     | -1,666                                 | 0.00 %          | 0               | 20,000       | -20,000                                | 0.00 %          |
| R310 - Other Reimbursements    | 0                     | 6,665     | -6,665                                 | 0.00 %          | 0               | 80,000       | -80,000                                | 0.00 %          |
| R320 - Grants                  | 820                   | 178,895   | -178,075                               | 0.46 %          | 926             | 2,147,600    | -2,146,674                             | 0.04 %          |
| R510 - Operating Reserve       | 0                     | 178,563   | -178,563                               | 0.00 %          | 0               | 2,143,500    | -2,143,500                             | 0.00 %          |
| т                              | otal Revenue: 663,911 | 1,332,193 | -668,282                               | 49.84 %         | 1,987,975       | 15,989,300   | -14,001,325                            | 12.43 %         |

#### Statement of Revenue Over Expense - No Decimals

For Fiscal: 2018-2019 Period Ending: 11/30/2018

| Level   | November<br>Activity | November<br>Budget | Variance<br>Favorable<br>(Unfavorable) | Percent<br>Used   | YTD<br>Activity | Total Budget | Variance<br>Favorable<br>(Unfavorable) | Percent<br>Used   |
|---|----------------------|--------------------|--|-------------------|-----------------|--------------|--|-------------------|
| Expense   | ·····,               | 8                  | (,                                     |                   | ,               |              | (,                                     |                   |
| Level1: 100 - Personnel Costs                       |                      |                    |  |                   |                 |              |  |                   |
| 1100 - Salaries & Wages                             | 186,533              | 223,627            | 37.094                                 | 83.41 %           | 1,026,034       | 2,684,600    | 1,658,566                              | 38.22 %           |
| 1110 - Manager's Auto Allowance                     | 462                  | 500                | 38                                     | 92.34 %           | 2,308           | 6,000        | 3,692                                  | 38.47 %           |
| 1120 - Manager's Deferred Comp                      | 714                  | 758                | 44                                     | 94.21 %           | 3,511           | 9,100        | 5,589                                  | 38.58 %           |
| 1130 - Unemployment Compensation                    | 0                    | 250                | 250                                    | 0.00 %            | 2,060           | 3,000        | 940                                    | 68.67 %           |
| 1150 - Temporary Personnel                          | 6,148                | 2,916              | -3,232                                 | 210.86 %          | 22,123          | 35,000       | 12,877                                 | 63.21 %           |
| 1160 - PERS Retirement                              | 15,972               | 44,057             | 28,086                                 | 36.25 %           | 380,189         | 528,900      | 148,711                                | 71.88 %           |
| 1170 - Medical Insurance                            | 24,161               | 28,372             | 4,211                                  | 85.16 %           | 127,590         | 340,600      | 213,010                                | 37.46 %           |
| 1180 - Medical Insurance - Retirees                 | 7,832                | 6,872              | -959                                   | 113.96 %          | 39,881          | 82,500       | 42,619                                 | 48.34 %           |
| 1190 - Workers Compensation                         | 3,655                | 4,648              | 994                                    | 78.62 %           | 21,623          | 55,800       | 34,177                                 | 38.75 %           |
| 1200 - Life Insurance                               | 312                  | 483                | 171                                    | 64.58 %           | 1,697           | 5,800        | 4,104                                  | 29.25 %           |
| 1210 - Long Term Disability Insurance               | 1,032                | 1,233              | 201                                    | 83.68 %           | 5,467           | 14,800       | 9,333                                  | 36.94 %           |
| 1220 - Short Term Disability Insurance              | 205                  | 267                | 62                                     | 76.81 %           | 1,085           | 3,200        | 2,115                                  | 33.91 %           |
| 1230 - Other Benefits                               | 70                   | 125                | 55                                     | 56.02 %           | 370             | 1,500        | 1,130                                  | 24.67 %           |
| 1260 - Employee Assistance Program                  | 52                   | 125                | 73                                     | 41.38 %           | 276             | 1,500        | 1,224                                  | 18.41 %           |
| 1270 - FICA Tax Expense                             | 571                  | 400                | -172                                   | 142.92 %          | 2,332           | 4,800        | 2,468                                  | 48.59 %           |
| 1280 - Medicare Tax Expense                         | 2,689                | 3,315              | 626                                    | 81.10 %           | 16,267          | 39,800       | 23,533                                 | 40.87 %           |
| 1290 - Staff Development & Training                 | 1,618                | 2,241              | 623                                    | 72.22 %           | 4,749           | 26,900       | 22,151                                 | 17.65 %           |
| 1300 - Conference Registration                      | 0                    | 408                | 408                                    | 0.00 %            | 3,631           | 4,900        | 1,269                                  | 74.10 %           |
| 1310 - Professional Dues                            | 115                  | 233                | 118                                    | 49.31 %           | 605             | 2,800        | 2,195                                  | 21.61 %           |
| 1320 - Personnel Recruitment                        | 0                    | 250                | 250                                    | 0.00 %            | 489             | 3,000        | 2,511                                  | 16.31 %           |
| Total Level1: 100 - Personnel Costs:                | 252,139              | 321,080            | 68,941                                 | 78.53 %           | 1,662,288       | 3,854,500    | 2,192,212                              | 43.13 %           |
| Level1: 200 - Supplies and Services                 | - ,                  | ,                  |  |                   | , ,             | -,,          | , - ,                                  |                   |
| 2000 - Board Member Compensation                    | 6,075                | 2,832              | -3,243                                 | 214.50 %          | 10,395          | 34,000       | 22 605                                 | 30.57 %           |
|   |                      | 2,832              |  |                   | 805             | -            | 23,605                                 |                   |
| 2020 - Board Expenses                               | 440                  |                    | 393                                    | 52.87 %           |                 | 10,000       | 9,195                                  | 8.05 %            |
| 2040 - Rent   | 1,878                | 1,933              | 55                                     | 97.18 %           | 8,695           | 23,200       | 14,505                                 | 37.48 %           |
| 2060 - Utilities                                    | 2,555<br>0           | 2,749              | 194                                    | 92.94 %<br>0.00 % | 13,239<br>95    | 33,000       | 19,761                                 | 40.12 %<br>0.18 % |
| 2120 - Insurance Expense                            |                      | 4,332<br>2,974     | 4,332                                  |                   | 26,029          | 52,000       | 51,905                                 | 0.18 %<br>72.91 % |
| 2130 - Membership Dues                              | 4,114<br>308         | 2,974              | -1,140                                 | 138.33 %          |                 | 35,700       | 9,671                                  |                   |
| 2140 - Bank Charges                                 |                      |                    | 25<br>272                              | 92.55 %           | 2,086           | 4,000        | 1,914                                  | 52.14 %           |
| 2150 - Office Supplies                              | 1,144                | 1,416              |  | 80.78 %           | 5,606           | 17,000       | 11,394                                 | 32.98 %           |
| 2160 - Courier Expense<br>2170 - Printing/Photocopy | 359<br>0             | 666<br>42          | 307<br>42                              | 53.87 %           | 1,450<br>30     | 8,000        | 6,550                                  | 18.13 %<br>5.96 % |
|   | 47                   |                    |  | 0.00 %            |                 | 500          | 470                                    |                   |
| 2180 - Postage & Shipping                           |                      | 558                | 511                                    | 8.37 %            | 1,818           | 6,700        | 4,882                                  | 27.14 %           |
| 2190 - IT Supplies/Services                         | 2,639                | 10,829             | 8,190                                  | 24.37 %           | 62,958          | 130,000      | 67,042                                 | 48.43 %           |
| 2200 - Professional Fees                            | 44,800               | 29,821             | -14,979                                | 150.23 %          | 135,370         | 358,000      | 222,630                                | 37.81 %           |
| 2220 - Equipment Repairs & Maintenance              | 0                    | 583                | 583                                    | 0.00 %            | 2,015           | 7,000        | 4,985                                  | 28.79 %           |
| 2235 - Equipment Lease                              | 975                  | 1,166              | 191                                    | 83.62 %           | 5,520           | 14,000       | 8,480                                  | 39.43 %           |
| 2240 - Telephone                                    | 6,021                | 3,382              | -2,639                                 | 178.02 %          | 28,017          | 40,600       | 12,583                                 | 69.01 %           |
| 2260 - Facility Maintenance                         | 4,687                | 3,432              | -1,255                                 | 136.57 %          | 15,007          | 41,200       | 26,193                                 | 36.42 %           |
| 2270 - Travel Expenses                              | 2,101                | 2,049              | -52                                    | 102.51 %          | 10,670          | 24,600       | 13,930                                 | 43.37 %           |

#### Statement of Revenue Over Expense - No Decimals

|  | November  | November  | Variance<br>Favorable | Percent  | YTD        |              | Variance<br>Favorable | Percent |
|--|-----------|-----------|-----------------------|----------|------------|--------------|-----------------------|---------|
| Level                                      | Activity  | Budget    | (Unfavorable)         | Used     | Activity   | Total Budget | (Unfavorable)         | Used    |
| 2280 - Transportation                      | 2,041     | 2,832     | 791                   | 72.08 %  | 11,324     | 34,000       | 22,676                | 33.30 % |
| 2300 - Legal Services                      | 33,598    | 33,320    | -278                  | 100.83 % | 105,130    | 400,000      | 294,870               | 26.28 % |
| 2380 - Meeting Expenses                    | 268       | 491       | 223                   | 54.55 %  | 1,099      | 5,900        | 4,801                 | 18.63 % |
| 2420 - Legal Notices                       | 0         | 258       | 258                   | 0.00 %   | 0          | 3,100        | 3,100                 | 0.00 %  |
| 2460 - Public Outreach                     | 44        | 458       | 414                   | 9.62 %   | 638        | 5,500        | 4,862                 | 11.61 % |
| 2480 - Miscellaneous                       | 0         | 250       | 250                   | 0.00 %   | 379        | 3,000        | 2,621                 | 12.63 % |
| 2500 - Tax Administration Fee              | 0         | 1,666     | 1,666                 | 0.00 %   | 0          | 20,000       | 20,000                | 0.00 %  |
| 2900 - Operating Supplies                  | 1,241     | 1,591     | 350                   | 77.99 %  | 5,993      | 19,100       | 13,107                | 31.38 % |
| Total Level1: 200 - Supplies and Services: | 115,335   | 110,797   | -4,538                | 104.10 % | 454,367    | 1,330,100    | 875,733               | 34.16 % |
| Level1: 300 - Other Expenses               |           |           |                       |          |            |              |                       |         |
| 3000 - Project Expenses                    | 480,762   | 784,186   | 303,424               | 61.31 %  | 1,686,397  | 9,414,000    | 7,727,603             | 17.91 % |
| 4000 - Fixed Asset Purchases               | 116,005   | 47,764    | -68,241               | 242.87 % | 269,562    | 573,400      | 303,838               | 47.01 % |
| 5000 - Debt Service                        | 65,400    | 19,159    | -46,241               | 341.36 % | 65,400     | 230,000      | 164,600               | 28.43 % |
| 5500 - Election Expenses                   | 0         | 13,328    | 13,328                | 0.00 %   | 0          | 160,000      | 160,000               | 0.00 %  |
| 6000 - Contingencies                       | 0         | 6,248     | 6,248                 | 0.00 %   | 0          | 75,000       | 75,000                | 0.00 %  |
| 6500 - Reserves                            | 0         | 29,347    | 29,347                | 0.00 %   | 0          | 352,300      | 352,300               | 0.00 %  |
| Total Level1: 300 - Other Expenses:        | 662,167   | 900,031   | 237,864               | 73.57 %  | 2,021,360  | 10,804,700   | 8,783,340             | 18.71 % |
| Total Expense:                             | 1,029,641 | 1,331,909 | 302,267               | 77.31 %  | 4,138,015  | 15,989,300   | 11,851,285            | 25.88 % |
| Report Total:                              | -365,730  | 284       | -366,014              |          | -2,150,039 | 0            | -2,150,039            |         |

**Fund Summary** 

#### **EXHIBIT 9-D** Statement of Revenue Over Expense - No Decimals

|                        |          |          | Variance      |         |            |              | Variance      |         |
|------------------------|----------|----------|---------------|---------|------------|--------------|---------------|---------|
|                        | November | November | Favorable     | Percent | YTD        |              | Favorable     | Percent |
| Fund                   | Activity | Budget   | (Unfavorable) | Used    | Activity   | Total Budget | (Unfavorable) | Used    |
| 24 - MITIGATION FUND   | -109,710 | 137      | -109,848      |         | -909,442   | 0            | -909,442      |         |
| 26 - CONSERVATION FUND | -55,038  | 0        | -55,038       |         | -335,125   | 0            | -335,125      |         |
| 35 - WATER SUPPLY FUND | -200,982 | 147      | -201,129      |         | -905,472   | 0            | -905,472      |         |
| Report Total:          | -365,730 | 284.08   | -366,014      |         | -2,150,039 | 0            | -2,150,039    |         |



66 Statement of Revenue Over Expense - No Decimals

**Group Summary** 

For Fiscal: 2018-2019 Period Ending: 11/30/2018

| Level<br>Fund: 24 - MITIGATION FUND |                | November<br>Activity | November<br>Budget | Variance<br>Favorable<br>(Unfavorable) | Percent<br>Used | YTD<br>Activity | Total Budget | Variance<br>Favorable<br>(Unfavorable) | Percent<br>Used |
|-------------------------------------|----------------|----------------------|--------------------|--|-----------------|-----------------|--------------|--|-----------------|
| Revenue                             |                |                      |                    |  |                 |                 |              |  |                 |
| R120 - Property Taxes Revenues      |                | 0                    | 91,667             | -91,667                                | 0.00 %          | 0               | 1,100,000    | -1,100,000                             | 0.00 %          |
| R130 - User Fees                    |                | 377,203              | 220,833            | 156,370                                | 170.81 %        | 837,686         | 2,650,000    | -1,812,314                             | 31.61 %         |
| R160 - Well Registration Fee        |                | 50                   | 0                  | 50                                     | 0.00 %          | 925             | 0            | 925                                    | 0.00 %          |
| R190 - WDS Permits Rule 21          |                | 3,000                | 4,667              | -1,667                                 | 64.29 %         | 8,400           | 56,000       | -47,600                                | 15.00 %         |
| R220 - Copy Fee                     |                | 2                    | 0                  | 2                                      | 0.00 %          | 2               | 0            | 2                                      | 0.00 %          |
| R230 - Miscellaneous - Other        |                | 65                   | 417                | -351                                   | 15.67 %         | 200             | 5,000        | -4,800                                 | 3.99 %          |
| R250 - Interest Income              |                | 1,597                | 833                | 764                                    | 191.76 %        | 18,312          | 10,000       | 8,312                                  | 183.12 %        |
| R290 - CAW - Miscellaneous          |                | 0                    | 3,749              | -3,749                                 | 0.00 %          | 0               | 45,000       | -45,000                                | 0.00 %          |
| R310 - Other Reimbursements         |                | 0                    | 2,250              | -2,250                                 | 0.00 %          | 0               | 27,000       | -27,000                                | 0.00 %          |
| R320 - Grants                       |                | 820                  | 158,270            | -157,450                               | 0.52 %          | 926             | 1,900,000    | -1,899,074                             | 0.05 %          |
| R510 - Operating Reserve            |                | 0                    | 23,750             | -23,750                                | 0.00 %          | 0               | 285,000      | -285,000                               | 0.00 %          |
|                                     | Total Revenue: | 382,738              | 506,435            | -123,697                               | -75.57 %        | 866,452         | 6,078,000    | -5,211,548                             | 14.26 %         |

#### Statement of Revenue Over Expense - No Decimals

For Fiscal: 2018-2019 Period Ending: 11/30/2018

|  | November | November     | Variance<br>Favorable | Percent                                  | YTD      |              | Variance<br>Favorable | Percent            |
|--|----------|--------------|-----------------------|--|----------|--------------|-----------------------|--------------------|
| Level  | Activity | Budget       | (Unfavorable)         | Used                                     | Activity | Total Budget | (Unfavorable)         | Used               |
| Expense  |          |              |                       |  |          |              |                       |                    |
| Level1: 100 - Personnel Costs                                    |          |              | 1= 60.4               | ~~ |          |              |                       |                    |
| 1100 - Salaries & Wages  | 71,259   | 88,889       | 17,631                | 80.17 %                                  | 410,187  | 1,067,100    | 656,913               | 38.44 %            |
| 1110 - Manager's Auto Allowance                                  | 92       | 100          | 8                     | 92.34 %                                  | 462      | 1,200        | 738                   | 38.47 %            |
| 1120 - Manager's Deferred Comp                                   | 143      | 117          | -26                   | 122.47 %                                 | 702      | 1,400        | 698                   | 50.14 %            |
| 1130 - Unemployment Compensation                                 | 0        | 100          | 100                   | 0.00 %                                   | 824      | 1,200        | 376                   | 68.67 %            |
| 1150 - Temporary Personnel                                       | 2,459    | 1,166        | -1,293                | 210.86 %                                 | 8,849    | 14,000       | 5,151                 | 63.21 %            |
| 1160 - PERS Retirement   | 6,176    | 17,660       | 11,484                | 34.97 %                                  | 153,702  | 212,000      | 58,298                | 72.50 %            |
| 1170 - Medical Insurance   | 9,621    | 12,145       | 2,524                 | 79.22 %                                  | 51,339   | 145,800      | 94,461                | 35.21 %            |
| 1180 - Medical Insurance - Retirees                              | 3,211    | 2,749        | -462                  | 116.81 %                                 | 16,031   | 33,000       | 16,969                | 48.58 %            |
| 1190 - Workers Compensation                                      | 2,066    | 2,766        | 699                   | 74.72 %                                  | 12,866   | 33,200       | 20,334                | 38.75 %            |
| 1200 - Life Insurance  | 130      | 217          | 87                    | 59.90 %                                  | 700      | 2,600        | 1,900                 | 26.93 %            |
| 1210 - Long Term Disability Insurance                            | 415      | 516          | 102                   | 80.34 %                                  | 2,204    | 6,200        | 3,996                 | 35.54 %            |
| 1220 - Short Term Disability Insurance                           | 82       | 108          | 26                    | 76.09 %                                  | 438      | 1,300        | 862                   | 33.67 %            |
| 1230 - Other Benefits  | 28       | 50           | 22                    | 56.02 %                                  | 148      | 600          | 452                   | 24.67 %            |
| 1260 - Employee Assistance Program                               | 21       | 50           | 29                    | 41.70 %                                  | 112      | 600          | 488                   | 18.62 %            |
| 1270 - FICA Tax Expense  | 345      | 167          | -179                  | 207.35 %                                 | 1,946    | 2,000        | 55                    | 97.28 %            |
| 1280 - Medicare Tax Expense                                      | 1,089    | 1,316        | 227                   | 82.75 %                                  | 6,914    | 15,800       | 8,886                 | 43.76 %            |
| 1290 - Staff Development & Training                              | 495      | 708          | 213                   | 69.91 %                                  | 1,480    | 8,500        | 7,020                 | 17.41 %            |
| 1300 - Conference Registration                                   | 0        | 117          | 117                   | 0.00 %                                   | 1,139    | 1,400        | 261                   | 81.34 %            |
| 1310 - Professional Dues   | 115      | 50           | -65                   | 230.09 %                                 | 115      | 600          | 485                   | 19.17 %            |
| 1320 - Personnel Recruitment                                     | 0        | 100          | 100                   | 0.00 %                                   | 224      | 1,200        | 976                   | 18.64 %            |
| Total Level1: 100 - Personnel Costs:                             | 97,748   | 129,090      | 31,342                | 75.72 %                                  | 670,379  | 1,549,700    | 879,321               | 43.26 %            |
| Level1: 200 - Supplies and Services                              |          |              |                       |  |          |              |                       |                    |
| 2000 - Board Member Compensation                                 | 2,430    | 1,133        | -1,297                | 214.50 %                                 | 4,158    | 13,600       | 9,442                 | 30.57 %            |
| 2020 - Board Expenses  | 176      | 333          | 157                   | 52.87 %                                  | 322      | 4,000        | 3,678                 | 8.05 %             |
| 2040 - Rent  | 856      | 883          | 27                    | 96.91 %                                  | 3,936    | 10,600       | 6,665                 | 37.13 %            |
| 2060 - Utilities   | 1,028    | 1,108        | 80                    | 92.76 %                                  | 5,325    | 13,300       | 7,975                 | 40.03 %            |
| 2120 - Insurance Expense   | 1,020    | 1,733        | 1,733                 | 0.00 %                                   | 38       | 20,800       | 20,762                | 0.18 %             |
| 2130 - Membership Dues   | 1,646    | 908          | -738                  | 181.23 %                                 | 10,243   | 10,900       | 657                   | 93.97 %            |
| 2140 - Bank Charges  | 123      | 133          | 10                    | 92.54 %                                  | 777      | 1,600        | 823                   | 48.56 %            |
| 2150 - Office Supplies   | 458      | 550          | 92                    | 83.23 %                                  | 2,277    | 6,600        | 4,323                 | 34.49 %            |
| 2160 - Courier Expense   | 144      | 267          | 123                   | 53.87 %                                  | 580      | 3,200        | 2,620                 | 18.13 %            |
| 2170 - Printing/Photocopy  | 0        | 17           | 123                   | 0.00 %                                   | 12       | 200          | 188                   | 5.96 %             |
| 2180 - Postage & Shipping  | 19       | 225          | 206                   | 8.31 %                                   | 727      | 2,700        | 1,973                 | 26.94 %            |
| 2190 - IT Supplies/Services                                      | 1,056    | 4,332        | 3,276                 | 24.37 %                                  | 25,183   | 52,000       | 26,817                | 48.43 %            |
| 2200 - Professional Fees   | 17,920   | 11,929       | -5,991                | 150.23 %                                 | 52,625   | 143,200      | 90,575                | 36.75 %            |
| 2200 - Equipment Repairs & Maintenance                           | 0        | 233          | -3,991<br>233         | 0.00 %                                   | 806      | 2,800        | 1,994                 | 28.79 %            |
| 2225 - Equipment Repairs & Maintenance<br>2235 - Equipment Lease | 419      | 466          | 233<br>47             | 0.00 %<br>89.90 %                        | 2,374    | 5,600        | 3,226                 | 42.39 %            |
| 2255 - Equipment Lease<br>2240 - Telephone                       | 2,487    | 400<br>1,349 | -1,137                | 89.90 %<br>184.28 %                      | 11,631   | 16,200       | 4,569                 | 42.39 %<br>71.79 % |
|  | 2,487    | 1,349        | -1,137<br>-492        | 184.28 %<br>135.58 %                     | 6,003    | 16,200       | 4,569                 |                    |
| 2260 - Facility Maintenance                                      | ,        | ,            |                       |  |          | -            |                       | 36.16 %            |
| 2270 - Travel Expenses   | 290      | 641          | 352                   | 45.19 %                                  | 2,326    | 7,700        | 5,374                 | 30.20 %            |

#### Statement of Revenue Over Expense - No Decimals

|  | November | November | Variance<br>Favorable | Percent  | YTD       |              | Variance<br>Favorable | Percent  |
|--|----------|----------|-----------------------|----------|-----------|--------------|-----------------------|----------|
| Level                                      | Activity | Budget   | (Unfavorable)         | Used     | Activity  | Total Budget | (Unfavorable)         | Used     |
| 2280 - Transportation                      | 1,265    | 1,141    | -124                  | 110.88 % | 8,712     | 13,700       | 4,988                 | 63.59 %  |
| 2300 - Legal Services                      | 3,628    | 11,662   | 8,034                 | 31.11 %  | 17,667    | 140,000      | 122,333               | 12.62 %  |
| 2380 - Meeting Expenses                    | 93       | 200      | 107                   | 46.37 %  | 395       | 2,400        | 2,005                 | 16.44 %  |
| 2420 - Legal Notices                       | 0        | 108      | 108                   | 0.00 %   | 0         | 1,300        | 1,300                 | 0.00 %   |
| 2460 - Public Outreach                     | 18       | 183      | 166                   | 9.61 %   | 250       | 2,200        | 1,950                 | 11.38 %  |
| 2480 - Miscellaneous                       | 0        | 100      | 100                   | 0.00 %   | 152       | 1,200        | 1,048                 | 12.63 %  |
| 2500 - Tax Administration Fee              | 0        | 483      | 483                   | 0.00 %   | 0         | 5,800        | 5,800                 | 0.00 %   |
| 2900 - Operating Supplies                  | 154      | 108      | -46                   | 142.33 % | 747       | 1,300        | 553                   | 57.45 %  |
| Total Level1: 200 - Supplies and Services: | 36,082   | 41,608   | 5,526                 | 86.72 %  | 157,264   | 499,500      | 342,236               | 31.48 %  |
| Level1: 300 - Other Expenses               |          |          |                       |          |           |              |                       |          |
| 3000 - Project Expenses                    | 337,547  | 300,388  | -37,159               | 112.37 % | 904,050   | 3,606,100    | 2,702,050             | 25.07 %  |
| 4000 - Fixed Asset Purchases               | 21,071   | 13,878   | -7,194                | 151.84 % | 44,201    | 166,600      | 122,399               | 26.53 %  |
| 5500 - Election Expenses                   | 0        | 5,331    | 5,331                 | 0.00 %   | 0         | 64,000       | 64,000                | 0.00 %   |
| 6000 - Contingencies                       | 0        | 2,499    | 2,499                 | 0.00 %   | 0         | 30,000       | 30,000                | 0.00 %   |
| 6500 - Reserves                            | 0        | 13,503   | 13,503                | 0.00 %   | 0         | 162,100      | 162,100               | 0.00 %   |
| Total Level1: 300 - Other Expenses:        | 358,618  | 335,599  | -23,019               | 106.86 % | 948,251   | 4,028,800    | 3,080,549             | 23.54 %  |
| Total Expense:                             | 492,448  | 506,297  | 13,849                | 97.26 %  | 1,775,894 | 6,078,000    | 4,302,106             | 29.22 %  |
| Total Revenues                             | 382,738  | 506,435  | -123,697              | -75.57 % | 866,452   | 6,078,000    | -5,211,548            | -14.26 % |
| Total Fund: 24 - MITIGATION FUND:          | -109,710 | 137      | -109,848              |          | -909,442  | 0            | -909,442              |          |
Statement of Revenue Over Expense - No Decimals

#### For Fiscal: 2018-2019 Period Ending: 11/30/2018

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| Level                          |                | November<br>Activity | November<br>Budget | Variance<br>Favorable<br>(Unfavorable) | Percent<br>Used | YTD<br>Activity | Total Budget | Variance<br>Favorable<br>(Unfavorable) | Percent<br>Used |
|--------------------------------|----------------|----------------------|--------------------|--|-----------------|-----------------|--------------|--|-----------------|
| Fund: 26 - CONSERVATION FUND   |                |                      |                    |  |                 |                 |              |  |                 |
| Revenue                        |                |                      |                    |  |                 |                 |              |  |                 |
| R120 - Property Taxes Revenues |                | 0                    | 47,481             | -47,481                                | 0.00 %          | 0               | 570,000      | -570,000                               | 0.00 %          |
| R130 - User Fees               |                | 138,572              | 83,300             | 55,272                                 | 166.35 %        | 374,291         | 1,000,000    | -625,709                               | 37.43 %         |
| R150 - Permit Processing Fee   |                | 19,468               | 14,578             | 4,891                                  | 133.55 %        | 104,151         | 175,000      | -70,849                                | 59.51 %         |
| R200 - Recording Fees          |                | 115                  | 3,332              | -3,217                                 | 3.45 %          | 1,996           | 40,000       | -38,004                                | 4.99 %          |
| R210 - Legal Fees              |                | 0                    | 1,333              | -1,333                                 | 0.00 %          | 2,250           | 16,000       | -13,750                                | 14.06 %         |
| R220 - Copy Fee                |                | 1                    | 0                  | 1                                      | 0.00 %          | 1               | 0            | 1                                      | 0.00 %          |
| R230 - Miscellaneous - Other   |                | 46                   | 417                | -371                                   | 10.97 %         | 598             | 5,000        | -4,402                                 | 11.96 %         |
| R250 - Interest Income         |                | 490                  | 833                | -343                                   | 58.84 %         | 16,428          | 10,000       | 6,428                                  | 164.28 %        |
| R270 - CAW - Rebates           |                | 0                    | 80,801             | -80,801                                | 0.00 %          | 0               | 970,000      | -970,000                               | 0.00 %          |
| R320 - Grants                  |                | 0                    | 12,712             | -12,712                                | 0.00 %          | 0               | 152,600      | -152,600                               | 0.00 %          |
| R510 - Operating Reserve       |                | 0                    | 24,632             | -24,632                                | 0.00 %          | 0               | 295,700      | -295,700                               | 0.00 %          |
|                                | Total Revenue: | 158,692              | 269,417            | -110,725                               | -58.90 %        | 499,714         | 3,234,300    | -2,734,586                             | 15.45 %         |

#### Statement of Revenue Over Expense - No Decimals

For Fiscal: 2018-2019 Period Ending: 11/30/2018

| Level                                  | November<br>Activity | November<br>Budget | Variance<br>Favorable<br>(Unfavorable) | Percent<br>Used | YTD<br>Activity | Total Budget | Variance<br>Favorable<br>(Unfavorable) | Percent<br>Used |
|--|----------------------|--------------------|--|-----------------|-----------------|--------------|--|-----------------|
| Expense                                | ,                    | 8                  | (,                                     |                 |                 |              | (,                                     |                 |
| Level1: 100 - Personnel Costs          |                      |                    |  |                 |                 |              |  |                 |
| 1100 - Salaries & Wages                | 41,236               | 56,686             | 15,449                                 | 72.75 %         | 235,994         | 680,500      | 444,506                                | 34.68 %         |
| 1110 - Manager's Auto Allowance        | 92                   | 100                | 8                                      | 92.34 %         | 462             | 1,200        | 738                                    | 38.47 %         |
| 1120 - Manager's Deferred Comp         | 143                  | 192                | 49                                     | 74.54 %         | 702             | 2,300        | 1,598                                  | 30.52 %         |
| 1130 - Unemployment Compensation       | 0                    | 67                 | 67                                     | 0.00 %          | 577             | 800          | 223                                    | 72.10 %         |
| 1150 - Temporary Personnel             | 1,721                | 816                | -905                                   | 210.86 %        | 6,194           | 9,800        | 3,606                                  | 63.21 %         |
| 1160 - PERS Retirement                 | 3,370                | 10,479             | 7,109                                  | 32.16 %         | 84,980          | 125,800      | 40,820                                 | 67.55 %         |
| 1170 - Medical Insurance               | 5,723                | 7,580              | 1,857                                  | 75.50 %         | 31,066          | 91,000       | 59,934                                 | 34.14 %         |
| 1180 - Medical Insurance - Retirees    | 2,052                | 1,924              | -128                                   | 106.64 %        | 11,026          | 23,100       | 12,074                                 | 47.73 %         |
| 1190 - Workers Compensation            | 160                  | 250                | 90                                     | 64.01 %         | 914             | 3,000        | 2,086                                  | 30.46 %         |
| 1200 - Life Insurance                  | 56                   | 108                | 52                                     | 51.79 %         | 354             | 1,300        | 946                                    | 27.26 %         |
| 1210 - Long Term Disability Insurance  | 225                  | 317                | 91                                     | 71.19 %         | 1,256           | 3,800        | 2,544                                  | 33.06 %         |
| 1220 - Short Term Disability Insurance | 45                   | 67                 | 22                                     | 67.17 %         | 250             | 800          | 550                                    | 31.20 %         |
| 1230 - Other Benefits                  | 20                   | 33                 | 14                                     | 58.82 %         | 104             | 400          | 296                                    | 25.90 %         |
| 1260 - Employee Assistance Program     | 12                   | 33                 | 21                                     | 35.95 %         | 67              | 400          | 333                                    | 16.82 %         |
| 1270 - FICA Tax Expense                | 105                  | 58                 | -47                                    | 180.81 %        | 180             | 700          | 520                                    | 25.78 %         |
| 1280 - Medicare Tax Expense            | 614                  | 841                | 227                                    | 72.98 %         | 3,820           | 10,100       | 6,280                                  | 37.82 %         |
| 1290 - Staff Development & Training    | 1,123                | 900                | -224                                   | 124.85 %        | 2,524           | 10,800       | 8,276                                  | 23.37 %         |
| 1300 - Conference Registration         | 0                    | 192                | 192                                    | 0.00 %          | 1,581           | 2,300        | 719                                    | 68.75 %         |
| 1310 - Professional Dues               | 0                    | 133                | 133                                    | 0.00 %          | 490             | 1,600        | 1,110                                  | 30.63 %         |
| 1320 - Personnel Recruitment           | 0                    | 67                 | 67                                     | 0.00 %          | 266             | 800          | 534                                    | 33.22 %         |
| Total Level1: 100 - Personnel Costs:   | 56,698               | 80,843             | 24,145                                 | 70.13 %         | 382,806         | 970,500      | 587,694                                | 39.44 %         |
| Level1: 200 - Supplies and Services    |                      |                    |  |                 |                 |              |  |                 |
| 2000 - Board Member Compensation       | 1,701                | 791                | -910                                   | 214.95 %        | 2,911           | 9,500        | 6,589                                  | 30.64 %         |
| 2020 - Board Expenses                  | 123                  | 233                | 110                                    | 52.88 %         | 2,511           | 2,800        | 2,575                                  | 8.05 %          |
| 2040 - Rent                            | 233                  | 233                | 0                                      | 100.00 %        | 1,154           | 2,800        | 1,646                                  | 41.20 %         |
| 2060 - Utilities                       | 699                  | 750                | 50                                     | 93.29 %         | 3,625           | 9,000        | 5,375                                  | 40.28 %         |
| 2120 - Insurance Expense               | 0                    | 1,216              | 1,216                                  | 0.00 %          | 27              | 14,600       | 14,573                                 | 0.18 %          |
| 2130 - Membership Dues                 | 1,152                | 1,341              | 189                                    | 85.89 %         | 7,591           | 16,100       | 8,509                                  | 47.15 %         |
| 2140 - Bank Charges                    | 86                   | 92                 | 5                                      | 94.23 %         | 625             | 1,100        | 475                                    | 56.78 %         |
| 2150 - Office Supplies                 | 320                  | 417                | 96                                     | 76.90 %         | 1,632           | 5,000        | 3,368                                  | 32.65 %         |
| 2160 - Courier Expense                 | 101                  | 183                | 83                                     | 54.85 %         | 406             | 2,200        | 1,794                                  | 18.45 %         |
| 2170 - Printing/Photocopy              | 0                    | 8                  | 8                                      | 0.00 %          | 8               | 100          | 92                                     | 8.34 %          |
| 2180 - Postage & Shipping              | 13                   | 150                | 137                                    | 8.72 %          | 509             | 1,800        | 1,291                                  | 28.29 %         |
| 2190 - IT Supplies/Services            | 739                  | 3,032              | 2,293                                  | 24.37 %         | 17,603          | 36,400       | 18,797                                 | 48.36 %         |
| 2200 - Professional Fees               | 12,544               | 8,347              | -4,197                                 | 150.29 %        | 37,904          | 100,200      | 62,296                                 | 37.83 %         |
| 2220 - Equipment Repairs & Maintenance | 0                    | 167                | 167                                    | 0.00 %          | 564             | 2,000        | 1,436                                  | 28.21 %         |
| 2235 - Equipment Lease                 | 235                  | 325                | 90                                     | 72.30 %         | 1,348           | 3,900        | 2,552                                  | 34.57 %         |
| 2240 - Telephone                       | 1,677                | 900                | -777                                   | 186.38 %        | 7,684           | 10,800       | 3,116                                  | 71.15 %         |
| 2260 - Facility Maintenance            | 1,312                | 933                | -379                                   | 140.67 %        | 4,202           | 11,200       | 6,998                                  | 37.52 %         |
| 2270 - Travel Expenses                 | 1,508                | 875                | -633                                   | 172.42 %        | 6,153           | 10,500       | 4,347                                  | 58.60 %         |

#### Statement of Revenue Over Expense - No Decimals

|  |          |          | Variance      |          |          |              | Variance      |          |
|--|----------|----------|---------------|----------|----------|--------------|---------------|----------|
|  | November | November | Favorable     | Percent  | YTD      |              | Favorable     | Percent  |
| Level                                      | Activity | Budget   | (Unfavorable) | Used     | Activity | Total Budget | (Unfavorable) | Used     |
| 2280 - Transportation                      | 631      | 566      | -64           | 111.37 % | 966      | 6,800        | 5,834         | 14.21 %  |
| 2300 - Legal Services                      | 3,931    | 4,998    | 1,067         | 78.64 %  | 13,781   | 60,000       | 46,219        | 22.97 %  |
| 2380 - Meeting Expenses                    | 87       | 133      | 47            | 65.05 %  | 344      | 1,600        | 1,256         | 21.50 %  |
| 2420 - Legal Notices                       | 0        | 58       | 58            | 0.00 %   | 0        | 700          | 700           | 0.00 %   |
| 2460 - Public Outreach                     | 12       | 125      | 113           | 9.88 %   | 178      | 1,500        | 1,322         | 11.88 %  |
| 2480 - Miscellaneous                       | 0        | 67       | 67            | 0.00 %   | 106      | 800          | 694           | 13.26 %  |
| 2500 - Tax Administration Fee              | 0        | 475      | 475           | 0.00 %   | 0        | 5,700        | 5,700         | 0.00 %   |
| 2900 - Operating Supplies                  | 1,087    | 1,391    | 304           | 78.11 %  | 5,232    | 16,700       | 11,468        | 31.33 %  |
| Total Level1: 200 - Supplies and Services: | 28,191   | 27,806   | -386          | 101.39 % | 114,780  | 333,800      | 219,020       | 34.39 %  |
| Level1: 300 - Other Expenses               |          |          |               |          |          |              |               |          |
| 3000 - Project Expenses                    | 53,804   | 123,725  | 69,921        | 43.49 %  | 154,888  | 1,485,300    | 1,330,412     | 10.43 %  |
| 4000 - Fixed Asset Purchases               | 75,037   | 24,715   | -50,321       | 303.61 % | 182,365  | 296,700      | 114,335       | 61.46 %  |
| 5500 - Election Expenses                   | 0        | 3,732    | 3,732         | 0.00 %   | 0        | 44,800       | 44,800        | 0.00 %   |
| 6000 - Contingencies                       | 0        | 1,749    | 1,749         | 0.00 %   | 0        | 21,000       | 21,000        | 0.00 %   |
| 6500 - Reserves                            | 0        | 6,847    | 6,847         | 0.00 %   | 0        | 82,200       | 82,200        | 0.00 %   |
| Total Level1: 300 - Other Expenses:        | 128,841  | 160,769  | 31,928        | 80.14 %  | 337,253  | 1,930,000    | 1,592,747     | 17.47 %  |
| Total Expense:                             | 213,730  | 269,417  | 55,687        | 79.33 %  | 834,839  | 3,234,300    | 2,399,461     | 25.81 %  |
| Total Revenues                             | 158,692  | 269,417  | -110,725      | -58.90 % | 499,714  | 3,234,300    | -2,734,586    | -15.45 % |
| Total Fund: 26 - CONSERVATION FUND:        | -55,038  | 0        | -55,038       |          | -335,125 | 0            | -335,125      |          |

Statement of Revenue Over Expense - No Decimals

#### For Fiscal: 2018-2019 Period Ending: 11/30/2018

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|                                |                | November | November | Variance<br>Favorable | Percent  | YTD      |              | Variance<br>Favorable | Percent  |
|--------------------------------|----------------|----------|----------|-----------------------|----------|----------|--------------|-----------------------|----------|
| Level                          |                | Activity | Budget   | (Unfavorable)         | Used     | Activity | Total Budget | (Unfavorable)         | Used     |
| Fund: 35 - WATER SUPPLY FUND   |                |          |          |                       |          |          |              |                       |          |
| Revenue                        |                |          |          |                       |          |          |              |                       |          |
| R100 - Water Supply Charge     |                | 0        | 283,333  | -283,333              | 0.00 %   | 0        | 3,400,000    | -3,400,000            | 0.00 %   |
| R120 - Property Taxes Revenues |                | 0        | 10,833   | -10,833               | 0.00 %   | 0        | 130,000      | -130,000              | 0.00 %   |
| R130 - User Fees               |                | 84,683   | 50,000   | 34,683                | 169.37 % | 302,831  | 600,000      | -297,169              | 50.47 %  |
| R140 - Connection Charges      |                | 33,674   | 20,833   | 12,840                | 161.63 % | 290,299  | 250,000      | 40,299                | 116.12 % |
| R220 - Copy Fee                |                | 2        | 0        | 2                     | 0.00 %   | 38       | 0            | 38                    | 0.00 %   |
| R230 - Miscellaneous - Other   |                | 54       | 417      | -363                  | 12.97 %  | 114      | 5,000        | -4,886                | 2.27 %   |
| R250 - Interest Income         |                | 4,069    | 1,250    | 2,819                 | 325.50 % | 28,527   | 15,000       | 13,527                | 190.18 % |
| R260 - CAW - ASR               |                | 0        | 40,950   | -40,950               | 0.00 %   | 0        | 491,600      | -491,600              | 0.00 %   |
| R300 - Watermaster             |                | 0        | 4,548    | -4,548                | 0.00 %   | 0        | 54,600       | -54,600               | 0.00 %   |
| R308 - Reclamation Project     |                | 0        | 1,666    | -1,666                | 0.00 %   | 0        | 20,000       | -20,000               | 0.00 %   |
| R310 - Other Reimbursements    |                | 0        | 4,415    | -4,415                | 0.00 %   | 0        | 53,000       | -53,000               | 0.00 %   |
| R320 - Grants                  |                | 0        | 7,914    | -7,914                | 0.00 %   | 0        | 95,000       | -95,000               | 0.00 %   |
| R510 - Operating Reserve       |                | 0        | 130,181  | -130,181              | 0.00 %   | 0        | 1,562,800    | -1,562,800            | 0.00 %   |
|                                | Total Revenue: | 122,481  | 556,341  | -433,860              | -22.02 % | 621,809  | 6,677,000    | -6,055,191            | 9.31 %   |

#### Statement of Revenue Over Expense - No Decimals

For Fiscal: 2018-2019 Period Ending: 11/30/2018

| Level  | November<br>Activity | November<br>Budget | Variance<br>Favorable<br>(Unfavorable) | Percent<br>Used      | YTD<br>Activity | Total Budget    | Variance<br>Favorable<br>(Unfavorable) | Percent<br>Used    |
|--|----------------------|--------------------|--|----------------------|-----------------|-----------------|--|--------------------|
| Expense  | Activity             | Duuget             | (onnavorable)                          | oscu                 | Activity        | Total Dauget    | (onavorabic)                           | Uscu               |
| Level1: 100 - Personnel Costs                                    |                      |                    |  |                      |                 |                 |  |                    |
| 1100 - Salaries & Wages  | 74,038               | 78,052             | 4,014                                  | 94.86 %              | 379,853         | 937,000         | 557,147                                | 40.54 %            |
| 1110 - Manager's Auto Allowance                                  | 277                  | 300                | 23                                     | 92.34 %              | 1,385           | 3,600           | 2,215                                  | 38.47 %            |
| 1120 - Manager's Deferred Comp                                   | 429                  | 450                | 23                                     | 95.26 %              | 2,107           | 5,400           | 3,293                                  | 39.02 %            |
| 1130 - Unemployment Compensation                                 | 0                    | 83                 | 83                                     | 0.00 %               | 659             | 1,000           | 341                                    | 65.92 %            |
| 1150 - Temporary Personnel                                       | 1,967                | 933                | -1,034                                 | 210.86 %             | 7,079           | 11,200          | 4,121                                  | 63.21 %            |
| 1160 - PERS Retirement   | 6,426                | 15,919             | 9,493                                  | 40.36 %              | 141,507         | 191,100         | 49,593                                 | 74.05 %            |
| 1170 - Medical Insurance   | 8,817                | 8,647              | -171                                   | 101.98 %             | 45,185          | 103,800         | 58,615                                 | 43.53 %            |
| 1180 - Medical Insurance - Retirees                              | 2,569                | 2,199              | -370                                   | 116.81 %             | 12,824          | 26,400          | 13,576                                 | 48.58 %            |
| 1190 - Workers Compensation                                      | 1,428                | 1,633              | 205                                    | 87.47 %              | 7,844           | 19,600          | 11,756                                 | 40.02 %            |
| 1200 - Life Insurance  | 126                  | 158                | 32                                     | 79.72 %              | 642             | 1,900           | 1,258                                  | 33.79 %            |
| 1210 - Long Term Disability Insurance                            | 391                  | 400                | 9                                      | 97.87 %              | 2,008           | 4,800           | 2,792                                  | 41.82 %            |
| 1220 - Short Term Disability Insurance                           | 78                   | 92                 | 14                                     | 84.67 %              | 398             | 1,100           | 702                                    | 36.17 %            |
| 1230 - Other Benefits  | 22                   | 42                 | 19                                     | 53.78 %              | 118             | 500             | 382                                    | 23.68 %            |
| 1260 - Employee Assistance Program                               | 19                   | 42                 | 23                                     | 45.33 %              | 97              | 500             | 403                                    | 19.43 %            |
| 1270 - FICA Tax Expense  | 121                  | 175                | 54                                     | 68.92 %              | 206             | 2,100           | 1,894                                  | 9.82 %             |
| 1280 - Medicare Tax Expense                                      | 986                  | 1,158              | 172                                    | 85.14 %              | 5,533           | 13,900          | 8,367                                  | 39.81 %            |
| 1290 - Staff Development & Training                              | 0                    | 633                | 633                                    | 0.00 %               | 745             | 7,600           | 6,855                                  | 9.81 %             |
| 1300 - Conference Registration                                   | 0                    | 100                | 100                                    | 0.00 %               | 911             | 1,200           | 289                                    | 75.92 %            |
| 1310 - Professional Dues   | 0                    | 50                 | 50                                     | 0.00 %               | 0               | 600             | 600                                    | 0.00 %             |
| 1320 - Personnel Recruitment                                     | 0                    | 83                 | 83                                     | 0.00 %               | 0               | 1,000           | 1,000                                  | 0.00 %             |
| Total Level1: 100 - Personnel Costs:                             | 97,693               | 111,147            | 13,454                                 | 87.90 %              | 609,102         | 1,334,300       | 725,198                                | 45.65 %            |
| Level1: 200 - Supplies and Services                              | -                    | -                  |  |                      |                 |                 |  |                    |
| 2000 - Board Member Compensation                                 | 1,944                | 908                | -1,036                                 | 214.10 %             | 3,326           | 10,900          | 7,574                                  | 30.52 %            |
| 2020 - Board Expenses  | 1,944                | 267                | -1,030                                 | 52.87 %              | 258             | 3,200           | 2,942                                  | 8.05 %             |
| 2020 - Board Expenses<br>2040 - Rent                             | 789                  | 816                | 27                                     | 96.66 %              |                 |                 | ,                                      |                    |
| 2040 - Kent<br>2060 - Utilities                                  | 828                  | 810                | 63                                     | 90.00 %<br>92.88 %   | 3,606<br>4,289  | 9,800           | 6,194<br>6,411                         | 36.79 %<br>40.08 % |
|  | 828<br>0             |                    | 1,383                                  | 92.88 %<br>0.00 %    | 4,289           | 10,700          | ,                                      | 40.08 %<br>0.18 %  |
| 2120 - Insurance Expense<br>2130 - Membership Dues               | 1,316                | 1,383<br>725       | -592                                   | 0.00 %<br>181.65 %   | 8,194           | 16,600<br>8,700 | 16,570<br>506                          | 0.18 %<br>94.19 %  |
| 2140 - Bank Charges  | 1,516                | 108                | -592                                   | 91.13 %              | 684             | 1,300           | 616                                    | 94.19 %<br>52.63 % |
| 2150 - Office Supplies   | 366                  | 450                | 84                                     | 91.13 %<br>81.37 %   | 1,697           | 5,400           | 3,703                                  | 32.03 %<br>31.43 % |
| 2160 - Courier Expense   | 115                  | 430<br>217         | 102                                    | 53.04 %              | 464             | 2,600           | 2,136                                  | 51.45 %<br>17.85 % |
| 2170 - Printing/Photocopy  | 0                    | 17                 | 102                                    | 0.00 %               | 404             | 2,000           | 190                                    | 4.77 %             |
| 2180 - Postage & Shipping  | 15                   | 183                | 168                                    | 8.16 %               | 582             | 2,200           | 1,618                                  | 26.45 %            |
| 2190 - IT Supplies/Services                                      | 845                  | 3,465              | 2,621                                  | 24.37 %              | 20,171          | 41,600          | 21,429                                 | 20.43 %<br>48.49 % |
| 2200 - Professional Fees   | 14,336               | 9,546              | -4,790                                 | 150.18 %             | 44,841          | 114,600         | 69,759                                 | 48.49 %<br>39.13 % |
| 2220 - Equipment Repairs & Maintenance                           | 14,550               | 183                | -4,790                                 | 0.00 %               | 44,841<br>645   | 2,200           | 1,555                                  | 29.31 %            |
| 2220 - Equipment Repairs & Maintenance<br>2235 - Equipment Lease | 321                  | 375                | 54                                     | 85.63 %              | 1,798           | 4,500           | 2,702                                  | 29.51 %<br>39.96 % |
| 2240 - Telephone   | 1,857                | 1,133              | -724                                   | 163.92 %             | 8,702           | 13,600          | 4,898                                  | 63.99 %            |
| 2260 - Facility Maintenance                                      | 1,500                | 1,135              | -724<br>-384                           | 105.92 %<br>134.37 % | 4,802           | 13,400          | 4,898<br>8,598                         | 35.84 %            |
| 2270 - Travel Expenses   | 303                  | 533                | -384 230                               | 134.37 %<br>56.79 %  | 2,191           | 6,400           | 4,209                                  | 33.84 %<br>34.23 % |
| 2270 - Havel Lypenses  | 505                  | 553                | 230                                    | 30.79 %              | 2,191           | 0,400           | 4,209                                  | 34.23 70           |

#### Statement of Revenue Over Expense - No Decimals

|  | November | November | Variance<br>Favorable | Percent  | YTD        |              | Variance<br>Favorable | Percent |
|--|----------|----------|-----------------------|----------|------------|--------------|-----------------------|---------|
| Level                                      | Activity | Budget   | (Unfavorable)         | Used     | Activity   | Total Budget | (Unfavorable)         | Used    |
| 2280 - Transportation                      | 145      | 1,125    | 979                   | 12.90 %  | 1,645      | 13,500       | 11,855                | 12.19 % |
| 2300 - Legal Services                      | 26,040   | 16,660   | -9,380                | 156.30 % | 73,681     | 200,000      | 126,319               | 36.84 % |
| 2380 - Meeting Expenses                    | 89       | 158      | 70                    | 56.04 %  | 361        | 1,900        | 1,539                 | 18.99 % |
| 2420 - Legal Notices                       | 0        | 92       | 92                    | 0.00 %   | 0          | 1,100        | 1,100                 | 0.00 %  |
| 2460 - Public Outreach                     | 14       | 150      | 136                   | 9.40 %   | 210        | 1,800        | 1,590                 | 11.66 % |
| 2480 - Miscellaneous                       | 0        | 83       | 83                    | 0.00 %   | 121        | 1,000        | 879                   | 12.12 % |
| 2500 - Tax Administration Fee              | 0        | 708      | 708                   | 0.00 %   | 0          | 8,500        | 8,500                 | 0.00 %  |
| 2900 - Operating Supplies                  | 0        | 92       | 92                    | 0.00 %   | 14         | 1,100        | 1,086                 | 1.24 %  |
| Total Level1: 200 - Supplies and Services: | 51,062   | 41,383   | -9,678                | 123.39 % | 182,323    | 496,800      | 314,477               | 36.70 % |
| Level1: 300 - Other Expenses               |          |          |                       |          |            |              |                       |         |
| 3000 - Project Expenses                    | 89,411   | 360,073  | 270,661               | 24.83 %  | 627,460    | 4,322,600    | 3,695,140             | 14.52 % |
| 4000 - Fixed Asset Purchases               | 19,897   | 9,171    | -10,726               | 216.95 % | 42,996     | 110,100      | 67,104                | 39.05 % |
| 5000 - Debt Service                        | 65,400   | 19,159   | -46,241               | 341.36 % | 65,400     | 230,000      | 164,600               | 28.43 % |
| 5500 - Election Expenses                   | 0        | 4,265    | 4,265                 | 0.00 %   | 0          | 51,200       | 51,200                | 0.00 %  |
| 6000 - Contingencies                       | 0        | 1,999    | 1,999                 | 0.00 %   | 0          | 24,000       | 24,000                | 0.00 %  |
| 6500 - Reserves                            | 0        | 8,996    | 8,996                 | 0.00 %   | 0          | 108,000      | 108,000               | 0.00 %  |
| Total Level1: 300 - Other Expenses:        | 174,708  | 403,663  | 228,955               | 43.28 %  | 735,856    | 4,845,900    | 4,110,044             | 15.19 % |
| Total Expense:                             | 323,463  | 556,194  | 232,731               | 58.16 %  | 1,527,281  | 6,677,000    | 5,149,719             | 22.87 % |
| Total Revenues                             | 122,481  | 556,341  | -433,860              | -22.02 % | 621,809    | 6,677,000    | -6,055,191            | -9.31 % |
| Total Fund: 35 - WATER SUPPLY FUND:        | -200,982 | 147      | -201,129              |          | -905,472   | 0            | -905,472              |         |
| Report Total:                              | -365,730 | 284      | -366,014              |          | -2,150,039 | 0            | -2,150,039            |         |

**Fund Summary** 

#### **EXHIBIT 9-D** Statement of Revenue Over Expense - No Decimals

| Fund                   | November<br>Activity | November<br>Budget | Variance<br>Favorable<br>(Unfavorable) | Percent<br>Used | YTD<br>Activity | Total Budget | Variance<br>Favorable<br>(Unfavorable) | Percent<br>Used |
|------------------------|----------------------|--------------------|--|-----------------|-----------------|--------------|--|-----------------|
| 24 - MITIGATION FUND   | -109,710             | 137                | -109,848                               | oscu            | -909,442        | 0            | -909,442                               | oscu            |
| 26 - CONSERVATION FUND | -55,038              | 0                  | -55,038                                |                 | -335,125        | 0            | -335,125                               |                 |
| 35 - WATER SUPPLY FUND | -200,982             | 147                | -201,129                               |                 | -905,472        | 0            | -905,472                               |                 |
| Report Total:          | -365,730             | 284.08             | -366,014                               |                 | -2,150,039      | 0            | -2,150,039                             |                 |

#### **GENERAL MANAGER'S REPORT**

#### 12. UPDATE ON MAJOR DISTRICT PROJECTS

| Meeting Date:        | January 23, 2019                   | Budgeted:                  | N/A                       |
|----------------------|------------------------------------|----------------------------|---------------------------|
| From:                | David J. Stoldt<br>General Manager | Program/<br>Line Item No.: | N/A                       |
| Prepared By:         | David J. Stoldt                    | Cost Estimate:             | N/A                       |
| General Counse       | el Approval: N/A                   |                            |                           |
| <b>Committee Rec</b> | ommendation: N/A                   |                            |                           |
| <b>CEQA</b> Complia  | ance: Action does not co           | nstitute a project as c    | lefined by the California |

Environmental Quality Act Guidelines section 15378.

**SUMMARY:** The Board has requested regular updates on major project status. Recently authorized projects include:

- Rancho San Carlos Road Stream Bank Restoration
- Sleepy Hollow Steelhead Rearing Facility Intake
- ASR Backflush Basin Expansion
- Los Padres Dam Alternatives Study
- Accela Database Implementation
- New Phone System/Server Room Relocation

Information provided includes:

- 1. Date Authorized
- 2. Amount Authorized
- 3. Change Orders Authorized to date
- 4. Amount Expended to date
- 5. Expected Date of Completion.

**RECOMMENDATION:** The General Manager recommends the Board receive the report.

#### EXHIBIT

12-A Status Report on Major District Projects

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#### EXHIBIT 12-A

# Status Report on Major District Projects 1/7/19

| Project                           | Date       | Amount                   | Change Orders          | Total Expended   | Expected   |
|-----------------------------------|------------|--------------------------|------------------------|------------------|------------|
|                                   | Authorized | Authorized               | To Date                | To Date          | Completion |
| Rancho San Carlos Road            |            |                          |                        |                  |            |
| Streambank Stabilization Project  | 7/16/18    | \$632,000                | \$50,242               | \$567,607        | Complete   |
| Sleepy Hollow Steelhead Rearing   |            |                          |                        |                  |            |
| Facility Intake Upgrade           | 7/16/18    | $$2,000,000^{1}$         | 0                      | \$693,064        | 5/31/19    |
|                                   |            |                          |                        |                  |            |
| ASR Backflush Basin Expansion     | 9/17/18    | \$468,361                | \$1,102 <sup>2</sup>   | \$149,636        | 2/28/19    |
|                                   |            |                          |                        |                  |            |
| Los Padres Dam                    |            |                          |                        |                  |            |
| HDR Fish Passage Study            | 4/18/16    | \$310,000                | n/a                    | \$274,972        | 2/28/19    |
| AECOM Los Padres Dam Alternatives | 1/25/17    | \$500,000                | \$201,000 <sup>3</sup> | \$462,670        | 6/30/20    |
| CSUMB Bathymetric Survey          | 5/15/17    | \$19,000                 | n/a                    | \$19,000         | 3/31/18    |
| Carmel River Basin Model          | Various    | \$166,280                | n/a                    | \$143,099        | 6/30/19    |
| IFIM Study                        | Various    | \$318,500                | <u>n/a</u>             | <u>\$297,018</u> | 6/30/19    |
| Total                             |            | \$1,313,780 <sup>4</sup> | \$201,000              | \$1,196,759      |            |
|                                   |            |                          |                        |                  |            |
| Accela Database Implementation    | 11/13/17   | \$725,000                | \$17,945               | \$576,078        | 2/28/19    |
| New Phone System/Server Room      |            |                          |                        |                  |            |
| Relocation                        | 6/18/2018  | \$60,000                 | n/a                    | \$0              | 3/31/19    |

Notes:

1: Primarily paid via \$1.8 million State Coastal Conservancy grant

2: Stormwater pollution prevention plan fees in grading permit

3: \$60,000 for additional core samples authorized by Board 3/20/17 and \$141,000 for additional work required by regulators approved 4/16/18

4: Approximately \$988,626 expected to be reimbursed by Cal-Am; \$549,645 has been reimbursed to date.

#### **ITEM:** ACTION ITEM

#### 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

| Meeting Date: | January 23, 2019                   | Budgeted:                  | N/A |
|---------------|------------------------------------|----------------------------|-----|
| From:         | David J. Stoldt<br>General Manager | Program/<br>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: Action does not constitute a project as defined by the California Environmental Quality Act Guidelines section 15378.

**SUMMARY:** 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 such questions such as:

- 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?

It was expected that the public comments would help inform the Board's decision making. More detail on the Listening Sessions is provided under "DISCUSSION" below.

**RECOMMENDATION:** The General Manager recommends the Board receive this report, direct staff to have consultants recommended for hiring at the February Board meeting, and agree to discuss and establish objective criteria for the feasibility study in open session at the February Board meeting.

**DISCUSSION:** Five listening sessions were held over the course of 8 days in January as follows:

Division 1 – Monday, January 7 - Seaside City Council Chambers Division 2 – Tuesday, January 8 – MPWMD conference room Division 3 – Wednesday, January 9 – Monterey City Council Chambers Division 4 – Thursday, January 10 – Pacific Grove Council Chambers Division 5 – Tuesday, January 15 – Carpenter Hall, Sunset Center Carmel

Each session was moderated by the elected Director from the Division in which the session was held. The agenda was the same for each session and an example is attached as **Exhibit 15-A**.

Each session was very well attended by the public and by District Directors, as summarized in the table below. The general format was introductions by the Directors, an overview of the evening by the moderator, a presentation about the process by the General Manager, and then 45-90 minutes of public comment. There were 91 public speakers across the five sessions as summarized below. The public were also asked to fill out and leave behind ranking sheets on which they rank most important through least important "Measures of Feasibility" and "Measures of Desirability (Public Benefit)", an example of which are attached as **Exhibit 15-B**. The ranking sheets also had space for the public to provide additional thoughts.

|                         | Division 1 | Division 2 | Division 3 | Division 4 | Division 5 | Total |
|-------------------------|------------|------------|------------|------------|------------|-------|
| Attendees <sup>1.</sup> | 65         | 55         | 80         | 75         | 105        | 380   |
| Speakers                | 18         | 15         | 18         | 17         | 33         | 101   |
| Ranking <sup>2.</sup>   | 34         | 22         | 35         | 33         | 66         | 190   |
| Sheets                  | 32         | 20         | 34         | 32         | 71         | 189   |
| Returned                |            |            |            |            |            |       |
| Additional              |            |            |            |            |            |       |
| Ranking                 | 13         | 7          | 14         | 23         | 27         | 84    |
| Sheet                   | 14         | 6          | 19         | 16         | 27         | 82    |
| Comments <sup>2</sup> . |            |            |            |            |            |       |
| Directors               | 5          | 5          | 6          | 6          | 6          | n/a   |

Note 1: Approximate, based on seat and head counts Note 2: First number is related to "Feasibility", second number "Desirability"

a presentation highlighted gaven large related to presses. (i) gracif

The presentation highlighted seven key areas related to process: (i) specific requirements the initiative added to District Rules and Regulations; (ii) overview of the eminent domain process and where the determination of feasibility fits in; (iii) differentiating feasibility, "do-ability, and desirability (iv) example standards or measures of feasibility and desirability; (v) the process by which feasibility will be determined; (vi) the types of consultants the District will hire to execute the study; and (vii) schedule. A copy of the presentation is attached as **Exhibit 15-C**.

Leading up to the sessions and through their conclusion January 15<sup>th</sup>, the District opened up an email link through its website to accept public comment. Additional comments we emailed to specific District staff or hand delivered at the listening sessions. Copies of those 32 written comments are included here as **Exhibit 15-D**.

The spoken comments, written comments, and comments turned in with the ranking sheets are summarized below.

#### **Feasibility Measures**

Ratepayer Savings: 105 comments were given about savings, 30 commenters desired savings immediately or within a short period, yet almost an equal number (29) said ownership is the most important even if savings do not occur for 30 years. Several commenters (28) said savings were important in general, but did not specify when savings must occur, including expectations of a lower rate of escalation under public ownership. Similarly, 18 commenters said over the long-term rates would be better under public ownership. Seven people indicated public ownership would result in a lower future cost of capital for projects.

Water Supply: 24 comments were received that reinforced that any change in ownership must also ensure sufficient water supply to meet future needs and the requirements of the Cease and Desist Order.

Taxes v Rates: Many commenters (12) suggested that the cost of a buy-out must be reflected in the rates and a separate tax-backed financing should be avoided at all costs.

Quality of Service: 17 comments were received that suggested a buy-out must either improve service, provide the same quality service, and certainly no disruption in service.

Four comments suggest that an acquisition of the water system is already feasible and just needs to be implemented.

#### **Desirability (Public Benefit)**

Local Control: Overwhelmingly, 40 commenters felt local control, jobs, services, participation, leadership, etc was in the public interest.

Profit: Although somewhat ambiguous, 26 comments were received that getting rid of the profit motive in water delivery would be better.

CPUC: 20 comments specifically said one of the primary benefits of a buy-out would removal of the California Public Utilities Commission (CPUC) from regulatory oversight.

Transparency/Accountability: 12 comments indicated that there would be greater accountability and transparency (to consumers and regulators) under public ownership

Environment: 14 comments suggested that public ownership would result in greater environmental stewardship.

Rates: 13 comments indicate that public ownership will create greater "fairness" between residential and commercial rates.

#### **Analytical Methodology**

A number of commenters weighed in on how the analysis of feasibility should be conducted. For example, an equal number of people (20 each) said the desalination plant should be included or excluded from the analysis, and 5 more suggested that it would be less expensive to build under public ownership. There were 24 general comments on how to do the analysis. Other aspects receiving comments were identifying and informing the public about potential legal costs up-front (13), transparency and objectivity in the feasibility study process (10), accounting for PERS retirement benefits (8), including facility renewal and replacement costs (6), ensure low-income rates (4), and accounting for lost property tax revenue by the jurisdictions (3).

A number of commenters requested that once the cost is known, another election should be held to move forward (8), or eminent domain should not be used (3).

Six commenters said the District should establish its objectives for determining "feasible" upfront.

#### **Ranking Sheets**

190 responsive ranking sheets of Measures of Feasibility and 189 for Measures of Desirability (see **Exhibit 15-B**) were returned. In an interesting twist of the power of statistics, the average ranking of all 6 Measures of Feasibility was between 3.0 and 4.3. The average ranking of all 7 Measures of Desirability was between 3.4 and 4.5. In other words, almost as many people ranked a measure as their most important as ranked it as least important, and then ranked their intermediate criteria approximately the same.

Some information from the ranking sheets can be gleaned by looking at the number of "most important" or "second most important" and "least important" rankings were received. This is shown in the tables below:

|           | Division 1    | Division 2    | Division 3    | Division 4     | Division 5    |
|-----------|---------------|---------------|---------------|----------------|---------------|
| Most      | Immediate     | Can handle a  | Can handle a  | I may not      | Can handle a  |
| Important | Savings       | slight        | slight        | save in first  | slight        |
|           |               | increase in   | increase in   | year, but      | increase in   |
|           |               | cost if       | cost if       | future         | cost if       |
|           |               | cheaper over  | cheaper over  | increases will | cheaper over  |
|           |               | time          | time          | be lower       | time          |
| Second    | Even if       | Don't care if | Don't care if | Immediate      | Immediate     |
| Most      | operating     | there is      | there is      | Savings        | Savings       |
| Important | costs are the | savings until | savings until |                |               |
|           | same, future  | after debt    | after debt    |                |               |
|           | capital       | paid off      | paid off      |                |               |
|           | projects will |               |               |                |               |
|           | be cheaper    |               |               |                |               |
| Least     | Immediate     | (tie)         | Immediate     | Immediate      | Don't care if |
| Important | Savings       | Immediate     | Savings       | Savings        | there is      |
|           |               | Savings       |               |                | savings until |
|           |               |               |               |                | after debt    |
|           |               | Don't care if |               |                | paid off      |
|           |               | there is      |               |                |               |
|           |               | savings until |               |                |               |
|           |               | after debt    |               |                |               |
|           |               | paid off      |               |                |               |

#### **Rankings of Measures of Feasibility**

#### **Rankings of Measures of Desirability**

|           | Division 1  | Division 2    | Division 3  | Division 4  | Division 5  |
|-----------|-------------|---------------|-------------|-------------|-------------|
| Most      | Lower Costs | Lower Costs   | Lower Costs | Lower Costs | Lower Costs |
| Important |             |               |             |             |             |
| Second    | Economy     | (tie)         | Economy     | Community   | Leadership  |
| Most      |             | Economy       |             | Values      |             |
| Important |             |               |             |             |             |
|           |             | Participation |             |             |             |
| Least     | Community   | Community     | Community   | (tie)       | Lower Costs |
| Important | Values      | Values        | Values      | Community   |             |
|           |             |               |             | Values      |             |
|           |             |               |             |             |             |
|           |             |               |             | Lower Costs |             |

Hence, even based on the most and least important criteria, the community is split.

#### EXHIBITS

- **15-A** Example Agenda for Listening Sessions
- **15-B** Sample Ranking Sheets
- **15-C** Listening Session Presentation on Process
- **15-D** Written Comments Received



| <b>Board of Directors</b>   | AGENDA |   |  |  |
|---|--------|---|--|--|
| Molly Evans, Chair –<br>Division 3<br>Alvin Edwards, Vice Chair –<br>Division 1<br>George Riley – Division 2<br>Jeanne Byrne – Division 4<br>Gary Hoffmann – Division 5 |        | LISTENING SESSION<br>Division 5<br>Monterey Peninsula Water Management District<br>******   |  |  |
|   |        | January 15, 2019, 6 pm  |  |  |
| Mary Adams, Monterey  |        | Seaside City Council Chambers   |  |  |
| County Board of<br>Supervisors Representative<br>Vacant – Mayoral<br>Representative   | 1.     | Welcome and Introductions – Gary D. Hoffmann, P.E., Director Division 5   |  |  |
| <u>General Manager</u><br>David J. Stoldt   | 2.     | Overview of process for development of feasibility study on public ownership of the Monterey Peninsula water system – David Stoldt, General Manager |  |  |
|   | 3.     | Receive public comment – Please limit your comment to three (3) minutes   |  |  |
|   | 4.     | Review results from compilation of ranking sheets   |  |  |
|   | 5.     | Adjourn   |  |  |

| Listening Session Schedule – All Sessions Begin at 6 PM |   |  |  |  |  |
|---|---|--|--|--|--|
| Division 1 - Monday, January 7, 2019                    | Seaside City Council Chambers, 440 Harcourt Ave, Seaside        |  |  |  |  |
| Division 2 - Tuesday, January 8, 2019                   | MPWMD Office, 5 Harris Court, Bldg. G, Monterey                 |  |  |  |  |
| Division 3 - Wednesday, January 9, 2019                 | Monterey City Council Chambers, 580 Pacific, Monterey           |  |  |  |  |
| Division 4 - Thursday, January 10, 2019                 | Pacific Grove Council Chambers, 300 Forest Ave., Pacific Grove  |  |  |  |  |
| Division 5 - Tuesday, January 15, 2019                  | Carpenter Hall, Sunset Center, 9th Ave & San Carlos St., Carmel |  |  |  |  |

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 send a description of the requested materials and preferred alternative format or auxiliary aid or service by 5 pm on Thursday, January 3, 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.

U:\staff\Boardpacket\2019\20190123\ActionItems\15\Item-15-Exh-A.docx

#### EXHIBIT 15-B

### **Measures of Feasibility**

Please rank the following standards or measures of "feasible" from 1 to 7 1 = This is most important to me 7 = This is least important to me

\_\_\_\_ Savings immediately and every year thereafter

\_\_\_\_ Could freeze rates for 3 to 5 years before they start rising again

I may not save in the first year, but the rate of future increases will be lower

\_\_\_\_ I can handle a slight increase in cost for a few years if it will be cheaper over the life

I don't care if there are savings until after the debt is paid off

\_\_\_\_ Even if all operating costs are the same, I know future capital projects will be cheaper

\_\_\_\_ Other - Please describe your other standard or measure of "feasible" below:

### Measures of Desirability (Public Benefit)

*Please rank the following standards or measures of "desirable" or public benefit from 1 to 8* 

1 = This is most important to me8 = This is least important to me

- Cost It will lead to lower costs
- Rates Simpler, local, public process; easier to understand
- \_\_\_\_ Participation public hearings, accessibility, transparency
- \_\_\_\_ Leadership locally elected, greater accountability
- \_\_\_\_\_ Service Staffing and location of services will be local
- \_\_\_\_ Economy All rates and revenues stay locally
- \_\_\_\_ Community Values Will be reflected in policy and practices

\_\_\_\_ Other - Please describe your other standard or measure of "desirable" below:

#### EXHIBIT 15-C



# Rule 19.8 Ordinance 180 Implementation

### Listening Sessions

January 2019



### Rule 19.8 Deconstructed

A. It shall be the policy of the District, if and when feasible, to secure and maintain public ownership of all water production, storage and delivery system assets and infrastructure providing services within its territory.

### Rule 19.8 Deconstructed

B. The District shall acquire through negotiation, or through eminent domain if necessary, all assets of California American Water, or any successor in interest to California American Water, for the benefit of the District as a whole.

### Rule 19.8 Deconstructed

C. The General Manager shall, within nine (9) months of the effective date of this Rule 19.8, complete and submit to the Board of Directors a written plan as to the means to adopt and implement the policy set forth in paragraph A, above. The plan shall address acquisition, ownership, and management of all water facilities and services within and outside the District, including water purchase agreements as appropriate. The plan may differentiate treatment of non-potable water services.



### Feasibility vs. Other Concepts



6

## Standards of Financial Feasibility

- Savings immediately and every year thereafter
- Could freeze rates for 3 to 5 years before they start rising again
- I may not save in the first year, but the rate of future increases will be lower
- I can handle a slight increase in cost for a few years if it will be cheaper over the life
- I don't care if there are savings until after the debt is paid off
- Even if all operating costs are the same, I know future capital projects will be cheaper
- Others?

## Standards of Desirability – In the Public Benefit

- Cost It will lead to lower costs
- Rates Simpler, local, public process; easier to understand
- Participation public hearings, accessibility, transparency
- Leadership locally elected, greater accountability
- Service Staffing and location of services will be local
- Economy All rates and revenues stay locally
- Community Values Will be reflected in policy and practices
- Others?



### Financial Feasibility – Additional Costs?

- Transaction Costs add to Valuation Examples: Legal, investment banking
- Severance Damages add to Valuation *Examples: Stays in Monterey to serve others, regulatory assets, sunk costs, "going concern" loss*
- Transition Expenses affect both Valuation and Cost of Service Examples: Billing system, call center, building space, salary and benefits
- Such costs are difficult to estimate

### Cost of Service Comparison



## Financial Feasibility – Rates v. Revenue Requirement

- If total cost of service (Revenue Requirement) is reduced it is "feasible"
- Rate structure may change, hence Tier 1 rates could go up even if revenue requirement goes down
- May want to leave then-existing rate structure in place for ease of comparison
- Rates will be subject to Prop 218 (no low-income subsidies, tiers must be justified, commercial divisions questionable)



| Schedule          |                                   |  |
|-------------------|-----------------------------------|--|
|                   | Item                              |  |
| January 7-10, 15  | Public "listening sessions"       |  |
| Week of January 7 | Distribute RFQs to Consultants    |  |
| February 13       | Consultant proposals due          |  |
| February 21       | Approve consultant contracts      |  |
| July 26           | Draft consultant work product due |  |
| August 27         | District "Plan" target            |  |

### "Listening Sessions"

• Dates

Division 1 – Monday, January 7 - Seaside City Council Chambers
Division 2 – Tuesday, January 8 – MPWMD conference room
Division 3 – Wednesday, January 9 – Monterey City Council Chambers
Division 4 – Thursday, January 10 – Pacific Grove Council Chambers
Division 5 – Tuesday, January 15 – Carpenter Hall, Sunset Center Carmel

- Ranking Sheets
- Public Comment
- Questions?




#### Correspondence Dated January 4, 2019 through January 16, 2019

#### Process for Development of Feasibility Study on Public Ownership of the Monterey Peninsula Water System

| Page | Name                     | Date      |
|------|--------------------------|-----------|
| 1    | Alison Jones-Pomatto     | 1/9/2019  |
| 2    | Alexanne Mills           | 1/4/2019  |
| 3    | Chuck Cech               | 1/9/2019  |
| 8    | Dennis Allion            | 1/9/2019  |
| 10   | David Beach              | 1/4/2019  |
| 15   | Jon Hill                 | 1/9/2019  |
| 20   | John Magill              | 1/10/2019 |
| 21   | Mary Ann Carbone         | 1/9/2019  |
| 23   | Mac J Del Piero          | 1/9/2019  |
| 68   | Mike Lino                | 1/11/2019 |
| 71   | Marli Melton             | 1/9/2019  |
| 72   | Pat Venza                | 1/9/2019  |
| 73   | Thomas Reeves            | 1/9/2019  |
| 75   | Tim Sanders              | 1/8/2019  |
| 79   | Alan Estrada             | 1/16/2019 |
| 80   | Anna Thompson            | 1/15/2019 |
| 81   | Barbara Evans            | 1/15/2019 |
| 82   | Brian LeNeve             | 1/15/2019 |
| 84   | Bob McGinley             | 1/15/2019 |
| 86   | Bob McKenzie             | 1/14/2019 |
| 88   | Graham and Carter Filion | 1/14/2019 |
| 89   | Greg Thompson            | 1/16/2019 |
| 90   | Helga Fellay             | 1/14/2019 |
| 94   | John Sherry              | 1/15/2019 |
| 95   | Jacquelyn Woodward       | 1/14/2019 |
| 96   | Lorin Letendre           | 1/15/2019 |
| 97   | Melodie Chrislock        | 1/15/2019 |
| 103  | Mark Eckles              | 1/15/2019 |
| 107  | Peter Hiller             | 1/12/2019 |
| 108  | Robert Ellis             | 1/16/2019 |
| 110  | Russell Eisberry         | 1/12/2019 |
| 112  | Tim Smith                | 1/15/2019 |

#### **Arlene Tavani**

| From:    | alison jones-pomatto <ajonespomatto@yahoo.com></ajonespomatto@yahoo.com> |
|----------|--|
| Sent:    | Wednesday, January 9, 2019 8:55 AM                                       |
| То:      | Comments   |
| Subject: | Feasibility study  |

What the feasibility of public water means to me is that there will be a significant financial savings within five years. The costs to buy out Cal-Am must not add to what we're paying for our current water bills, whether directly or indirectly through a parcel fee.

It also means that there is an identifiable water source that will be sufficient for the residential and agricultural interests of Monterey county, allowing for minimal growth. I remember water rationing and do not want to go back to that place. I am a firm believer in water conservation and use as little as I possibly can. I want to be certain that basic conservation, not sacrifice, will be enough to fulfill the area's water needs for years to come.

Alison Jones-Pomatto 895 Balboa Avenue Pacific Grove, CA 93950

| From:    | Alexanne Mills                       |
|----------|--------------------------------------|
| То:      | <u>Comments</u>                      |
| Subject: | Measure J Feasibility Study Comments |
| Date:    | Friday, January 4, 2019 6:20:08 PM   |

Regarding Measure J, and public ownership of our water system, "feasible" means honestly looking at the state of American Water in general and CalAm specifically, regarding their huge profits as private owners and comparing that to owning our own system. The fact that we are paying the highest, if not one of the highest, water rates in the nation does more than prove the point!

The many studies done to date show, without a doubt, that we can do much better for our people as a public company than a private one. I believe that about 87% of the US has public water and that most of the systems are well managed. We have the expertise to do a good job, and need to have the will to make it happen.

To me, the "feasibility" of changing to public water has already been proven and needs to be implemented. The costs of making this happen will more than pay for themselves. CalAm has been taking us to the cleaners.

Alexanne Mills 831-917-5390 60 Del Mesa Carmel Carmel, CA 93923

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

Submitted by Chuck Cech at 1/9/19 Listening Session on Rule 19.8 - Feasibility Study

### THERE MAY BE 386 MILLION REASONS WHY MONTEREY RATEPAYER SHOULD REPLACE CAL AM!

### THE PUBLIC SHOULD BUILD AND OWN THE \$320 MILLION MONTEREY PENINSULA DESALINATION SYSTEM

## CAL PUBLIC UTILITIES COMMISSION CAPITAL STRUCTURE SETS THE CAL AM RATE OF RETURN ON EQUITY AND DEBT

DURING THE YEARS 2018 - 2020 CAL AM'S OVERALL RATE OF RETURN IS SET BY THE CPUC AT 7.61%

## HOW MUCH WILL THE \$320,000,000 DESAL SYSTEM REALLY COST

## IF CAL AM BUILDS AND OWNS IT, THE 30 YEARS COST TO CUSTOMERS AT 7.61% WOULD BE

# \$814,190,040

(NOT INCLUDING OPERATION AND MAINTAINANCE)

# IF A PUBLIC ENTITY BUILDS AND OWNS, THE DESALINATION SYSTEM THE 30 YEAR COST USING 2% CWSRF

### WE WILL PAY

# \$427,601,632

# **REASON TO PREPLACE CAL AM**

## \$386,558,408 SAVINGS

# **PSSSST!** THERE IS ALSO A REAL POSSIBILITY OF STATE AND FEDERAL GRANTS HELPING PAY FOR OUR <u>PUBLIC OWNED WATER SYSTEMS</u>

 From:
 Dave Stoldt

 To:
 Arlene Tavani

 Subject:
 Fwd: Written input for definition of FEASIBLE

 Date:
 Thursday, January 10, 2019 1:10:57 AM

Sent from my iPhone

Begin forwarded message:

From: Dennis Allion <<u>dennisallion@sbcglobal.net</u>> Date: January 9, 2019 at 6:59:19 PM PST To: "<u>dstoldt@mpwmd.net</u>" <<u>dstoldt@mpwmd.net</u>>, George Riley <<u>georgetriley@gmail.com</u>>, "<u>water@mollyevans.org</u>" <<u>water@mollyevans.org</u>>, "jcbarchfaia@att.net" <<u>jcbarchfaia@att.net</u>> Cc: Alison Kerr <<u>alison4dro@gmail.com</u>>, Dino Pick <<u>citymanager@delreyoaks.org</u>>, John Gaglioti <<u>jsgaglioti@yahoo.com</u>> Subject: Written input for definition of FEASIBLE Reply-To: Dennis Allion <<u>dennisallion@sbcglobal.net</u>>

Dear Board members and David,

I wanted to add a few thoughts to those I shared with you last night.

First is to clarify a few facts I threw out about my water bill. I looked back to 2003 through 2018 at the bills and found that anywhere from 23 to 43 percent of our bills were for surcharges, taxes, water project, conservation projects, something called a General Expenses Balancing Account surcharge, WRAM and other stuff. The actual cost to me of the water over that 16 year span was 69% of my bill, the other 31% was for all these other things. The cost per gallon, with all charges included was .8 cents in 2003 to currently 2.1 cents per gallon; this turns out to be approximately 6% annual increases and includes things like the dam removal and the biggest element is the Water Revenue Adjustment Mechanism (WRAM) (which is a CPUC approved way of letting CALAM recover revenues lost due to conservation efforts; intended to recognize that there are fixed cost and the rates were based on a higher volume of water deliveries). I hope that part of the study will be directed toward determining if we can eliminate the WRAM by public ownership.

The measure justly calls for an objective feasibility study by independent experts. The word objective is very important for the Water Management District Board as it will have the final say, not the voting rate payers – we have effectively put our trust and water future in your hands. Last night I implored that you objectively look at the numbers that will be generated by the studies; understand the risks associated with the assumptions made by the company or companies conducting the various studies required and

objectively decide what is the proper course of action.

While you may be considering this, I want to emphasize that not only must any water company (public or private) recover all it's operating cost it must also plan for and collect funds to perform ongoing capital improvements, equipment and pipeline replacement. This must be an essential part of the feasibility studies.

The buyout becomes more confusing when the issue of the possible (or probable?) desalinization plant is thrown in. I believe we truly do need the additional water primarily due to the growing possibility of extended drought periods. The decision to include the potential plant capital expense in the feasibility study needs to be made - perhaps as a second scenario.

Last comment - as a 70 year old I am not going to be too excited about a buyout if it means that our water bills will be lower than what we would be paying a private sector company but only 30 years from now - I will never see the lower prices.

As has been eloquently stated by Paul Bruno, Measure J was passed by people who expect future water provided under public ownership will be more "affordable" than water provided by California American Water. That is a great and desirable expectation. The measure requires a feasibility study prior to any action taken to proceed with actions to purchase the water system by the public. All good except for the word feasible – which you are seeking definitions for. Thank you for asking.

Sincerely Dennis Allion

#### Arlene Tavani

| From:    | Dave Stoldt   |
|----------|---|
| Sent:    | Friday, January 4, 2019 8:54 PM   |
| To:      | David Beech   |
| Cc:      | Molly Evans; Arlene Tavani; Melodie Chrislock   |
| Subject: | Re: Agenda for January 7, 8, 9, 10 and 15, 2019 Listening Sessions re development of feasibility study on public ownership of Monterey Peninsula water system |

#### Thank you David.

First of all, I do not believe that we are "revealing" anything "at the last moment before public comment." We have characterized these sessions as two-fold: Please tell us what you are willing to accept or objectify as "feasible" as a measurable or objective measure of economic feasibility. Then, if it proves to be feasible under one, two, or more of these measures, then as we must move on to the next phase — proving public benefit — then what public benefits do you perceive in the acquisition of the Cal-Am system?

I do not believe we can filter or vet the desires (hopes) of speakers, rather just let the chips fall as they may. The Board is listening, but they are not naive, rather will be using what they hear to inform a future decision. This is not another public vote on the criteria for what is feasible, rather an opportunity to inform the Board so they can form their own opinion.

A 56% to 46% win on Measure J requires us to follow through on the initiative, but also listen to the 46%-ers. It is all going to be OK...

As I stated earlier, I believe the feasibility question is an objective economic measure and, to date, my Board has agreed. In other words, "Is it in the ratepayer's interest"? We simply want to hear from ratepayers what their interests are.

Regards,

Dave

On Jan 4, 2019, at 4:37 PM, David Beech < dbeech@comcast.net wrote:

Hello Dave,

Since Molly has already kindly replied to my two previous messages, may I offer to you this time a new idea that just occurred to me?

This is that you ask that each speaker at the listening meetings should begin by stating whether they *hope* that the public acquisition of Cal Am will prove feasible or not.

The rationale is that you can hardly ask people to say how they voted on Measure J, but something similar needs to be used to interpret the definition of feasibility that they favor, i.e. how low or high they set the bar. You obviously don't want to be rerunning the Measure J ballot, and counting "votes" for different feasibility criteria, dependent on "voter turnout" among the relatively small number of attendees who get to speak.

I can only look forward to learning how these meetings will play into "the process for analyzing the feasibility of acquiring [CalAm]" that you will be revealing at the last moment before public comment.

Thanks for your patience. I can see that you are very committed to implementing Measure J correctly, and this is a delicate stage.

David

the process for analyzing the feasibility of acquiring

On 1/4/2019 5:47 AM, Molly Evans wrote: Mr. Beech,

There is no packet available, not even for Board members, as we are not reviewing anything from staff. These sessions are solely to hear from the public. Any advance information available is on the District's web site, including the questions we will be asking the public (which I sent in my previous email to you) and the agenda.

The public directed the Board to adopt a rule creating a policy of public ownership of the water system "when feasible" without any guidance as to what that means. The sole purpose of the listening sessions is to hear that guidance directly from the public. Once the Board has received said guidance, the Board will develop the criteria to be given to the consultants to work with as they perform the study.

The email address can be found on the District's web site, along with the aforementioned information about for the listening sessions. It is <u>comments@mpwmd.net</u>

- Molly Molly Evans MPWMD Chair

On Jan 3, 2019, at 10:22 PM, David Beech < <u>dbeech@comcast.net</u>> wrote:

Hello Molly,

Thanks for your considered reply, although I fear you have not taken my point about the parallel with the Board having a few days to review the staff packet ahead of expressing their opinions in a meeting.

What kind of "consideration" will the District give to these public comments? So far, the description has been about "listening", and it would help people shape their comments to know to what purpose they will be applied, e.g. to be forwarded or summarized for the consultants selected to produce the Written Plan?

I'd be grateful for the email address for submission.

Thanks again,

David

On 1/3/2019 1:02 PM, Molly Evans wrote: Mr. Beech,

Thank you for your message. I hope this will clarify the intent of these sessions. Generally speaking, all the District is looking for is 1) what does "feasible" mean to you? and 2) why do you see public ownership of the water system as beneficial? I believe that many people will be of similar mind and the District will be able to understand what the people intended by the term "feasible". However, as Mr. Stoldt said, having the context of the presentation will be beneficial in helping people determine what they would like to say when they have their opportunity to speak.

These questions are not new, and I believe most people have the answers already top of mind and will not need the full three minutes to express. There is also no need to attend every session or any at all. They will all be structured the same, and there is a special email address set up for anyone not able to attend a session to still provide input. The Board will receive all of those messages and will take them into consideration. I look forward to seeing you next week. If you need more information, please let me know.

- Molly Molly Evans MPWMD Chair

On Jan 3, 2019, at 11:26 AM, David Beech < dbeech@comcast.net> wrote:

Well, it will be hard to get quality input from the public if they have little information ahead of time, and have to structure quick thinking to fit in three minutes! With ten hours being devoted to these five meetings, it seems worthwhile to make them as productive as possible. Otherwise the end result could well be that "the public had their chance, but there were many assorted comments and no clear pattern of guidance emerged."

If the District plans to focus on certain questions in their presentations, please let us think about them before the meetings.

I will copy Molly Evans as chair, so that she is aware of this difficulty.

David

On 1/3/2019 9:55 AM, Dave Stoldt wrote: Hi David,

I really do not want the materials out ahead of the meetings, because they will benefit by having context as they are introduced at the sessions.

Regards,

Dave

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

831.658.5651

From: David Beech <u><dbeech@comcast.net></u> Sent: Tuesday, January 1, 2019 9:05 PM To: Dave Stoldt <u><dstoldt@mpwmd.net></u> Cc: Arlene Tavani <u><Arlene@mpwmd.net></u>; Melodie Chrislock <u><mwchrislock@redshift.com></u> Subject: Re: Agenda for January 7, 8, 9, 10 and 15, 2019 Listening Sessions re development of feasibility study on public ownership of Monterey Peninsula water system

Hi Dave,

It looks as though you don't have a way to stream video of untelevised meetings, but it occurs to me that these 5 public meetings could be much more productive if your presentation and any supporting materials could be made available online at mpwmd, net before this weekend, much as the Board receives a packet for review in advance of a meeting. Maybe Jim Johnson could make Herald readers aware of this, and Melodie could inform her PWN list, if you agree.

Thanks,

David

On 12/31/2018 3:08 PM, Arlene Tavani wrote:

Mr. Beech: The meetings of 1/7, 1/8 and 1/9/19 will be video recorded, but not televised because there is no programming time available. These meetings are not occurring during regularly set aside timeslots for public meetings on the public access channels. DVDs of these meetings will be available upon request. Audio recordings of all 5 sessions will be available to the public upon request.

Arlene Tavani Executive Assistant Monterey Peninsula Water Management District Phone: 831-658-5652

From: David Beech <a href="https://www.endoweduction.com">dbeech@comcast.net></a> Sent: Monday, December 31, 2018 2:56 PM To: Arlene Tavani <<u>Arlene@mpwmd.net></u> Cc: Dave Stoldt <<u>dstoldt@mpwmd.net></u> Subject: Re: Agenda for January 7, 8, 9, 10 and 15, 2019 Listening Sessions re development of feasibility study on public ownership of Monterey Peninsula water system

#### Hello Arlene,

Are any or all of these sessions to be televised, or available via the internet? That would seem a good way of keeping the community well informed, since these venues have small capacity. Perhaps at least the Monday one, which would also be a valuable preview for those intending to attend the later ones?

Happy New Year!

David

On 12/31/2018 11:12 AM, Arlene Tavani wrote:

The Monterey Peninsula Water Management District will conduct five listening sessions to hear from the public on development of a feasibility study on public ownership of the Monterey Peninsula water system. The agenda and list of meeting dates and locations is attached, or can be viewed at this link <a href="http://www.mpwmd.net/wp-content/uploads/January2019Agenda.pdf">http://www.mpwmd.net/wp-content/uploads/January2019Agenda.pdf</a>. Contact me if you have questions.

Arlene Tavani

**Executive Assistant** 

Monterey Peninsula Water

**Management District** 

Phone: 831-658-5652

January 9, 2019

To: Molly Evans, Director

From: Jon Hill, resident, New Monterey

Re: Measure J Feasibility Listening Session

#### What does "feasible" mean to you?

"Feasible" is viable and practical. A "feasible" plan produces a better outcome without extraordinary measures or costs. In this situation, "extraordinary measures" might be costly and slow-moving legal battles, replacement of costly equipment or facilities, or adding CalPERS retirement to staffing costs. With regard to Measure J, it is "feasible" only if it can

(1) provide water that meets or exceeds consumer demands and State Water Resources Control Board requirements;

(2) provide water at a cost comparable to existing costs and future private system projections;

(3) be accomplished with a minimum disruption to current users, both residential and commercial;

(4) be accomplished with no greater environmental impact than projections for the current system; and

(5) enhance accountability to local consumers, to state coastal and water resource agencies, and to environmental impacts.

#### Which measures of feasibility are most important to you?

Adequate water supply. Based on multiple data sources, what are the known and projected needs for water? How is availability impacted or directed by State Water Resources Control Board requirements? NOTE THAT THIS FEASIBILITY STUDY IS ABSOLUTELY NOT THE APPROPRIATE PLACE TO LIMIT OR MINIMIZE GROWTH BY LIMITING THE AVAILABILITY OF WATER. GROWTH/NO GROWTH IS A SEPARATE DISCUSSION THAT MUST TAKE PLACE SEPARATELY.

**Cost.** Cost projections must honestly and openly study, analyze and project costs, including short-term and long-term. Information must be based on multiple independent data sources. Because MPWMD is already supported by taxes, costs must include water use charges, tax costs and anticipated bond taxes. With numerous previous government take-overs completed, costs must include all factors including the legal battles, replacement equipment and facilities, and CalPERS retirement costs for public water employees. A safe assumption is that CalAm employees will gravitate to MPWMD at no loss of salary and with vesting in CalPERS.

Water service. "Feasibility" must include practices and procedures that residential and commercial consumers do not experience disruptions to service. Consumers have a right to expect to have water every single day. That must be protected from legal and political wrangling.

Environmental impact. "Feasibility" must include a full and complete environmental impact analysis.

Accountability. "Feasibility" must thoroughly detail consumer protections and all aspects of state and local oversight under both private and public ownership.

#### What do you see are the benefits of publicly owned water system?

None. I believe local consumers have significantly better leverage to manage the current system than they would have with a publicly-owned water system.

 From:
 Dave Stoldt

 To:
 Arlene Tavani

 Subject:
 FW: Monterey Listening Session Follow-up

 Date:
 Thursday, January 10, 2019 12:06:33 PM

 Attachments:
 Social Security Windfall Elimination Provision.pdf

More correspondence.

From: Jon Hill <dr.jon.hill@gmail.com>
Sent: Thursday, January 10, 2019 10:57 AM
To: alvinedwards420@gmail.com; rileyforwaterdistrict@gmail.com; water@mollyevans.org;
jcbarchfaia@att.net; gqhwd1000@gmail.com; district5@co.monterey.ca.us; Dave Stoldt
<dstoldt@mpwmd.net>
Subject: Monterey Listening Session Follow-up

January 10, 2019

To: Dave Stoldt, General Manager Molly Evans, Chair Members of the MPWMD Board

From: Jon Hill, resident, New Monterey

Re: Measure J Feasibility Listening Session Follow-up

This follows my comments last evening at the Monterey Listening Session.

First, thank you for making the investment in time to listen to the input from the community. I appreciate your carefully planned strategy. I hope it serves us all well later.

This email is to further clarify the impact of bringing workers who are paying Social Security into a government organization where employees become members of CalPERS. It is the agency's decision whether to have employees pay into both Social Security and CalPERS, or to pay only into CalPERS. I understand from Mr. Stoldt's comments last night that MPWMD has the latter arrangement.

Social Security retirees who have "substantial earnings" (greater than \$24,675) from work where they did not pay social security are significantly penalized under the "Windfall Elimination Provision". The two-page Social Security documentation is attached as a PDF to this email.

Let me describe how this works.

I initially worked in Washington and Oregon where I paid into Social Security. Then I worked under California State Teacher's Retirement System (CalSTRS) which is similar to CalPERS. I worked for 19+ years. Then, I moved to Oregon where I paid into Social Security. I worked there 17 years. Then I moved back to California and worked for County of Monterey where I paid into both Social Security and Cal PERS.

Please look at the second page of the PDF, the chart on the bottom right side. According to Social Security, I now have a total of 29 years of substantial earnings paid into Social Security. Therefore, my monthly pension from Social Security is 85% of what it would otherwise be. I could work one more year an receive 90%, but there is no way that I can get the full 100% of my pension based on the payments I made into the system.

My wife's history is similar. She worked approximately 35 years under CalSTRS with 10 years in Oregon where she paid into Social Security. Her pension is 40% of what it would be otherwise would be for someone paying similarly into Social Security.

I believe this poses a significant problem for the employees of CalAM. My understanding is that they pay into Social Security but if they come to work for MPWMD, they will pay only into CalPERS. After earning \$24,675 or more from MPWMD and upon retirement, those employees will lose not less than 10% of their Social Security pension, and perhaps as much as 40%. Even with the benefits of a CalPERS pension, they will experience significant loss of retirement income.

As I understand the system, if MPWMD modified its agreement with CalPERS, and deducted both Social Security and CalPERS, then those same employees would continue paying into Social Security and not experience the loss.

I am not a lawyer nor a CPA. There may be gaps in my understanding that are worth exploring. However, this is the kind of detrimental effects that I believe MPWMD must carefully include within the scope of their feasibility study to ensure that employees are not harmed.

With more than 50 years of experience in government, and as a current MPUSD school board member, I encourage you to consider carefully the cost of CalPERS to the system. Mr. Stoldt stated that the 2012 CalPERS adjustment reduces MPWMD's liability. That is not MPUSD's experience. The school district board has already made significant changes in programs and offerings with very strong evidence that the growing cost of retirement programs will outstrip any increases in revenues. Again, this kind of known financial issue must be carefully included within the scope of the district's feasibility study.

Thank you for your service to the community.

Jon Hill 831 737 2374



### Windfall Elimination Provision

### Your Social Security retirement or disability benefits can be reduced

The Windfall Elimination Provision can affect how we calculate your retirement or disability benefit. If you work for an employer who doesn't withhold Social Security taxes from your salary, such as a government agency or an employer in another country, any retirement or disability pension you get from that work can reduce your Social Security benefits.

#### When your benefits can be affected

This provision can affect you when you earn a retirement or disability pension from an employer who didn't withhold Social Security taxes **and** you qualify for Social Security retirement or disability benefits from work in other jobs for which you did pay taxes.

The Windfall Elimination Provision can apply if:

- You reached 62 after 1985; or
- You became disabled after 1985; and
- You first became eligible for a monthly pension based on work where you didn't pay Social Security taxes after 1985. This rule applies even if you're still working.

This provision also affects Social Security benefits for people who performed federal service under the Civil Service Retirement System (CSRS) after 1956. We won't reduce your Social Security benefit amounts if you only performed federal service under a system such as the Federal Employees' Retirement System (FERS). Social Security taxes are withheld for workers under FERS.

#### How it works

Social Security benefits are intended to replace only some of a worker's pre-retirement earnings.

We base your Social Security benefit on your average monthly earnings adjusted for average wage growth. We separate your average earnings into three amounts and multiply the amounts using three factors to compute your full Primary Insurance Amount (PIA). For example, for a worker who turns 62 in 2019, the first \$926 of average monthly earnings is multiplied by 90 percent; earnings between \$926 and \$5,583 by 32 percent; and the balance by 15 percent. The sum of the three amounts equals the PIA which is then decreased or increased depending on whether the worker starts benefits before or after full retirement age (FRA). This formula produces the monthly payment amount.

When we apply this formula, the percentage of career average earnings paid to lower-paid workers is greater than higher-paid workers. For example, workers age 62 in 2019, with average earnings of \$3,000 per month could receive a benefit at FRA of \$1,497 (approximately 49 percent) of their pre-retirement earnings increased by applicable cost of living adjustments (COLAs). For a worker with average earnings of \$8,000 per month, the benefit starting at FRA could be \$2,686 (approximately 33 percent) plus COLAs. However, if either of these workers start benefits earlier, we'll reduce their monthly benefit.

#### Why we use a different formula

Before 1983, people whose primary job wasn't covered by Social Security had their Social Security benefits calculated as if they were long-term, low-wage workers. They had the advantage of receiving a Social Security benefit representing a higher percentage of their earnings, plus a pension from a job for which they didn't pay Social Security taxes. Congress passed the Windfall Elimination Provision to remove that advantage.

Under the provision, we reduce the 90 percent factor in our formula and phase it in for workers who reached age 62 or became disabled between 1986 and 1989. For people who reach 62 or became disabled in 1990 or later, we reduce the 90 percent factor to as little as 40 percent.

#### Some exceptions

The Windfall Elimination Provision doesn't apply if:

- You're a federal worker first hired after December 31, 1983;
- You're an employee of a non-profit organization who was first hired after December 31, 1983;
- Your only pension is for railroad employment;
- The only work you performed for which you didn't pay Social Security taxes was before 1957; or
- You have 30 or more years of substantial earnings under Social Security.

The Windfall Elimination Provision doesn't apply to survivors benefits. We may reduce spouses, widows, or widowers benefits because of another law. For more information, read *Government Pension Offset* (Publication No. 05-10007).

#### Social Security years of substantial earnings

If you have 30 or more years of substantial earnings, we don't reduce the standard 90 percent factor in our formula. See the first table that lists substantial earnings for each year.

The second table shows the percentage used to reduce the 90 percent factor depending on the number of years of substantial earnings. If you have 21 to 29 years of substantial earnings, we reduce the 90 percent factor to between 45 and 85 percent. To see the maximum amount we could reduce your benefit, visit *www.socialsecurity.gov/planners/retire/wep-chart.html.* 

#### A guarantee

The law protects you if you get a low pension. We won't reduce your Social Security benefit by more than half of your pension for earnings after 1956 on which you didn't pay Social Security taxes.

| Contacting | Social | Security |
|------------|--------|----------|
|------------|--------|----------|

The most convenient way to contact us anytime, anywhere is to visit **www.socialsecurity.gov**. There, you can: apply for benefits; open a *my* Social Security account, which you can use to review your *Social Security Statement*, verify your earnings, print a benefit verification letter, change your direct deposit information, request a replacement Medicare card, and get a replacement SSA-1099/1042S; obtain valuable information; find publications; get answers to frequently asked questions; and much more.

If you don't have access to the internet, we offer many automated services by telephone, 24 hours a day, 7 days a week. Call us toll-free at **1-800-772-1213** or at our TTY number, **1-800-325-0778**, if you're deaf or hard of hearing.

If you need to speak to a person, we can answer your calls from 7 a.m. to 7 p.m., Monday through Friday. We ask for your patience during busy periods since you may experience a higher than usual rate of busy signals and longer hold times to speak to us. We look forward to serving you.

| Year      | Substantial earnings | Year      | Substantial earnings |
|-----------|----------------------|-----------|----------------------|
| 1937–1954 | \$900                | 1992      | \$10,350             |
| 1955-1958 | \$1,050              | 1993      | \$10,725             |
| 1959-1965 | \$1,200              | 1994      | \$11,250             |
| 1966-1967 | \$1,650              | 1995      | \$11,325             |
| 1968-1971 | \$1,950              | 1996      | \$11,625             |
| 1972      | \$2,250              | 1997      | \$12,150             |
| 1973      | \$2,700              | 1998      | \$12,675             |
| 1974      | \$3,300              | 1999      | \$13,425             |
| 1975      | \$3,525              | 2000      | \$14,175             |
| 1976      | \$3,825              | 2001      | \$14,925             |
| 1977      | \$4,125              | 2002      | \$15,750             |
| 1978      | \$4,425              | 2003      | \$16,125             |
| 1979      | \$4,725              | 2004      | \$16,275             |
| 1980      | \$5,100              | 2005      | \$16,725             |
| 1981      | \$5,550              | 2006      | \$17,475             |
| 1982      | \$6,075              | 2007      | \$18,150             |
| 1983      | \$6,675              | 2008      | \$18,975             |
| 1984      | \$7,050              | 2009–2011 | \$19,800             |
| 1985      | \$7,425              | 2012      | \$20,475             |
| 1986      | \$7,875              | 2013      | \$21,075             |
| 1987      | \$8,175              | 2014      | \$21,750             |
| 1988      | \$8,400              | 2015-2016 | \$22,050             |
| 1989      | \$8,925              | 2017      | \$23,625             |
| 1990      | \$9,525              | 2018      | \$23,850             |
| 1991      | \$9,900              | 2019      | \$24,675             |

| Years of substantial earnings | Percentage |
|-------------------------------|------------|
| 30 or more                    | 90 percent |
| 29                            | 85 percent |
| 28                            | 80 percent |
| 27                            | 75 percent |
| 26                            | 70 percent |
| 25                            | 65 percent |
| 24                            | 60 percent |
| 23                            | 55 percent |
| 22                            | 50 percent |
| 21                            | 45 percent |
| 20 or less                    | 40 percent |



Securing today and tomorrow

Social Security Administration Publication No. 05-10045 | ICN 460275 | Unit of Issue — HD (one hundred) January 2019 (Recycle prior editions) Windfall Elimination Provision Produced and published at U.S. taxpayer expense

| From:    | john magill                            |
|----------|--|
| То:      | Comments                               |
| Subject: | Measure J what is feasible             |
| Date:    | Thursday, January 10, 2019 11:56:31 AM |

submitted by John Magill, P.O. Box 538, Pacific Grove, CA

I have three concerns pertinent to the question of the feasibility of a public takeover of California American Water.

1) Certainly any takeover needs to realize lower water costs for all users. This was a central tenant of the advocate's campaign. These lower costs must be implemented immediately and not at some future imagined date. And they must be consequential because the public takeover involves some risk and the benefits of lower rates must be substantial enough to engage in this risk. I would propose that anything less than 15% is not worth the effort or risk of a takeover.

2) A feasibility study must look at the existing CalAm infrastructure and the forward costs of maintaining and improving that infrastructure. Recent road repair work has exposed water pipes that are substandard. Perhaps no one knows the extent of substandard water delivery infrastructure but a capital improvement fund must be a part of a pro forma budget that would deliver the rate savings noted in #1.

3) I have no expertise in municipal finances but I'm aware that debt encumbrances affect bond ratings and further borrowing capacities. Nothing in this takeover should result in limitations or costs for other non-related borrowing.

1. At Monday's meeting, Mr. Stoldt stated that the Board had discussed the definition of feasibility in closed sessions. He also has stated that the board discussed the scope of consultant contracts in closed session. In my city, such items would not be allowed to be discussed in closed session to prevent a Brown Act violation. I urge you to look for ways to make ALL information available to your and my constituents. It feels as though you are looking for ways to keep information from the public by using broad Brown Act safe harbor excuses to talk in closed session.

0 .

2. At Monday's meeting, you really only talked about the initial feasibility analysis process. Please outline the condemnation legal process and risks associated with that process, on the assumption that you find acquisition feasible and you follow Measure J's requirements to condemn. I am not asking you to divulge a legal strategy, if you actually have one, but to describe the legal process. This is important information so your constituents can make informed comments. This should not be a popularity contest about who we like more-----CALAM or the Water Manager Management District.

14 - ×

- 3. During these hearings, you are repeatedly being told things that are not factually accurate. Will you at the end of these sessions publicly outline the fact based information you are going to consider in this legal process.
- 4. Monday, Mr. Stoldt indicated that the board was not considering the desal plant in the feasibility analysis. How would you finance a water infrastructure takeover if you have excluded the primary source of water? How would you meet the state board's 95-10 requirements that will come with the ownership of CALAM.
- 5. If you do not include the Desal plant where will you obtain a quantity sufficient, reliable, draught resistant peninsula water source to forestall the social and economic impacts of the rationing that would be required by 95-10



Submitted by Marc J Del Piero at 1/9/19 Listening Session **12**9Rule 19.8 - Feasibility Study

www.AgLandTrust.org Location: 1263 Padre Drive | Salinas, CA Mail Address: P.O. Box 1731 | Salinas, CA 93902 Tel.: 831.422.5868

12 NOVEMBER 2014

AGENDA ITEM 14 - copies provided to staff

TO: The California Coastal Commission

### RE: Opposition to Proposed California American Water Company (Cal-Am) Appeal/Application to Acquire a Well Site to Violate Mandatory Policies of the Certified Local Coastal Plan and to Prescriptively Take Groundwater from the Overdrafted Salinas Valley Groundwater Basin

The Ag Land Trust is strongly objecting to the subject appeal and application because Cal-Am and the commission staff are asking the Commission to participate in an illegal project that violates an unprecedented number of coastal protection policies and state laws. The Coastal Commission, if it follows their wrongful advice, will be taking an "ultra vires" act and approving an illegal "test well" which violates CEQA, which fails to address the cumulative adverse impacts of the project as a whole, and which will result in an unlawful "taking" of groundwater rights from the Ag Land Trust and other rights holders.

We are writing this correspondence to you based upon our collective professional experience of over 80 years working in Monterey County on county groundwater rights and legal issues, California Coastal Act issues, agricultural water supply and water quality issues, potable water supplies and public health issues, and based upon our technical expertise in the areas of California groundwater rights law, agricultural regulatory and water supply issues, and environmental and public health issues related to potable groundwater supplies.

The Ag Land Trust of Monterey County (the Monterey County Agricultural and Historic Lands Conservancy) is a 501(c)(3) NON-PROFIT CORPORATION organized in 1984 for the purposes of owning, protecting, and permanently preserving prime and productive agricultural lands in Monterey County and within the California Coastal Zone. It is now the largest and most successful farmland preservation trust in the State of California, and it owns, either "in fee" or through permanent conservation easements, over 25,000 acres of prime farmlands and productive coastal agricultural lands throughout Monterey County and the Central Coast of the state. (See attached Board of Directors roster – Exhibit 1). Further, and of more particular importance, The Ag Land Trust has been the farmland conservancy that the California Coastal Commission has sought out to accept the dedications of prime and productive coastal farmlands in Monterey and San Mateo Counties as mitigations for the Coastal Commission's issuance of development permits within those Local Coastal Planning areas.

The Ag Land Trust owns, in fee, the prime and productive coastal farmland (the Armstrong Ranch), and all of the overlying percolated groundwater rights thereunder, that is located immediately adjacent to (within 50 yards of) the California American Water Company's (Cal-Am) proposed well site on the CEMEX

The Ag Land Trust is a 501 (c)(3) non profit organization. Donations are welcome and tax deductible.

property. Our ranch was acquired with grant funds from the State of California and the United States (USDA) expressly to preserve its protected and irreplaceable prime and productive coastal farmland from development. We have over 160 acres under cultivation and use our potable groundwater wells for irrigation water.

Our property is in the unincorporated area of Monterey County. Our ranch lies within, and is subject to, the policies and regulations of the certified North Monterey County Local Coastal Plan area. Cal-Am has publicly stated that the huge cone of depression that will be created by its' massive proposed test well, and the excessive duration (two (2) years) of Cal-Am's intended proposed pumping, will result in the contamination of our wells and the unlawful "taking" of our potable groundwater from beneath our property in direct violation of the certified policies protecting our farmland in the North Monterey County Local Coastal Plan (NMCLCP – certified 1982). The appeal/application and the commission's staff analysis are fatally flawed because they have ignored the test well's immitigable operational and environmental violations and failed to address conflicts with the NMCLCP policies that Cal-Am's own documents have disclosed. The proposed "test well" appeal/application directly violates the following policies/mandates of the certified North Monterey County Local Coastal Plan that the Coastal Commission is required to uphold and enforce:

#### "NMCLCP 2.5.1 Key Policy

The water quality of the North County groundwater aquifers shall be protected, and new development shall be controlled to a level that can be served by identifiable, available, long term-water supplies. The estuaries and wetlands of North County shall be protected from excessive sedimentation resulting from land use and development practices in the watershed areas.

#### NMCLCP 2.5.3 Specific Policies

#### A. Water Supply

1. The County's Policy shall be to protect groundwater supplies for coastal priority agricultural uses with emphasis on agricultural lands located in areas designated in the plan for exclusive agricultural use.

2. The County's long-term policy shall be to limit ground water use to the safe-yield level. The first phase of new development shall be limited to a level not exceeding 50% of the remaining buildout as specified in the LUP. This maximum may be further reduced by the County if such reductions appear necessary based on new information or if required in order to protect agricultural water supplies. Additional development beyond the first phase shall be permitted only after safe-yields have been established or other water supplies are determined to be available by an approved LCP amendment. Any amendment request shall be based upon definitive water studies, and shall include appropriate water management programs.

3. The County shall regulate construction of new wells or intensification of use of existing water supplies by permit. Applications shall be regulated to prevent adverse individual and cumulative impacts upon groundwater resources."

Cal-Am's proposed illegal pumping and then its "wasting/dumping" of our protected potable groundwater resources will result in significant cumulative adverse impacts, immitigable permanent damage, a continuing nuisance, and irreversible seawater intrusion into the potable groundwater resources and

aquifers that belong to and which underlie the Ag Land Trust's Armstrong Ranch. Further, it will cause irreparable damage to our protected prime coastal farmlands in violation of our certified Local Coastal Plan. Cal-Am has no groundwater rights in the Salinas Valley and the North Monterey County Local Coastal Plan area and, pursuant to California groundwater rights law, is flatly prohibited from acquiring such rights in an overdrafted basin. **Importantly, Cal-Am's proposal, and Commission staff's recommendations directly violate the new mandates of Governor Brown's groundwater legislation** that specifically identifies (and prohibits) "significant and unreasonable seawater intrusion" as an "Undesirable Result" that must be avoided in the management of potable groundwater basins, and specifically in the Salinas Valley. (See AB 1739 (Dickinson); SB1168 (Pavley); and SB 1319 (Pavley) signed by Governor Brown in October, 2014). The express legislative intent of these important pieces of legislation, in part, includes "respecting overlying and other proprietary rights to groundwater" by rights holders like the Ag Land Trust as against parties like Cal-Am (a junior, non-overlying, would-be prescriptive appropriator). Further, Cal-Am's proposed "test well", and its operation recommended by Commission staff, directly violates the new definition of "GROUNDWATER SUSTAINABILITY" as embodied in Governor Brown's new legislation.

By this letter, the Board of Directors of the Ag Land Trust unanimously objects to the proposed coastal permit appeal and the application to the Commission initiated by the California American Water Company (Cal-Am) for a well site on the CEMEX property for Cal-Am's stated and prohibited reasons of wrongfully extracting potable groundwater from the overdrafted Salinas Valley Groundwater basin and our property. A significant portion of the groundwater that Cal-Am has expressly indicated it intends to wrongful "take" with its proposed "test well", without providing compensation for their resultant irreparable damage to our potable groundwater aquifers, belongs to the Ag Land Trust (See attached Exhibit 2 - MAPS - by Cal-Am showing its' "drawdown" of groundwater by Cal-Am's well pumping on the adjacent Ag Land Trust property; Exhibit Maps (two copies - original and corrected) of Cal-Am maps misrepresenting the actual impact area of Cal-Am's well pumping "cone of depression"; and failing to Identify the closest agricultural well on the Ag Land Trust property which is in the "cone of depression" area.).

Cal-Am has been denied the prerequisite permits for a ground water well twice by both the City of Marina Planning Commission and the City Council of the City of Marina due, in part, to Cal-Am's failure to produce even one shred of evidence that it has any legal property or water right to pump groundwater from the overdrafted Salinas Valley Groundwater Basin, or that it can overcome its intended express violations of the farmland and groundwater protection policies of the certified North Monterey County Local Coastal Plan (NMCLCP). <u>Unfortunately, these direct violations of existing mandatory NMCLCP</u> protection policies are ignored in your staff report, in spite of the woefully inadequate condition that groundwater within 5000 feet of the well site be monitored for seawater intrusion. Further, there is no evidence produced by Cal-Am's uncontrolled demand even if Cal-Am is successful in acquiring the well permit, and your staff has failed to disclose this issue for public review.

UNDER CALIFORNIA GROUNDWATER RIGHTS LAW, ACQUISITION OF A SURFACE WELL SITE DOES NOT RESULT IN THE ACQUISITION OF WATER RIGHTS TO PUMP GROUNDWATER FROM THE UNDERLYING OVERDRAFTED PERCOLATED GROUNDWATER BASIN. The over-drafted aquifers that are proposed to be exploited and contaminated by Cal-Am's self-serving pumping and dumping are required to be used by the NMCLCP "to protect groundwater supplies for coastal priority agricultural uses". Has Cal-Am or the Commission staff explained how their proposed project does not violate the mandate to prevent adverse cumulative impacts upon coastal zone groundwater

resources (North County LCP Sec. 2.5.3 (A) (3))? We can find no reference or consideration of this issue in your staff report. Moreover, the proposed appeal by Cal-Am, which is now being pushed by staff, directly violates the mandates of the certified North Monterey County Local Coastal Plan Sections 2.5.1, and 2.5.2.3, and 2.5.3.A.1-3; and 2.5.3.A.1.6, and 2.6.1; and 2.6.2.1; and 2.6.2.2; and 2.6.2.6. The impacts of the Cal-Am test well, by Cal-Am's own filings, will directly violate these policies in spite of the failure to have evaluated these significant and immitigable adverse impacts. We object to these obvious failures to comply with these mandated coastal protection policies and CEQA.

The Ag Land Trust objects to the Cal-Am appeal and application because Cal-Am, by omission, seeks to deceive the Commission as to its actual intent in pursuing the acquisition of the proposed "test well". Further, Cal-Am knows, but has failed to disclose to the Commission, that it intends to wrongfully and surreptitiously contaminate a potable groundwater aquifer and "take" the real property rights and the potable water rights of the Ag Land Trust, without compensation and in violation of over 100 years of California groundwater rights law. Cal-Am has been advised of this concern for at least eight (8) years by the Ag Land Trust. (Exhibit 3 - See attached letters of objection from the Ag Land Trust). Cal-Am intends to, and has admitted, that it intends to pump water from beneath the Ag Land Trust's property over the objection of the Trust since 2006. (See Exhibit 2 - attached Cal-Am pumping map).

Although our objections are not limited to those enumerated herein, The Ag Land Trust further objects to the Cal-Am proposal to use the CEMEX well site for the following reasons:

1. Cal-Am's assertions that it intends to pump seawater from the proposed "test well" is untrue. Cal-Am has conducted water quality sampling that already shows that its proposed extended pumping of that test well will intentionally and significantly draw water from "fresh", potable aquifers (180 ft. and 400 ft.) that underlie the Ag Land Trust property, and aggravate seawater intrusion below the Ag Land Trust property, thereby implementing a wrongful, uncompensated "taking" of our real property (aquifer storage and our well water) rights for Cal-Am's financial benefit, Cal-Am has disclosed this information to the City of Marina City Council. Moreover, Cal-Am has indicated that it intends to not use, but intends to "dump" the water it pumps from its "test well", including our potable water, back into the ocean, thereby constituting a prohibited "waste of water" and a direct violation of Article X, Sec.2 of the Constitution of California and the Doctrine of Reasonable Use (Peabody v. Vallejo 2 Cal. 2<sup>nd</sup> 351-371 (1935)). "The use of groundwater is a legally protected property right." (See Peabody). Cal-Am intends to do this to intentionally contaminate the aquifer and our wells so that it can avoid the legal penalties and financial consequences of its plan to illegally, prescriptively, and permanently take control of the groundwater aguifers underlying the Ag Land Trust's productive farmland for Cal-Am's sole economic benefit. Moreover, the granting of this appeal and the issuance of a permit by the Commission, now that this intended violation of the law has been disclosed, will likely expose the Coastal Commission to nuisance claims and "vicarious liability" for the taking of our groundwater rights, and the resultant damages flowing therefrom, along with Cal-Am (See Aransas v. Shaw 756 F.3rd 801 (2014). Further, granting Cal-Am's appeal will directly violate Governor Brown's landmark groundwater legislative package that prohibits the taking of other parties' groundwater rights and prohibits the intentional contamination of identified potable groundwater supplies.

- 2. The Salinas Valley groundwater basin has been identified as being in overdraft by the California Department of Water Resources, the California Coastal Commission, and the Monterey County Water Resources Agency (MCWRA) for over 60 years. The sole source of recharge to the aquifer is rainfall and water percolated into the Salinas River from water supply projects paid for, pursuant to Proposition 218 requirements and provisions of the California Constitution, by overlying land owners (assesses) within the basin, including the Ag Land Trust. The overlying water rights holders have paid tens of millions of dollars to protect and restore their groundwater supplies. Cal-Am has not paid anything to protect and preserve the aquifers, and has acquired no groundwater rights in the basin or from those projects.
- 3. The overdraft was initially identified in Monterey County studies of the basin in the 1960's and 1970's, and has been repeatedly identified by more recent MCWRA hydrologic and hydrogeologic studies (U.S. ARCORPS, 1980; Anderson-Nichols, 1980-81; Fugro, 1995; Montgomery-Watson, 1998). The universally identified remedy for seawater intrusion specified in these studies is the reduction of well pumping near the coast. Further, the overdraft in the North County aguifers has been publicly acknowledged for decades by both the Monterey County Board of Supervisors and the California Coastal Commission in the certified "North County Local Coastal Plan" (1982), the "Monterey County General Plan" (1984 and 2010) and the "North County Area Plan" (1984). The Ag Land Trust and all other land owners within the basin have spent millions of dollars over the last sixty years to build water projects to reverse and remedy the overdraft and recharge the aguifers. Cal-Am has not spent anything to protect the groundwater resources of the Salinas Valley. Unfortunately, Cal-Am, in its continuing wrongful pursuit of "taking" other people's water rights, has failed to disclose to the Commission how it intends to violate the laws of groundwater rights that govern the basin. Moreover, Cal-Am and Commission staff, without any evidence to back up their assertions, now asks the Commission to blindly ignore 50 years of detailed hydro-geologic and engineering studies by independent, impartial public agencies, and asks the Commission to rely on Cal-Am's "voo doo hydrology" that its "test well" pumping results will not aggravate seawater intrusion in the Salinas Valley or "take" our potable water resources and water rights.
- 4. California law holds that, in an overdrafted percolated groundwater basin, there is no groundwater available for junior appropriators to take outside of the basin. In an over-drafted, percolated groundwater basin, California groundwater law holds that the <u>Doctrine of Correlative Overlying</u> <u>Water Rights applies (Katz v. Walkinshaw</u> 141 Cal. 116 (1902)). In an over-drafted basin, there is no surplus water available for new, junior "groundwater appropriators", except those prior appropriators that have acquired or gained pre-existing, senior appropriative groundwater water rights through prior use, prescriptive use, or court order. The clear, expansive, and often re-stated law controlling groundwater rights in an over-drafted basin has been reiterated by California courts for over a century (Katz v. Walkinshaw, 141 Cal. 116; <u>Burr v. Maclay</u> 160 Cal. 268; <u>Pasadena v. Alhambra</u> 33 Cal. 2<sup>nd</sup> 908; <u>City of Barstow v. Mojave</u> 23 Cal. 4<sup>th</sup> 1224 (2000)). This is the situation in the over-drafted Salinas Valley percolated groundwater basin, there is no "new" groundwater underlying the over-drafted Salinas aquifers. Cal-Am is a junior appropriator that has

no rights to groundwater in the Salinas Valley, and can't get any. Moreover, Cal-Am's unsubstantiated assertions that it needs to drill a test well to satisfy the SWRCB ignores the fact that Cal-Am's actual intent and conduct is aimed at avoiding the SWRCB Cease and Desist order on the Carmel River (that has resulted from its constant illegal diversions of water over the past twenty years) by creating an even greater illegal diversion of "other peoples'" groundwater from the overdrafted Salinas Valley. Cal-Am's shameless propensity to violate both the requirements of California water law and the water rights of other innocent property owners is legend, and is the reason that the SWRCB issued its enforcement <u>SWRCB Order 95-10</u> and the Cease and Desist order against Cal Am.

- 5. Further, it is important for the Commission to know that the SWRCB is specifically prohibited by the Porter-Cologne Act (1967) from having any jurisdictional authority of non-adjudicated percolated groundwater basins like the Salinas Valley. Moreover, neither the CPUC, nor the Coastal Commission, nor the SWRCB can grant groundwater rights to Cal-Am. Such an approval would be a direct violation of California groundwater rights law. The SWRCB cannot, and has no authority to, order the installation of slant wells so that Cal-Am can wrongfully take other people's water and water rights without a full judicial adjudication of the entirety of the Salinas Valley groundwater basin among all landowners and existing water rights holders therein. Cal-Am's request for a test well site seeks to hide by omission the irrefutable legal impediments to its planned illegal taking of groundwater.
- 6. The Cal-Am desalination plant, and its proposed test wells and the appeal to which we object, are illegal and directly violate existing Monterey County Code Section 10.72.010 et seg (adopted by the Board of Supervisors in 1989) which states in part:

Chapter 10.72 - DESALINIZATION TREATMENT FACILITY (NMC LCP)

#### Sec. 10.72.010 - Permits required.

No person, firm, water utility, association, corporation, organization, or partnership, or any city, county, district, or any department or agency of the State shall commence construction of or operate any Desalinization Treatment Facility (which is defined as a facility which removes or reduces salts from water to a level that meets drinking water standards and/or irrigation purposes) without first securing a permit to construct and a permit to operate said facility. Such permits shall be obtained from the Director of Environmental Health of the County of Monterey, or his or her designee, prior to securing any building permit.

Sec. 10.72.030 - Operation permit process.

All applicants for an operation permit as required by Section 10.72.010 shall

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A. Provide proof of financial capability and commitment to the operation, continuing maintenance replacement, repairs, periodic noise studies and sound analyses, and emergency contingencies of said facility. Such proof shall be in the form approved by County Counsel, such as a bond, a letter of credit, or other suitable security including stream of income. For regional desalinization projects undertaken by any public agency, such proof shall be consistent with financial market requirements for similar capital projects.

B. Provide assurances that each facility will be owned and operated by a public entity.

Cal-Am, by its own admission is not a "public entity", as defined under the Monterey County Code and the California Government Code. Cal-Am is a privately owned, for-profit corporation which is a regulated private company and taxed as a private company by the Internal Revenue Service. Further, the California Public Utilities Commission's power of eminent domain, which Cal-Am invoked to pursue its devious acquisition of the CEMEX well site, may not be used or invoked to take actions that are violations of existing state or local laws, ordinances, or regulations. Under California law, eminent domain may not be used to acquire unlimited groundwater pumping rights in an overdrafted basin. Cal-Am is attempting to pursue acquisition of a well site for a project that it is prohibited from owning and operating, and for which it has no groundwater rights. Neither Cal-Am nor the CPUC have pursued an action in declaratory relief. Further, the CPUC cannot grant groundwater rights nor waive the requirements of a local ordinance so as to exercise its power of eminent domain, either directly or indirectly. It certainly cannot grant other peoples' groundwater rights to Cal-Am for the sole financial benefit of Cal-Am. Nor can the SWRCB. Nor can the Coastal Commission. The granting of this appeal and application for the well site expressly to illegally appropriate and "take/steal" tens of thousands of acres feet of "other people's groundwater" from the overdrafted Salinas Valley groundwater basin, for a project that Cal-Am is legally prohibited from owning and operating, would constitute an illegal, "ultra vires" act that may not be facilitated by the Commission.

7. Cal-Am's appeal also fails to disclose to the Commission the legal limitations that will apply to its so-called "test well". The Doctrine of Correlative Overlying Water Rights, as created and interpreted by the California Supreme Court in <u>Katz v. Walkinshaw</u> 141 Cal. 116, and as reiterated for the last 110 years (most recently in <u>City of Barstow v. Mojave</u> 23 Cal. 4<sup>th</sup> 1224 (2000)), prohibits any land owner in an over-drafted percolated groundwater basin from pumping more than that land owner's correlative share of groundwater from the aquifer as against all other overlying water rights holders and senior appropriators. CEMEX is only allowed to pump a fixed (correlative) amount of water for beneficial uses solely on its' property. Given the size of the small easement pursued by Cal-Am, the Commission must limit the amount of water that Cal-Am may pump annually from that easement to that small fraction of the total available water amount that may be used by CEMEX pursuant to its deed restriction in favor of the Marina Coast Water District and the other land owners in the Salinas Valley basin and pursuant to the Doctrine as mandated by state law. If the Commission were to grant Cal-Am's appeal, it would be necessary to specifically, and in writing, limit the temporary permitted extraction to insure that Cal-Am does not conveniently forget its legal obligations like it has on the Carmel River for the past 20 years.

Uncontrolled pumping of Cal-Am's "test well" can and will reverse years of efforts to recharge and restore our aquifer, violate existing mandatory LCP policies, violate state groundwater law, and leave us permanently without a groundwater supply for our farm.

- 8. Cal-Am's proposed well and its uncontrolled pumping plan will intentionally contaminate the potable groundwater aguifers beneath the Ag Land Trust property and the potable aguifers of the Salinas Valley in violation of state law. Cal-Am, by its appeal for a well site, intends to intentionally contaminate a potable groundwater supply in violation of multiple state regulations and water quality laws. The California Regional Water Quality Control Board - Central Coast (CCRWQCB) is a division of the SWRCB and created pursuant to an act of the legislature known as the Porter-Cologne Act. One of the duties delegated to the CCRWQCB is the adoption and enforcement of the Water Quality Control Plan for the Central Coastal Basin. The Plan is mandated to meet the requirements of the federal Clean Water Act and the Porter-Cologne Act. It was adopted after numerous public hearings in June, 2011. This Plan is mandated by law to identify the potable groundwater resources of the Central Coast and Monterey County. At Chapter 2, Page II-1, the Plan states, "Ground water throughout the Central Coastal Basin, except for that found in the Soda Lake Sub-basin, is suitable for agricultural water supply. municipal and domestic water supply, and industrial use. Ground water basins are listed in Table 2-3. A map showing these ground water basins is displayed in Figure 2-2 on page II-19." This reference specifically included the potable groundwater supplies/aguiters under the Ag Land Trust property, adjacent to the CEMEX site, which is sought to be exploited by Cal-Am to supposedly pump "seawater". The Plan goes on to quote the SWRCB Non-Degradation Policy adopted in 1968 which is required to be enforced by the CCRWQCB. "Wherever the existing quality of water is better than the quality of water established herein as objectives, such existing quality shall be maintained unless otherwise provided by the provisions of the State Water Resources Control Board Resolution No. 68-16, "Statement of Policy with Respect to Maintaining High Quality of Waters in California," (See Exhibit 3) including any revisions thereto. Cal-Am, in pursuing its well site, knowingly has ignored the above stated facts and law and withheld this information from the Commission so as to avoid having to compensate the Ag Land Trust for its irreparably damaged property, wells, and water rights and to avoid further legal enforcement actions against Cal-Am by federal and state regulatory agencies.
- 9. Cal-Am's flawed and self-serving real estate appraisal of the proposed well site and easement fails to evaluate, quantify, and value the exploitation of groundwater resources and the value of permanently lost water supplies and rights due to induced seawater intrusion into the potable aquifers by Cal-Am's wrongful pumping and its illegal exploitation of the Ag Land Trust's percolated, potable groundwater supply. The full price of Cal-Am's actions and "takings" has been significantly underestimated expressly for Cal-Am's prospective economic benefit.
- 10. Our wells (two wells) and pumps on our ranch adjacent to the location of the proposed well field are maintained and fully operational. Cal-Am has failed to identify and disclose in their exhibits to the Commission the location of our largest well (900 ft.) which is located west of Highway 1 and within the "cone of depression" area of Cal-Am's proposed "taking" of our groundwater (See Exhibit 2). Its' water will be taken and contaminated by Cal-Am's actions that are endorsed by Commission staff. We rely on our groundwater and our overlying groundwater rights to operate and provide back-up supplies for our extensive agricultural activities. Our property was purchased with federal grant funds and the U.S. Department of Agriculture has a reversionary interest in our prime farmland and our water rights and supplies that underlie our farm. Neither Cal-Am, nor the CPUC, nor the Coastal commission can acquire property or groundwater rights as against the federal government by regulatory takings or eminent domain. Cal-Am has intentionally omitted these facts from its appeal so as to avoid uncomfortable environmental questions that would invariably disclose Cal-Am's intended illegal acts and proposed "takings". Cal-Am's proposed "takings", as supported by Commission staff, will

intentionally and wrongfully contaminate our protected potable groundwater supplies, resources, and wells. Cal-Am's and staff's intent on "eliminating our right of use (through "public trust" inspired pumping to protect unidentified marine organisms) is akin to the drastic impact of physical invasion on real property, which categorically warrants compensation" (Loretto v. <u>Teleprompter Manhattan</u> 458 U.S. 419,421 (1982) (physical occupation of property requires compensation). Hence, such an impact on water rights should merit the same categorical treatment. (See Josh Patashnik, <u>Physical Takings, Regulatory Takings, and Water Rights</u>, 51 Santa Clara Law Review 365,367 (2011)).

- 11. The staff report admits that the test well site is an environmentally sensitive habitat area (ESHA) and that the project is not a resource dependent use. (Only resource dependent uses are permitted in ESHA). That should end the discussion and result in denial of the project. But, the staff report then states that this project qualifies for an exception under the Coastal Act for "industrial facilities." This is not an industrial facility under the Coastal Act. It might be a public works facility, except Cal-Am is not a California public/government agency. Cal-Am is a division of a for-profit, privately owned corporation from New Jersey. The Staff is relying on section 30260 which allows such industrial facilities if alternative locations are infeasible, it would be against the public welfare to not approve the project, and the impacts are mitigated to the maximum extent feasible. That exception is for industrial facilities, not public works facilities. This project is not an industrial facility. It is a privately owned water well. Section 30260 states that industrial facilities may be permitted contrary to other policies in the Coastal Act "in accordance with this section (30260) and Sections 30261 and 30262..." These latter sections concern oil and gas facilities. Public works are addressed in a different Article of the Coastal Act. The staff report at p. 57 characterizes the test well as an industrial activity because "It would be built within an active industrial site using similar equipment and methods as are currently occurring at the site." This is an unsustainable stretch of the definition. The staff report refers to a Santa Barbara County LCP provision regarding public utilities concerning natural gas exploration as support for the notion that the test well is an industrial facility. But, the Santa Barbara County provision notably concerns natural gas. Thus, development of the test well in ESHA would violate the Coastal Act.
- 12. Finally, Cal-Am touts its "so-called" settlement agreement with a few non-profit entities and politicians as some kind of alleged justification for the Commission to ignore Cal-Am's intended violations of law and approve their illegal taking of our property/water rights. Not one of the parties to the so-called settlement agreement holds any groundwater rights in the Salinas Valley that will be adversely taken by Cal-Am's proposed conduct. None of them have offered to compensate the Ag Land Trust for the "theft" of our groundwater rights that they have endorsed. Cal-Am has a history of unapologetic violations of California's water rights laws. Cal-Am's contrived reliance on "endorsements" by uninformed and unaffected parties to the "so-called" settlement agreement is akin to a convicted thief asserting a defense that his mother and grandmother both agree that he is "a good boy" who really did not mean to steal.

Since 1984, The Ag Land Trust's Board of Directors has been committed to the preservation of California's prime and productive farmland and the significant environmental benefits that flow therefrom. The Trust does not want to "pick a fight" with the Commission staff with whom we have worked cooperatively and successfully for many years. But the Commission staff and Cal-Am have produced no environmental evidence or facts to justify ignoring the mandates of the City of Marina in requiring the preparation of a full Environmental Impact Report (EIR) pursuant to the California Environmental Quality

Act (CEQA) prior to drilling a well meant to knowingly contaminate our water resources and wells. The staff has cited the Santa Barbara LCP to try to rationalize its recommendation, but they have produced no evidence to justify ignoring the multiple mandates of the North Monterey County Local Coastal Plan (just 50 yards from the well) that will be violated. The Commission's review of the test well must comply with CEQA since its' review is the functional equivalent of CEQA review. The staff report does not provide analysis of the impacts of the project on groundwater supply and rights. The Commission must perform analysis of the adverse effects of the project on the groundwater of adjacent overlying land owners and senior water rights holders. The test well is being used in place of environmental review. Its' significant, if not irreversible, adverse effects will not be identified until after the permanent damage to our aquifer and wells is done. This is antithetical to CEQA which requires the analysis to be performed prior to beginning the project. A test well that will operate for two years, without analysis of potential impacts, violates CEQA. Indeed, the City of Marina City Council (which includes three attorneys) recognized this fact when it voted to require an EIR prior to the considering the CDP.<sup>1</sup> Cal-Am and the staff have produced no comprehensive evidence that the damage that will result to protected coastal resources from the proposed "test well" is less than the damage that may be caused by other alternative sources of seawater. Further, Commission staff and the CPUC can no longer intentionally avoid the CEQA mandates of a full alternatives analysis in the EIR of all potential seawater sources, including seawater intakes at Moss Landing as identified as the "preferred site" for all of Monterey Bay (see directives. mandates, and findings of the California Legislature of Assembly Bill 1182 (Chapter 797, Statutes of 1998) which required the California Public Utilities Commission to develop the Plan B project, and the CPUC Carmel River Dam Contingency Plan - Plan B Project Report which was prepared for the Water Division of the California Public Utilities Commission and accepted and published in July, 2002 by the California Public Utilities Commission." "Plan B" identifies the Moss Landing Industrial Park and the seawater intake/outfall on the easement in the south Moss Landing Harbor as the optimal location for a regional desalination facility.) The staff report has chosen to ignore long standing and mandatory coastal protection policies to try to force us to give up our farm's water rights for the sole economic benefit of Cal-Am. This political position by staff is misguided and is a failure of the environmental protection policies and laws that are intended to protect all of our resources from immitigable, adverse effects of improperly analyzed and poorly considered development projects. The Coastal Commission staff simply has to do a lot more than take a political position at the expense of otherwise innocent adjacent land owners with real groundwater rights that are about to be wrongfully taken.

The cumulative impacts section of the staff report ignores the cumulative impacts of drawing more water from an overtaxed aquifer and the loss of prime farmland. This is a violation of CEQA. The cumulative impact analysis only addresses the impacts to dune habitat and it also addresses this cumulative impact in a very localized fashion. This is a special and rare habitat and the impacts to this habitat in the entire dune complex extending down to the Monterey Peninsula should be examined.

Furthermore, an EIR is being prepared by the PUC for the project. The Coastal Commission is approving the test well without really addressing the impacts of the project as a whole. Either the PUC should be the lead agency and finish the EIR, or the Commission should analyze the entire project as one. The

<sup>&</sup>lt;sup>1</sup> The staff report makes an unwarranted and unfair assertion that the City of Marina set "poor precedent" when the City of Marina denied the CDP without making LCP consistency findings. The reason the findings were not made is because the Council was simply complying with CEQA and requiring adequate environmental review before making a final decision. The Commission's premature assumption of jurisdiction and lack of appropriate and detailed analysis simply thwarts the City's attempt to comply with CEQA, and the Commission's staff report fails to adequately address environmental impacts as the functional equivalent CEQA document.

Commission buries the analysis about the project as whole in the cumulative impacts section. (See p. 60-62). This is illegal piecemeal environmental review pursuant to CEQA.

In the case of <u>Bennett v. Spear</u> (520 U.S.154, at 176-177 (1997)), the United States Supreme Court ruled the following in addressing the enforcement of the protection of species under the federal <u>Endangered Species Act</u>. "The obvious purpose of the requirement that each agency "use the best scientific and commercial data available" is to ensure that the ESA not be implemented haphazardly, on the basis of speculation or surmise. While this no doubt serves to advance the ESA's overall goal of species preservation, we think it readily apparent that another objective (if not indeed the primary one) is to avoid needless economic dislocation produced by agency officials zealously but unintelligently <u>pursuing their environmental objectives.</u>" The Ag Land Trust believes that, absent preparation of a full and complete EIR with a full and complete seawater intake alternatives analysis BEFORE any well is permitted or drilled, the staff recommendation violates the laws of California and will result in the unlawful taking of our property rights for the benefit of a private party.

The Ag Land Trust understands that there is a water shortage on the Monterey Peninsula. We have not caused nor have we contributed to that problem. It has gone on for decades. The Ag Land Trust also recognizes that Coastal Commission staff desires an absolute prohibition of seawater intakes for desalination plants. The water shortage that is of Cal-Am making (by its failure to produce a water supply project in over 20 years) does not justify the Commission staff's proposed illegal taking of our groundwater and property rights, and the intentional contamination of our potable aquifers and wells, for the sole and private economic benefit of Cal-Am.

We hereby incorporate by reference all facts, statements, and assertions included in the documents, cases, laws, and articles referred to herein, and included in the attachments and exhibits hereto.

We ask that the Commission deny the Cal-Am's appeal and application and require that a full and complete EIR be prepared before any permit is considered by your Commission and for the other reasons stated herein.

Most Respectfully for the Ag Land Trust,

Marc Del Piero.

Attorney at Law

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**Richard Nutter, Monterey County** 

Monterey Co. Agricultural Commissioner (ret.)

cc: California Coastal Commission staff



www.AgLandTrust.org Location: 1263 Padre Drive | Salinas, CA Mail Address: P.O. Box 1731 | Salinas, CA 93902 Tel.: 831.422.5868

3 September 2014

To: City Council of the City of Marina

From: Board of Directors of the Monterey County Ag Land Trust

RE: Cal-Am slant well application/Mitigated Negative Declaration

Dear Council members:

The Ag Land Trust owns prime irrigated farmland adjacent to the property where Cal-Am proposes to construct and operate a test well that is designed to remove approximately 8,000.0 acre feet of groundwater from the overdrafted Salinas Valley groundwater basin during its test period. The Ag Land Trust has met with the representatives of Cal-Am and others in an effort to develop a mitigation agreement if and when damage is caused to the Ag Land Trust's property and well water supply by the test well and future well field operation. No agreement has been reached at this time. Therefore, due to the lack of action and mitigation agreement between Ag Land Trust and Cal-Am, the Board of Directors of the Ag Land Trust is forced to re-iterates its opposition to the appeal by Cal-Am of the denial of Cal-Am's slant well application by the Planning Commission of the City of Marina.

We hereby incorporate by reference each and every prior submission provided by our attorneys and us to the City of Marina, and its consultants and staff, as correspondence and/or exhibits in opposition to the pending Cal-Am slant well application. We oppose the Cal-Am slant well application and test wells because these applications fail to comply with CEQA and totally lack any groundwater rights in the overdrafted groundwater basin. We further agree with and incorporate by reference, and adopt as our additional comments, all of the statements included in the letter of objection written to the City of Marina dated September 3, 2014 from the law firm of Remy, Moose, and Manley LLC on behalf of the Marina Coast Water District.

Due to the absence of mitigation agreement the Arg Land Trust continues to object to the application by Cal-Am, in part, based upon the following reasons:

1. The California American Water Company has <u>no groundwater rights</u> in the overdrafted Salinas Valley groundwater basin. As a proposed junior appropriator, and as a matter of both California case law and statutory law, Cal-Am cannot acquire groundwater rights in that overdrafted basin, and <u>is prohibited from exporting any groundwater</u>, including the water pumped from their proposed test well, from that basin. The statutory prohibition is absolute. Cal-Am's so-called "physical solution" is prohibited by statute. The proposed "test wells" are a shame to obfuscate Cal-Am's lack of property/water rights to legally pursue its proposal. Moreover, Cal-Am's application poses grave and unmitigated adverse impacts (including, but not limited to loss of agricultural productivity, loss of prime farmland, loss of existing jobs, loss of potable water supplies and ground water storage capacities, loss of beneficial results from regionally funded and publicly owned seawater intrusion reversal capital projects (i.e. CSIP and the "Rubber Dam"), and intentional contamination of potable groundwater supplies) upon the privately held overlying
groundwater rights, water supplies and resources, and property rights of the Ag Land Trust, other overlying land owners with senior groundwater rights in the Salinas Valley, and of the residents of the City of Marina and the Salinas Valley.

2. <u>The current Cal-Am slant wells/test wells application has identified no mitigation for the groundwater contamination that it will induce into the Ag Land Trust's underlying groundwater resources and storage aquifers</u>. Cessation of wrongful pumping by a non-water rights holder in an overdrafted basin IS NOT MITIGATION FOR THE DAMAGE THAT WILL BE INDUCED TO OUR GROUNDWATER RESOURCES. Failure to identify an appropriate mitigation for the groundwater contamination that will result from the pumping of the 8,000.0 acre feet of groundwater from the test wells is a violation of CEQA. Further, Cal-Am's plan of intentionally inducing seawater into a potable groundwater aquifer that underlies our property is an intentional violation of both the 1968 SWRCB Resolution 68-16, the California Non-Degradation Policy, and the Basin Plan as adopted by the Central Coast California Regional Water Quality Control Board. Such intentional "bad acts" may be prosecuted both civilly and criminally against parties who are complicit in such intentional potable water supply contamination.

3. The 1996 agreement between the City of Marina, the MCWD, the land owners of the CEMEX site, the Armstrong family and the County of Monterey/MCWRA prohibits the extraction of more than 500 acre feet of groundwater annually from any wells on the CEMEX site as a condition of the executed agreement/contract. It further mandates that such water be used only on-site at the CEMEX property, within the Salinas Valley groundwater basin, as mandated by statute. The Ag Land Trust is a third party beneficiary of this 1996 agreement because Ag Land Trust pays assessments to the County of Monterey expressly for the seawater intrusion reversal projects known as CSIP and "the Rubber Dam". Cal-Am is prohibited from pursuing its project because of this prior prohibition and because Cal-Am's proposed acts will cause an ongoing nuisance, will directly injure Ag Land Trust property rights, and will irreparably compromise the beneficial public purposes of the above reference publicly owned capital facilities.

4. The granting of Cal-Am appeal will result in a loss of groundwater resources by the City and MCWD, massive expenses to the residents of Marina, and the effective transfer of water resources to a private company that provides no benefit or service to the City of Marina or its citizens.

We respectfully request that the Cal-Am appeal be denied, and if not, that as a condition of approval, the approval is subject to a signed mitigation agreement between Cal-Am and the Ag Land Trust prior to the construction of any well or wells. Furthermore, we believe that the Marina Planning Commission's denial of the Cal-Am application was well reasoned and correct. If the Council chooses not to deny the Cal-Am application, the Ag Land Trust respectfully requests that a full and complete EIR on the proposed slant wells (and their significant and unmitigated impacts and threats to regional groundwater supplies and the communities of Marina and the Salinas Valley as well as the determination of Cal-Am's groundwater rights) be prepared as mandated by CEQA. Failure to fully and completely require Cal-Am to comply with CEQA by requiring a full EIR will expose the City and its residents to the loss of public funds due to attorney's fees, litigation expenses, damages awards, and costs that provide no benefit to the City or to its citizens.

Respectfully,

Sherwood Darington Managing Director Ag Land Trust

### MONTEREY COUNTY AGRICULTURAL AND HISTORICAL LAND CONSERVANCY P.O. Box 1731, Salinas CA 93902

August 11, 2011

TO: California Coastal Commission

From: The Ag Land Trust of Monterey County

**RE:** Groundwater Rights and Submerged Lands

Tom Luster asked the question "Who owns the groundwater in the 180 ft. aquifer under the ocean?"

The answer is that, under California case law which controls the ownership and use of potable (fresh) groundwater rights in our state, each property owner with land that overlies a percolated fresh groundwater aquifer (including the State of California as the "public trust owner" of submerged lands that are overlying the Salinas Valley potable groundwater aquifer that extends into the Monterey Bay National Marine Sanctuary ) is <u>entitled</u> <u>only to its correlative share of the safe yield of the fresh groundwater</u> that may be used without causing additional over-draft, adverse effects, waste and/or damage to the potable water resource or to the water rights of the other overlying land owners. (<u>Katz v. Walkinshaw</u> (141 Cal. 116); <u>Pasadena v. Alhambra</u> (33 Calif.2nd 908), and reaffirmed in the <u>Barstow v. Mojave</u> <u>Water Agency</u> case in 2000). The Commission has no right to authorize or allow the intentional contamination and waste of a potable aquifer which is also a Public Trust resource (see below), and such an act would be "ulta vires" and illegal.

The proposed slant "test" wells are intended to violate these laws and significantly induce saltwater and contamination into an overdrafted freshwater aquifer (a Public Trust resource) thereby causing depletion, contamination, waste, and direct and "wrongful takings" of the private water rights of other overlying land owners and farmers. Further, the project proponents, by their own admission, have no groundwater rights in

the Salinas Valley aquifer because they are not overlying land owners. Such a "taking" will constitute a direct and adverse impact and impairment of the public's health and safety by diminishing a potable groundwater aquifer and a Public Trust resource. It will also adversely affect protected coastal priority agricultural enterprises.

In an overdrafted potable groundwater basin, no property owner or user of water is entitled to pump or take any such actions as to waste, contaminate, impair, or diminish the quality or quality of the freshwater resource. The overdrafted Salinas Valley fresh water groundwater aquifer that extends under the Monterey Bay National Marine Sanctuary is identified as a potable water resource by the State and is governed the SWRCB Groundwater Non-Degradation Policy, which finds its source in the California Constitution:

### CALIFORNIA CONSTITUTION ARTICLE 10 - WATER

SEC. 2. It is hereby declared that because of the conditions prevailing in this State the general welfare requires that the water resources of the State be put to beneficial use to the fullest extent of which they are capable, and that the waste or unreasonable use or unreasonable method of use of water be prevented, and that the conservation of such waters is to be exercised with a view to the reasonable and beneficial use thereof in the interest of the people and for the public welfare.

In other words, the state has determined that the subject Salinas Valley potable groundwater aquifer is a protected natural resource. The state may use the fresh groundwater only to the extent that it has a correlative right that accrues to its public trust lands as against all other overlying land owners that are exercising their rights and using the fresh groundwater for beneficial uses, as mandated and protected in the California Constitution. Further, the 1968 SWRCB Non-Degradation Policy absolutely prohibits the intentional contamination and/or "waste" of a potable groundwater aquifer by any party. (See attached Resolution No. 68-16) The fact that the Salinas Valley aquifer is a potable supply is definitively established in the Central Coast Regional Water Quality Control Board "Basin Plan" for Central California

Additionally, the mandatory requirements of the California Coastal Act also control the conduct, powers, and authority of the Calif. Coastal Commission when addressing these Public Trust resources and this application.

### The California Coastal Act - Section 30231 (California Public Resources Code Section 30231) requires of the Commission that:

Sec. 30231 - The biological productivity and the quality of coastal waters, streams, wetlands, estuaries, and lakes appropriate to maintain optimum populations of marine organisms and for the protection of human health <u>shall</u> be maintained and, where feasible, restored through, among other means, minimizing adverse effects of waste water discharges and entrainment, controlling runoff, preventing depletion of ground water supplies and substantial interference with surface water flow, encouraging waste water reclamation, maintaining natural vegetation buffer areas that protect riparian habitats, and minimizing alteration of natural streams.

The proposed test wells directly and intentionally violate the mandatory statutory requirements, duties, and obligations imposed upon the California Coastal Commission by Section 30231 of the Coastal Act to protect and preserve and restore this potable water resource and protected coastal resource. The Salinas Valley potable groundwater aquifer, which is proposed to be wrongfully exploited by the project applicants' slant test wells, is a "coastal water", is producing potable water which is used and recognized for human consumption and coastal priority agricultural production, and <u>shall be</u> "protected from depletion" by the express language of the Coastal Act.

Finally, in the landmark Public Trust case of <u>National Audubon Society v.</u> <u>Superior Court of Alpine County (1981)</u>, the California Supreme Court confirmed as part of its "Public Trust Doctrine" that the State retains <u>continuing supervisory control over the navigable waters of California and the lands beneath them</u>. This prevents any party from acquiring a vested right to appropriate water in a manner harmful to the uses protected by the Public Trust.(California Water Plan Update 2009, Vol. 4, Page 2 (1)).

The proposed slant test wells are designed to intentionally deplete, contaminate, and waste a protected potable water supply and a Public Trust resource. The project will violate statutory and regulatory mandates of the California Coastal Act, the California Water Code, the

California Public Resources Code, the California Constitution, and over 100 years of case law governing groundwater rights and the Public Trust Doctrine. It will result in the wrongful taking of water rights from farmers who are beneficially using the water for protected, coastal priority agricultural production and for human consumption. Besides that, the project applicants, by their own admission, have no appropriative groundwater rights. They should not even be entitled to a hearing.

This project should be denied, or at the very least continued until the Monterey County Superior Court can rule on the two lawsuits that are pending over these issues.

Mare Dettero

### STATE WATER RESOURCES CONTROL BOARD

### RESOLUTION NO. 68-16

### STATEMENT OF POLICY WITH RESPECT TO MAINTAINING HIGH QUALITY OF WATERS IN CALIFORNIA

WHEREAS the California Legislature has declared that it is the policy of the State that the granting of permits and licenses for unappropriated water and the disposal of wastes into the waters of the State shall be so regulated as to achieve highest water quality consistent with maximum benefit to the people of the State and shall be controlled so as to promote the peace, health, safety and welfare of the people of the State; and

WHEREAS water quality control policies have been and are being adopted for waters of the State; and

WHEREAS the quality of some waters of the State is higher than that established by the adopted policies and it is the intent and purpose of this Board that such higher quality shall be maintained to the maximum extent possible consistent with the declaration of the Legislature;

NOW, THEREFORE, BE IT RESOLVED:

- 1. Whenever the existing quality of water is better than the quality established in policies as of the date on which such policies become effective, such existing high quality will be maintained until it has been demonstrated to the State that any change will be consistent with maximum benefit to the people of the State, will not unreasonably affect present and anticipated beneficial use of such water and will not result in water quality less than that prescribed in the policies.
- 2. Any activity which produces or may produce a waste or increased volume or concentration of waste and which discharges or proposes to discharge to existing high quality waters will be required to meet waste discharge requirements which will result in the best practicable treatment or control of the discharge necessary to assure that (a) a pollution or nuisance will not occur and (b) the highest water quality consistent with maximum benefit to the people of the State will be maintained.
- 3. In implementing this policy, the Secretary of the Interior will be kept advised and will be provided with such information as he will need to discharge his responsibilities under the Federal Water Pollution Control Act.

BE IT FURTHER RESOLVED that a copy of this resolution be forwarded to the Secretary of the Interior as part of California's water quality control policy submission.

### CERTIFICATION

The undersigned, Executive Officer of the State Water Resources Control Board, does hereby certify that the foregoing is a full, true, and correct copy of a resolution duly and regularly adopted at a meeting of the State Water Resources Control Board held on October 24, 1968.

Dated: October 28, 1968

Englis. 24 Kerry W. Mulligan

Executive Officer State Water Resources Control Board

### LAW OFFICES OF MICHAEL W. STAMP

Facsimile (831) 373-0242 479 Pacific Street, Suite 1 Monterey, California 93940

Telephone (831) 373-1214

### July 26, 2011

Via Email Thomas Luster Energy, Ocean Resources, and Federal Consistency Division California Coastal Commission 45 Fremont Street, Suite 2000 San Francisco, CA 94105-2219

Dan Carl, District Manager Michael Watson, Coastal Planner California Coastal Commission Central Coast District Office 725 Front Street, Suite 300 Santa Cruz, CA 95060

### Subject: Water Rights Issues Related to the Regional Desalination Project; Downey Brand letter of May 20, 2011

Dear Mr. Luster, Mr. Carl and Mr. Watson:

This Office represents Ag Land Trust, which owns agricultural properties in the Salinas Valley. For years, Ag Land Trust has pointed out that the Regional Desalination Project does not have valid water rights. The environmental documents to date have failed to point to valid groundwater rights for the project, and instead took various inconsistent positions on water rights.

This letter responds to new claims made by Downey Brand LLP, attorneys for the proponents of the Regional Project, in a letter dated May 20, 2011 to Lyndel Melton, P.E., of RMC Water and Environment. The Downey Brand letter was submitted to the Coastal Commission as part of the Regional Project proponents' response to the Commission's incomplete letter.

The Downey Brand letter raises various claims which may have superficial appeal but in reality do not identify any usable water rights for the Regional Project under California law. The claims made in the letter's discussion of "water rights and the groundwater basin" (Downey Brand letter, sec. 1, pp. 1-4) are addressed briefly here. Of the four different Downey Brand claims, none has merit, and none provides the necessary proof of water rights.

### Downey Brand's General Claims about Water Rights

Monterey County Water Resources Agency has no groundwater storage rights, no overlying groundwater rights, and no "imported water rights." The Salinas Valley is

Thomas Luster, Dan Carl, Michael Watson July 26, 2011 Page 2

not an adjudicated groundwater basin. The Salinas Valley Groundwater Basin is severely overdrafted, as demonstrated by the seawater intrusion which has reached inland to within 1500 feet of the City of Salinas, according to the latest (2009) mapping. (Historic Seawater Intrusion Map

Pressure 180-Foot Aquifer, attached as Exhibit A to this letter.)

The EIR for the Coastal Water Project did not comprehensively or adequately examine the issue of water rights for the Regional Project. The EIR did not include the key admission by Monterey County Water Resources Agency ("MCWRA") that it does not have water rights that would support the pumping of groundwater by the wells for the Regional Project. (See March 24, 2010 letter from MCWRA to Molly Erickson admitting that MCWRA does not have any documented water rights for the Regional Project, and MCWRA General Manager Curtis Weeks' statement that "Water rights to Salinas basin water will have to be acquired" in the Salinas Californian, March 31, 2011 [http://www.thecalifornian.com/article/20100331/NEWS01/3310307/280M+-desalination -plant-10-mile-pipeline-agreed-on-for-Monterey-Peninsula].) The Regional Project intake wells would be owned and operated by MCWRA.

The Coastal Commission should not be misled by the claims of Downey Brand, starting with the claim that the source water "will" be 85% seawater and 15% groundwater. (Downey Brand letter, p. 1.) In fact, the EIR's Appendix Q predicted percentages of up to 40% groundwater in the source water throughout the 56-year modeled simulation period, which is two and two-thirds times greater than Downey Brand admits. (Final EIR, App. Q, p. \_\_\_\_.)

The general claims made in the Downey Brand letter about water rights (at p. 1, bottom paragraph) should be disregarded because they are devoid of specific citation to law or to specific water rights. The specific claims made on the subsequent pages are addressed below, in order.

### Downey Brand's Claim (a) - The "Broad Powers" of MCWRA

Downey Brand's claim (a) is that MCWRA "has broad powers." (Letter, p. 2) While that may be true, MCWRA's powers do not include groundwater rights that it can use to pump water for the Regional Project. MCWRA holds only limited surface water rights (used for the dams and reservoirs some 90 miles south of the Monterey Bay), but intentionally abandons and "loses management and control" of that surface water when the MCWRA releases the water into the rivers and subsequently lost to percolation. "Management and control" are prerequisites to maintain the use of any right to water. In its letter, Downey Brand mixes inapplicable references to surface water rights and imported water cases. The issue here is native groundwater, not surface water or imported water. Downey Brand's approach is inconsistent with basic California groundwater law which holds that waters that have so far left the bed and other waters of a stream as to have lost their character as part of the flow, and that no longer are

Thomas Luster, Dan Carl, Michael Watson July 26, 2011 Page 4

what the Regional Project would do. An overlying right is the owner's right to take water from the ground underneath for use on his land within the basin. An overlying right it is based on the ownership of the land and is appurtenant thereto. (*City of Barstow v. Mojave Water Agency, supra*, 23 Cal.4th 1224, 1240.)

### Downey Brand's Claim (b) - A Right to "Developed" Groundwater

Claim (b) is that MCWRA has a right to withdraw groundwater "because its water storage operations augment groundwater supplies." (Downey Brand letter, p. 2.) There is no cognizable legal support given by Downey Brand for that claim in the sole case it cites: the California Supreme Court in *City of Los Angeles v. City of San Fernando* (1975) 14 Cal.3d 199. That case dealt with imported water, as is evident from the quote cited ("an undivided right to a quantity of water in the ground reservoir equal to the net amount by which the reservoir is augmented by [imported water]"). Imported water is "foreign" water from a different watershed – in the case of the *City of Los Angeles*, Los Angeles imported water from the Owens Valley watershed. (*City of Los Angeles, supra,* 14 Cal.3d at 261, fn. 55.) Because MCWRA does not import water from a different watershed, MCWRA cannot benefit from the rule that an importer gets "credit" for bringing into the basin water that would not otherwise be there (*ibid.,* at p. 261).

Under California law, rights to imported or foreign water are those rights which attach to water that does not originate within a given watershed. (*City of Los Angeles v. City of San Femando, supra*, 14 Cal.3d 199, 255-256; *City of Los Angeles v. City of Glendale* (1943) 23 Cal.2d 68, 76-77.) Rights to imported water are treated differently from rights to "native water," which is water that originates in the watershed.

MCWRA's two reservoirs do not contain imported water. The reservoirs store native water from the Salinas Valley watershed. MCWRA argues that when the stored water is released, it recharges the basin. Although it may be true that the released water recharges the basin, MCWRA does not have a unilateral right to get the water back after the water has been released from the reservoirs. "Even though all deliveries produce a return flow, only deliveries derived from imported water add to the ground supply." (*City of Los Angeles, supra*, 14 Cal.3d at 261.)

The *City of Los Angeles* opinion does not help MCWRA, because the opinion applies only to imported water, and MCWRA does not import water. Downey Brand does not cite any other case in support of its claim of "developed" water. The claim fails.

Downey Brand's Claim (c) - the Doctrine of "Salvaged" Water

Thomas Luster, Dan Carl, Michael Watson July 26, 2011 Page 5

Downey Brand's third claim is that "[t]he doctrine of salvaged water demonstrates that seawater-intruded groundwater is available for the Regional Project." (Downey Brand letter, p. 3.) Under California law, salvaged water refers to water that is saved from loss from the water supply by reason of artificial work. Salvaged water encompasses only waters that can be saved from loss without injury to existing vested water rights. (Wells A. Hutchins, The California Law of Water Rights (1956) at pp. 383-385.) Appropriative rights to salvaged water depend on the original source of the water supply. (*Pomona Land and Water Company v. San Antonio Water Company* (1908) 152 Cal. 618.) The salvage efforts of native water supplies are bound by all the traditional considerations that are applicable to the exercise of the salvager's water right and the interests of other vested rights must be protected. (*Ibid.*, at p. 623.)

The Regional Project must respect existing vested water rights. Here, because MCWRA does not have a water right, and because the interests of the existing vested rights – of the overlying property owners in the Salinas Valley – must be protected, and because there is not sufficient water in the overdrafted basin to satisfy those overlying claims, MCWRA's claim to salvaged water fails.

Downey Brand cites the doctrine of salvaged water as discussed in *Pomona Land and Water Company v. San Antonio Water Company, supra*, 152 Cal. 618 (*Pomona*), but that case does not help the Regional Project. *Pomona* involved a dispute between two water companies who appropriated water from a creek. The companies had existing water rights and a contractual agreement on how the waters flowing in the creek were to be divided between them. San Antonio Water built a pipeline in the creek and "saved" some water that would otherwise had been lost due to seepage, percolation, and evaporation. When Pomona claimed half of this saved water, San Antonio argued that because Pomona was still receiving the same amount of "natural flow," San Antonio should be allowed to keep the extra amount it saved through its own efforts. The Court ruled for San Antonio, holding that Pomona was entitled only to the natural flow, and that San Antonio was entitled to any amount saved by its economical method of impounding the water.

The Regional Project has no similarities to *Pomona*. The Regional Project does not involve the "saving" of water by implementation of conservation methods. Rather, it involves pumping water from the overdrafted Salinas Groundwater Basin – water which is fully appropriated. Unlike the parties in *Pomona* who held existing rights, MCWRA has no groundwater rights it can apply to the Regional Project.

The doctrine of salvaged water does not help the Regional Project proponents. The claim fails.

Thomas Luster, Dan Carl, Michael Watson July 26, 2011 Page 6

### Downey Brand's Claim (d) – Use of "Product" Water

The claim regarding the use of desalinated water (Downey Brand letter, pp. 3-4) is not material to the issue of water rights. The claim is apparently meant to distract the Coastal Commission from the true issue. The Regional Project must have water rights in order to pump groundwater from the basin and take it to the desalination plant.

The Water Purchase Agreement is merely a contract between the Regional Project proponents and owners. And none of the Regional Project proponents and owners holds groundwater rights that can be applied to the Regional Project. The Water Purchase Agreement does not award water rights to anyone.

### Conclusion

None of the Downey Brand claims provide proof of groundwater rights. In an overdrafted basin, proof of water rights is essential before groundwater can be appropriated. The Coastal Commission does not have the authority to grant groundwater rights or to grant approval of a project that relies on the illegal taking of groundwater that belongs solely to the overlying landowners of the Salinas Valley. We urge the Coastal Commission to consult with its own expert water rights counsel with regard to this critical issue.

Thank you for the opportunity to respond to the Downey Brand letter. Feel free to contact me with any questions.

Very truly yours,

LAW OFFICES OF MICHAEL W. STAMP

### Molly Erickson

- Exhibit A: "Historic Seawater Intrusion Map Pressure 180-Foot Aquifer" showing intrusion as of 2009, dated November 16, 2010 (available at http://www.mcwra.co.monterey.ca.us/SVWP/01swi180.pdf)
- Exhibit B: Salinas Californian article, March 31, 2011
- Exhibit C: Letter from MCWRA to Molly Erickson, March 24, 2010

## FAX TRANSMISSION



MONTEREY COUNTY WATER RESOURCES AGENCY P. O. BOX 930 SALINAS, CA 93902 831.755.4860 FAX: 831.424.7935

| FOR IMMEDIATE DELIVERY | DATE: 3/25/10         |
|------------------------|-----------------------|
| TO: Holly ERICKSON     | From: Pavid Kultvough |
| C/O:                   | }                     |
| FAX: 343-0242          | ( )                   |
| Re: PRAR-33/3/10       |                       |

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# **MONTEREY COUNTY**

### WATER RESOURCES AGENCY

PO BOX 930 BALINAS , CA 93902 (831)765-4560 FAX (831) 424-7936

GURTIB V. WEEKS GENERAL MANAGER

March 24, 2010

Molly Erickson, Esq. LAW OFFICES OF MICHAEL W. STAMP 479 Pacific Street, Suite 1 Monterey, CA 93940

Re: Your Letter of March 22, 2010

Dear Ms. Erickson:

You were wrong in considering MCWRA's response to your March 3, 2010 Public Records Request as "disingenuous." Consider the following:

At the Board hearing of February 26, 2010, Mr. Weeks addressed the development of basin water; that is water that the proposed Regional Desalination Project will produce. The project will rely upon the removal of sea water, which will most likely contain some percentage of ground water. Whatever percent is ground water will be returned to the basin as part of the project processing. As a result, no ground water will be exported. Mr. Weeks' comment to "pump groundwater," refers to this process. The process is allowable under the Agency Act. See the Agency Act (previously provided) and the EIR for the SVWP, which I believe your office has, but if you desire a copy, they are available at our offices for \$5.00 a disc. In addition, a copy of the FEIR for the Coastal Water Project and Alternatives is also available for \$5.90 a copy. Further, MCWRA intends to acquire an casemant, including rights to ground water, from the necessary property owner(s) to install the desalination wells. These rights have not been perfected to date, hence no records can be produced.

As to MCWD, it was previously annexed into Zones 2 & 2A and as such has a right to ground water. These documents are hereby attached PDF files.

As for the reference to "every drop of water that we pump that is Salinas ground water will stay in the Salinas Ground Water Basin," this was a reference to the balancing of ground water in the basin. The development of the Salinas River Diversion Project is relevant, as it will further

Monterey County Water Resources Agancy manages, protects, and enhances the quantity and quality of water and provides specified flood control services for present and future generations of Monterey County



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STREET ADDRESS 893 BLANCO CIRCLE SALINAB, CA 93901-4456 relieve pressure on the ground water wells. As such, it is a component of the overall plan to protect and enhance the ground water supply, keep it in the basin, and prevent salt water intrusion. In your letter of March 22<sup>nd</sup>, you did not consider this project as relevant. Nevertheless these records are available for your review

Looking forward, one additional document is the staff report yet to be finalized for the Board's consideration in open session of the Regional Project. When available, this will be provided.

Very truly yours,

David Kimbrough Chief of Admin Services/Finance Manager

Encla.

cc: Curtis V. Weeks

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#### AG LAND TRUST

Monterey County Agricultural and Historic Land Conservancy

P.O. Box 1731, Salinas CA 93902

www.aglandconservancy.org

Phone: 831-422-5868 Fax: 831-758-0460

April 25, 2009

TO: Monterey County Board of Supervisors

FROM: Monterey County Ag Land Trust

RE: Opposition to proposed MOU's for Monterey Regional Supply Planning and Coastal Water Project

By this letter, the Board of Directors of the Ag Land Trust unanimously and vehemently objects to the proposed MOUs and the Coastal Water Project that are recommended for your approval by the staff of the MCWRA. These proposed MOUs and the project that they expressly advance are wrongful, illegal acts that propose to take and convert our water and water rights for the benefit of a private company. We hereby incorporate by reference into this letter (as our own) each, every, and all facts, objections, statements, references, legal citations, and assertions located within each and every Attachment herewith attached to this correspondence. Before your Board takes any action on these matters that will expose you to significant litigation from landowners with senior overlying percolated groundwater rights, you need to ask the question and receive a written answer from your staff, "If the Salinas Valley percolated groundwater basin has been in overdraft for sixty years, whose percolated groundwater and overlying percolated groundwater rights are you proposing that we take without compensation to benefit Cal-Am?'

1. The proposed MOUs, and the projects which they include, violate and will result in an illegal, wrongful, "ultra vires", and unlawful "taking" of our percolated overlying groundwater rights. Our Trust owns (in fee) the large ranch (on which we grow artichokes and row crops) that lies between the ocean and the proposed "well field" that the California-American Water Company (a private, for profit appropriator) proposes to use to illegally divert percolated groundwater from the overdrafted Salinas groundwater basin. The so-called "environmentally superior alternative" in the Coastal Water Project EIR is based upon the illegal taking of our water rights and pumping of our percolated groundwater for the economic benefit of Cal-Am. The Salinas basin has been in overdraft for over 60 years and California law holds that, in an overdrafted percolated groundwater basin, there is no groundwater available for junior appropriators to take outside of the basin. In an over-drafted, percolated groundwater basin, California groundwater law holds that the Doctrine of Correlative Overlying Water Rights applies, (Katz v. Walkinshaw 141 Cal. 116). In an over-drafted basin, there is no surplus water available for new "groundwater appropriators", except those prior appropriators that have acquired or gained pre-existing, senior appropriative groundwater water rights through prior use, prescriptive use, or court order. This is the situation in the over-drafted Salinas percolated groundwater basin, there is no "new" groundwater underlying the over-drafted Salinas aquifers. Moreover, no legal claim or relationship asserting that water from a distant water project (over 6 miles from the proposed Cal-Am well field to the rubber dam) may be credited for the over-drafted Salinas percolated

groundwater basin can be justified or sustained. California groundwater law refutes such "voo doo hydrology" by holding that "Waters that have so far left the bed and other waters of a stream as to have lost their character as part of the flow, and that no longer are part of any definite underground stream, are percolating waters" (Vineland I.R. v. Azusa I.C. 126 Cal. 486). Not only does Cal-Am have no right to take ground water from under our lands, but neither does the MCWRA. **MCWRA HAS NO PERCOLATED OVERLYING GROUNDWATER RIGHTS THAT IT MAY USE TO GIVE TO CAL-AM FOR EXPORT OUT OF THE BASIN.** Our first objection to this illegal project and conduct was filed with the CPUC and MCWRA on November 6, 2006 (see herein incorporated Attachment 1). Your staff has not responded and our concerns have been ignored.

2. The recommended MOUs before the Board of Supervisors is a project under CEQA and the MCWRA staff recommendations to the Board violate the California Environmental Quality Act and the California Supreme Court decision in the "Tara" case. The California Supreme Court's decision in Save Tara v. City of West Hollywood, Case No. S151402 (October 30, 2008), provides specific direction to public agencies entering into contingent agreements. In this opinion, the Supreme Court held that the City of West Hollywood ("City") had violated CEQA by entering into a conditional agreement to sell land and provide financing to a developer before undertaking and completing environmental (CEQA)review. This is exactly what the MCWRA staff is asking the Board to do. They want you to approve their project without a certified EIR from the CPUC. One of the proposed MOUs even references the fact that it is contingent on the certification of the FEIR by the CPUC. Monterey County abdicated its role as the "lead" agency under CEQA years ago when it agreed to allow the CPUC to prepare the EIR on the Coastal Water Project. Monterey County is now a "responsible agency" and must wait while the CPUC staff deals with the fact that its draft EIR is woefully inadequate because of its failure to address that fact that none of the public agencies in Monterey County have the rights to pump groundwater from an overdrafted basin for the economic benefit of Cal-Am(see Attachment 2). Further, the Draft EIR acknowledges that the proposed MOUs and Coastal Water Project violate MULTIPLE provisions of the Monterey County General Plan, and the North County Local Coastal Plan, and contradicts the express purpose (ELIMINATION OF SEAWATER INTRUSION) of every water development project for which land owners have been assessed and charged (and continue to be charged) by Monterey County and the MCWRA for the past 50 years, including the Salinas Valley Water Project.

3. It is clear that the MOUs and the Coastal Water Project are being advanced by MCWRA staff and Cal-Am jointly as if they are already one entity. In fact, the proposed MOUs advanced by MCWRA staff advocate a governmental structure (JPA) that would be completely immune for the voters' constitutional rights of initiative, recall, and referendum. Moreover, this plan to deny the Monterey County public's right to public ownership of any new water project was also secretly advanced this month in Assembly Bill AB 419 (Caballero) wherein Cal-Am lobbyists got the Assemblywoman to try to change one hundred years of state law by "redefining a JPA with a private, for-profit utility (Cal-Am) member" as a "public agency". (See Attachment 3). These actions by MCWRA staff and Cal-Am to circumvent and "short-circuit" the mandatory CEQA process for the MOUs and the Coastal Water Project are further reflected in Attachment 4 wherein counsel for MCWRA requested an extension of time from the SWRCB (on permits issued to address water shortages in the Salinas Valley) to develop "alternative plans". Although the letter says that "there will be no export of groundwater outside of the Salinas basin", that is exactly what the MOUs and the Coastal Water Project proposes... to pump and export thousands of acre feet of groundwater out of the Salinas basin for the benefit of Cal-Am.

4. Our wells and pumps on our ranch adjacent to the location of the proposed well field are maintained and fully operational. We rely on our groundwater and our overlying groundwater rights to operate and provide back-up supplies for our extensive agricultural activities. MCWRA nor the CPUC has never contacted our Board of Directors that includes farmers (including past

presidents of the Grower-Shippers Assn.), bankers, attorneys, and agricultural professionals to get our input on this proposed taking of our water rights. As a result of this lack of concern for our property rights, we must assume that the County has now assumed an adversary position toward our Land Trust and our groundwater rights. In 2001-2002, MCWRA staff recommended that you include the Gonzales area in the assessment district for the SVWP. The Gonzales farmers objected, your MCWRA staff ignored them, you got sued and the taxpayers ended up paying the bill. From 1999 – 2005, the owner of Water World objected to the conduct of MCWRA staff and was ignored by your staff. Thirty (30) million dollars later, you lost the lawsuit and the taxpayers paid the bill. When will the taxpayers stop having to pay for poorly conceived ideas from MCWRA and Cal-Am?

5. The draft CPUC EIR marginalizes the grave and significant environmental impacts on groundwater and groundwater rights, violations of the General Plan and Local Coastal Plan policies, and the illegal violations and takings of privately owned, usufructory water rights upon which the Coastal water Project depends. These and the illegal appropriations of thousands of acre feet of groundwater from under privately owned land in an overdrafted basin ARE NOT A LESS THAN SIGNIFICANT IMPACTS! This is the project that the staff of the MCWRA staff wants the Board to approve without a certified EIR. (see Attachment 5). Further, the Marina Coast Water Agency has used up all of its full allocation of groundwater from the Salinas Valley groundwater basin, and as an appropriator is not entitled to any more water from the overdrafted basin, contrary to the information presented to the Growers-Shippers Association by Mr. Curtis Weeks of MCWRA (see Attachment 6)..

The Ag Land Trust understands that there is a water shortage on the Monterey Peninsula. It has gone on for decades. That shortage does not justify the illegal taking of our water rights for the economic benefit of Cal-Am. We ask that the Board not approve the MOUs or the Coastal Water Project for the reasons stated herein.

Respectfully,

Ed DeMare, Sec.

The Board of Directors of the Monterey County Ag Land Trust

CC: CPUC, MCWD, California Coastal Commission, and California-American Water Co.

To: California Public Utilities Commission C/O CPUC Public Advisor 505 Van Ness Avenue, Room 2103, San Francisco, CA 94102 Fax: 415.703.1758 Email: public.advisor@cpuc.ca.gov.

April 15, 2009

Comments on Coastal Water Project Draft EIR

Dear Commissioners:

On behalf of the Monterey County Ag Land Trust, we hereby submit this comment letter and criticisms of the draft EIR that your staff has prepared for the Coastal Water Project located in Monterey County. Herewith attached is our letter to your commission dated November 6<sup>th</sup>, 2006. We hereby reiterate all of our comments and assertions found in that letter as comments on the Draft Environmental Impact Report.

The Draft EIR is fatally flawed because of your staff's intentional failure to address the significant environmental and legal issues raised in our November 6<sup>th</sup> 2006 letter. The project as proposed violates and will results in a taking of our Trust's groundwater rights. Further, although we have requested that these issues be addressed, it appears that they have been ignored and it further appears that the CPUC is now advancing a project (preferred alternative) that constitutes an illegal taking of groundwater rights as well as violations of existing Monterey County General Plan policies, existing certified Local Coastal Plan policies and Monterey County Environmental Health code.

The EIR must be amended to fully address these issues that have been intentionally excluded from the draft. Further, the EIR must state that the preferred alternative as proposed violates numerous Monterey County ordinances, and California State Groundwater law. Failure to include these comments in the EIR will result in a successful challenge to the document.

Respectfully.

right on

Virginia Jameson Ag Land Trust

### MONTEREY COUNTY AGRICULTURAL AND HISTORICAL LAND CONSERVANCY P.O. Box 1731, Splings CA 93902

November 6, 2006

Jensen Uchida c/o California Public Utilities Commission Energy and Water Division 505 Van Ness Avenue, Room 4A San Francisco, Ca. 94102 FAX 415-703-2200 JMU@conc.ca.gov

### SUBJECT: California-American Water Company's Coastal Water Project EIR

Dear Mr. Uchida:

I am writing to you on behalf of the Monterey County Agricultural and Historic Lands Conservancy (MCAHLC), a familand preservation trust located in Monterey County, California. Our Conservancy, which was formed in 1984 with the assistance of funds from the California Department of Conservation, owns over 15,000 acres of prime farmlands and agricultural conservation casements, including our overlying groundwater rights, in the Salinas Valley. We have large holdings in the Moss Landing/Castroville/Marina areas. Many of these acres of land and easements, and their attendant overlying groundwater rights, have been acquired with grant funds from the State of California as part of the state's long-term program to permanently preserve our state's productive agricultural lands.

We understand that the California-American Water Company is proposing to build a desalination plant somewhere (the location is unclear) in the vicinity of Moss Landing or Marina as a proposed remedy for their illegal over-drafting of the Carmel River. On behalf of our Conservancy and the farmers and agricultural interests that we represent, I wish to express our grave concerns and objections regarding the proposal by the California-American Water Company to install and pump beach wells for the purposes of exporting groundwater from our Salinas Valley groundwater aquifers to the Monterey Peninsula, which is outside our over-drafted groundwater basin. This proposal will adversely affect and damage our groundwater rights and supplies, and worsen scawater intrusion beneath our protected farmlands. We object to any action by the California Public Utilities Commission (CPUC) to allow, authorize, or approve the use of such beach wells to take groundwater from beneath our lands and out of our basin, as this

would be an "ultra-vires" act by the CPUC because the CPUC is not authorized by any law or statute to grant water rights, and because this would constitute the wrongful approval and authorization of the illegal taking of our groundwater and overlying groundwater rights. Further, we are distressed that, since this project directly and adversely affects our property rights, the CPUC failed to mail actual notice to us, and all other superior water rights holders in the Salinas Valley that will be affected, as is required by the California Environmental Quality Act (CEQA). The CPUC must provide such actual mailed notice of the project and the preparation of the EIR to all affected water rights holders because California-American has no water rights in our basin.

Any EIR that is prepared by the CPUC on the proposed Cal-Am project must included a full analysis of the legal rights to Salinas Valley groundwater that Cal-Am claims. The Salinas Valley percolated groundwater basin has been in overdraft for over five decades according to the U.S. Army Corps of Engineers and the California Department of Water Resources. Cal-Am, by definition in California law, is an appropriator of water. No water is available to new appropriators from overdrafted groundwater basins. The law on this issue in California was established over 100 years ago in the case of <u>Katz v. Walkinshaw</u> (141 Calif. 116), it was repeated in <u>Pasadena v. Alhambra</u> (33 Calif.2nd 908), and reaffirmed in the <u>Barstow v. Mojave Water Agency</u> case in 2000, Cal-Am has no groundwater rights in our basin and the CPUC has no authority to grant approval of a project that relies on water that belongs to the overlying landowners of the Marina/Castroville/Moss Landing areas.

Further, the EIR must fully and completely evaluate in detail each of the following issues, or it will be flawed and subject to successful challenge:

- 1. Complete and detailed hydrology and hydrogeologic analyses of the impacts of "beach well" pumping on groundwater wells on adjacent farmlands and properties. This must include the installation of monitoring wells on the potentially affected lands to evaluate well "drawdown", loss of groundwater storage capacity, loss of groundwater quality, loss of farmland and coastal agricultural resources that are protected by the California Coastal Act, and the potential for increased and potentially irreversible seawater intrusion.
- 2. A full analysis of potential land subsidence on adjacent properties due to increased (365 days per year) pumping of groundwater for Cal-Am's desalination plant.
- 3. A full, detailed, and complete environmental analysis of all other proposed desalination projects in Moss Landing.

On behalf of MCAHLC, I request that the CPUC include and fully address in detail all of the issues and adverse impacts raised in this letter in the proposed Cal-Am EIR. Moreover, I request that before the EIR process is initiated that the CPUC mail actual notice to all of the potentially overlying groundwater rights holders and property owners in the areas that will be affected by Cal-Am's proposed pumping and the cones of depression that will be permanently created by Cal-Am's wells. The CPUC has an absolute obligation to property owners and the public to fully evaluate every

reasonable alternative to identify the environmentally superior alternative that does not result in an illegal taking of third party groundwater rights. We ask that the CPUC satisfy its obligation.

Respectfully,

Brian Rianda

Brian Rianda, Managing Director

### Fwd: Objection to Cal Am appeal/application for test slant well

From: mjdelpiero <mjdelpiero@aol.com>

To: M <M@esassoc.com>; Maryjo.Borak <Maryjo.Borak@cpuc.ca.gov>; Karen.Grimmer <Karen.Grimmer@noaa.gov>

Cc: Maryjo.Borak <Maryjo.Borak@cpuc.ca.gov>; Karen.Grimmer <Karen.Grimmer@noaa.gov>; MJDelPiero <MJDelPiero@aol.com>; sdarington <sdarington@redshift.com>

Bcc: steclins <steclins@aol.com>

Subject: Fwd: Objection to Cal-Am appeal/application for test slant well

Date: Wed, Mar 29, 2017 12:55 pm

Attachments: BoardofDirectors.pdf (124K), Maps.pdf (562K), NoticeofObjection.pdf (959K), Oppositioncorrespondence.pdf (3558K)

Mary Jo Borak, CEQA Lead California Public Utilities Commission c/o Environmental Science Associates 550 Kearny Street, Suite 800 San Francisco, CA 94108 <u>Maryjo.Borak@cpuc.ca.gov</u>

Karen Grimmer, NEPA Lead Monterey Bay National Marine Sanctuary 99 Pacific Avenue Building 455a Monterey, CA 93940 Karen.Grimmer@noaa.gov

# First Letter of Objection to Monterey Peninsula Water Supply Project (MPWSP) CalAm's defective and incomplete draft EIR/EIS

Dear Ms. Borak and Ms. Grimmer:

This correspondence and <u>letter of objection</u> (and our subsequent additional letters of objection) to the massively incomplete and defective draft EIR/EIS prepared for the California American (CalAm) De-Salination Project/slant wells are hereby submitted by and on behalf of <u>the Ag Land Trust of Monterey County (Monterey County Agricultural and Historic Lands</u> <u>Conservancy</u>) and its' Board of Directors (Ag Land Trust).

Organized in 1984, the Ag Land Trust is a 501(c)(3) non-profit corporation which holds/owns over 32,000 acres both of fee title and permanent conservation easements to prime and productive coastal agricultural lands that are protected California coastal resources pursuant to adopted and enforceable certified California Local Coastal Plans, state statutes, and federal regulations and legally recorded easements. These real property ownership interests fully include our percolated potable groundwater rights and resources that we have jealously protected, preserved, and conserved for potable use and agricultural irrigation purposes for over 30 years.

For over three decades, the Ag Land Trust is and has acted as a multiple grant recipient, agent, and de-facto trustee for both the United States Government (U.S. Department of Agriculture, the U.S. Department of Homeland Security, and the U.S. Department of Defense/National Guard Bureau) and for the State of California (California Coastal Conservancy and California Department of Conservation). The Ag Land Trust acts in this capacity to implement and enforce both legally adopted federal and state mandatory policies and regulations for permanent agricultural land and natural resources preservation, including preservation of potable irrigation groundwater resources for continuing agricultural production of those farmlands that have been federally designated for preservation due to their remarkable productivity. These responsibilities are ongoing contractual obligations between the Ag land Trust and the identified federal and state agencies, and may not be impaired by other private or federal or state agencies. Further, the reversionary property rights (water rights) held by the U.S. Government in the potable groundwater resources of our Armstrong Ranch farm, which CalAm and the CPUC are intentionally polluting with its' slant well, may not be "taken" by either CalAm or the State of California using any kind of "made-up", contrived theory of "salvage water rights" that result from the intentional pollution of the aquifers that is resulting from CalAm and the CPUC's combined actions. The EIR/EIS has failed to even mention, let alone mitigate, that the massive environmental degradation and adverse impacts to our potable aquifers which is being caused by CalAm's CPUC authorized pumping. Again, this demonstrates the bias of the CPUC against the property owners whose property rights are being taken by the combined CalAm/CPUC actions.

The CalAm slant well and CalAm's excessive and wasteful pumping thereof is directly, knowingly, and intentionally contaminating and permanently polluting both our potable groundwater supplies/aquifers and our two agricultural irrigation wells (and the potable water supplies thereof) that underlie our Armstrong Ranch property. Our Armstrong Ranch, to which we own fee title and in which the U.S. federal government holds a reversionary ownership interest (including its' potable groundwater supplies and rights) is immediately adjacent to the CEMEX site upon which CalAm has built its' slant well which is wrongfully exploiting our overlying potable groundwater resources.

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1/9/2019

9/2019 Fwd: Objection to Cal-Am appeal/application for test slant well **EXHIBIT IS-D**CalAm has no groundwater rights in the Salinas Valley aquifers. None. It is undisputed law in California that in an overdrafted groundwater basin, a junior appropriator cannot acquire groundwater rights. Yet CalAm, by its' pumping of its' slant well is causing massive environmental damage, without any mitigation, tour potable groundwater aquifers. The EIR/EIS has systematically ignored the massive and adverse environmental impacts of CalAm's proposed project so as to avoid identifying the necessary and massively expensive mitigations that would be required of CalAm to actually mitigate CalAm's proposed wrongful exploitation of the protected Salinas Valley (coastal) groundwater aquifers and resources. Loss of prime coastal farmland and its attendant productivity of food crops (due to the unlawful and irreplaceable stealing of potable groundwater supplies and the resultant pollution of the potable aguifers by the excess pumping of the slant wells). along with the permanent and irreplaceable loss of farmworker jobs have not been addressed or mitigated in the draft EIR/EIS. The costs to purchase those prime and productive coastal farmlands and ranches that will have their potable groundwater supplies wrongfully taken by the ultra vires approval of the CPUC, without compensation to the innocent land owners, are not addressed in the EIR/EIS. Nor is the loss of employment and massive displacement of low-income, Latino farmworkers (and their families) who are employed on those farms and ranches even acknowledged, let alone mitigated in the draft EIR/EIS. Although the Ag Land Trust offered to discuss these issues with Mr. Zigas (as well as offered our water quality baseline test results going back to 2007 and our recorded title documents demonstrating the U.S. Governments reversionary interests in our farmland and groundwater rights) during his one visit to our Armstrong Ranch farm, he never called us back. This may be because, much to his and CalAm's consternation, we proved that our potable and operational irrigation wells actually existed (he had publicly denied their existence in the press) and that we use them to irrigate our farmland and our dune habitat restoration sites which are mandated by the terms of our federal grants.

(SEE http://www.montereybaypartisan.com/tag/marc-del-piero/ - Monterey Bay Partisan (4 articles AND VIDEO included in PUC experts finally track down the elusive Ag Land Trust wells by ROYAL CALKINS on DECEMBER 16, 2015). The impermissible continuing bias of the EIR/EIS consultants in favor of CaIAm and its plans to wrongfully take groundwater to which it has no legal rights, to the massive economic and environmental detriment of landowners that actually own real potable groundwater resources and rights, continues to be demonstrated in the draft EIR/EIS by their ignoring of valid objections and their refusal to full investigate, characterize, and fully mitigate the massive and adverse environmental impacts that have been identified by the real parties in interest whose property rights are being taken. without compensation by the CPUC.

The first letter of objection the Ag Land Trust sent to the CPUC in opposition to CalAm's plans to wrongfully exploit our potable groundwater supplies was in 2006. A copy of the original letter along with significant documentation of the illegality and adverse environmental impacts of CalAm's proposed "taking" (children call it "theft") of our groundwater (which documentation has previously been provided to the CPUC and the California Coastal Commission) is herewith attached. In spite of our objections, with the exception of the single field trip (wherein Eric Zigas finally was forced to acknowledge the existence of our large irrigation wells, although he declined to inspect our federally mandated and protected coastal sand dunes habitat restoration project), the CPUC and its' consultants have never responded in writing to any of our correspondence. .

Moreover, in violation of CEQA notice mandates, the CPUC has never sent the required mailed notices of the CalAm project (and its' massive cone of depression and resulting induced seawater intrusion into the potable aguifers) to the potentially affected real property owners whose potable overlying groundwater supplies and rights will clearly be polluted and compromised by the excessive and uncontrolled pumping by CalAm.

Please accept this e-mail, and all the documents, statements, objections, references, and attachments thereto, as the first of three e-mails from the Ag Land Trust that are intended to demonstrate the massive illegalities of the CalAm project and the defects and failures of the draft EIR/EIS, and the huge legal deficiencies of that draft (that have been "ignored" or "whitewashed") that will subject that document to successful challenge in court unless the EIR/EIS is re-drafted to cure the deficiencies and re-circulated.

Further, by this correspondence, the Ag Land Trust hereby incorporates by reference, (and adopts as our own comments and our own criticisms and our own objections), the criticisms, comments, statements, asserted facts, correspondence, and objections, and all documents and attachments thereto, of the following parties which have submitted comments on the defects, omissions, and inadequacy of the draft EIR/EIS:

The Water Ratepayers Association of the Monterey Peninsula (WRAMP) - Comment letter dated March 17-18, 1. 2017, and all other comment letters submitted by WRAMP commenting on the EIR/EIS.

Comment Letter by Mr. Larry Parrish dated February 23, 2017 and all of the unanswered questions therein 2. regarding unmitigated environmental impacts that have not been addressed in the draft EIR/EIS.

3. All comment letters and objections from Mr. David Beech (including Beech-1, Beech-2, Beech-3, Beech-4, Beech-5, and Beech-(5a)), dated Feb. 20, 2017 et seg..

Comment letter by Mr. Michael Baer dated February 24, 2017, and all additional comments and objections filed 4. by Mr. Michael Baer regarding the draft EIR/EIS.

#### Fwd: Objection to Cal-Am appeal/application for test slant well <u>EXHIBIT 15-D</u>

5. All correspondence and objections submitted by Nancy Selfridge, including but not limited to her e-mailed correspondence and objections dated February 22-23, 2017 sent by Mr. Steven Collins.

6. All correspondence from Kathy Biala, resident of Marina, <u>Citizens for Just Water ("Just Water")</u> - including but not limited to her correspondence, objections, and attachments dated 02.23.17.

7. All correspondence and comment letters from "<u>Water Plus</u>", including all correspondence and objections signed by George Riley, and including his correspondence dated 20 February 2017.

### 8. All comments and objection letters from and filed by Ms. Myrleen Fisher.

The draft EIR/EIS is fatally flawed because of the bias of the consultants, the deficiencies in its' content, and their refusal to acknowledge, investigate, and document the identified significant adverse environmental impacts of the proposed project. The failure to acknowledge and fully characterize, and mitigate, these significant adverse environmental impacts will cause these documents to be over turned in court, unless they are fully and factually revised and recirculated in compliance with CEQA and NEPA.

I will forward additional comments under a separate cover.

Most Respectfully, For the Ag Land Trust of Monterey County,

Marc Del Piero, Director

(SEE BELOW - Background environmental documents)

-----Original Message-----From: MJDelPiero <<u>MJDelPiero@aol.com</u>> To: sarahcoastalcom <<u>sarahcoastalcom@yahoo.com</u>>; zimmerccc <<u>zimmerccc@gmail.com</u>>; mmcclureccc <<u>mmcclureccc@co.del</u>-norte.ca.us>; cgroom <<u>cgroom@smcgov.org</u>>; Gregcoastal <<u>Gregcoastal@sdcounty.ca.gov</u>>; tom.luster <<u>tom.luster@coastal.ca.gov</u>>; tluster <<u>tluster@coastal.ca.gov</u>>; virginia.jameson <<u>virginia.jameson@gmail.com</u>> Sent: Mon, Nov 10, 2014 7:09 am Subject: Objection to Cal-Am appeal/application for test slant well

TO: The California Coastal Commission (Please Distribute/Forward This to All Members and Staff)

FROM: Monterey County Agricultural and Historic Lands Conservancy (THE AG LAND TRUST)

RE: Opposition to Proposed California American Water Company Appeal/Application to Acquire a Well Site to Violate Mandatory Policies of the Certified Local Coastal Plan and to Prescriptively "Take" Groundwater from the Overdrafted Salinas Valley Groundwater Basin and our Farm

Herewith enclosed, please accept this notice/letter of opposition to the appeal/application by the California American Water Company, along with the herewith attached EXHIBITS A, B, AND C.

Notice of Objection to proposed Cal-Am "test" slant well (11 pages)

Exhibit A - Board of Directors bios.

Exhibit B - Maps (showing induced seawater intrusion area and undisclosed A.L.T. wells)

Exhibit C - Prior objections correspondence (2006 - present)

The flawed Cal-Am appeal/application proposes to directly violate multiple mandatory Local Coastal Plan policies and state groundwater rights laws, and proposes an illegal "taking" of private property/groundwater rights, to economically benefit the privately held California American Water Company at the expense of the Ag Land Trust.

The application even fails to identify one of our agricultural groundwater wells on our farm property (the "Big Well"), which is the closest to the so-called Cal-Am "test well" and which will be the first to be permanently and irreparably contaminated by Cal-Am's illegal conduct. The proposed environmental review is incomplete and flawed.

### Fwd: Objection to Cal-Am appeal/application for test slant well $\underline{EXHIBIT\ 15-D}$

No Coastal Commission staff review of these reasonably anticipated, immitigable adverse impacts on our producted coastal agricultural groundwater resources and farmland has been conducted or presented to the Commission in anticipation of this appeal hearing. The failure to even identify these unmitigated adverse impacts in the staff report, we assume, is because the Commission staff has relied exclusively on the flawed (by omission) Cal-Am appeal/application that has tried to "downplay" its intended "taking" of our groundwater supplies and its adverse environmental effects on our prime farmland. Coastal Commission staff has not contacted our Ag Land Trust in spite of our prior correspondence (see Exhibit C).

We anticipate presenting testimony pursuant to our attached Letter of Opposition and Exhibits at your Wednesday meeting in Half Moon Bay.

Please distribute our full comments and all attachments to each and all commissioners prior to the day of the meeting so that they may fully understand and consider the potential consequences of their actions.

Most Respectfully, Marc Del Piero, Director

# Exhibit 2 – Ag Land Trust Exhibits

### Maps

- A. Map of North Monterey County LCP area (yellow) and Ag Land Trust farm (Armstrong Ranch zoned "Coastal Agricultural Preserve" CAP) outlined in RED. Proposed Cal-Am "test well" site shown in black. Ag Land Trust "Big Well" shown in black.
- B. Ag Land Trust Armstrong Ranch in YELLOW; early proposed alternate seawater wells locations by Cal-Am
- C. Cal-Am map that <u>misrepresents</u> the proposed location of the "test well" <u>and</u> the "drawdown" contours of the "cone of depression" from the "test well". Map fails to identify Ag Land Trust "Big Well" west of Highway 1 and within cone of depression and subject to seawater contamination from Cal-Am's proposed pumping.
- D. Cal-Am map with notation of corrected location for "test well" and location of Ag Land Trust "Big Well".
  Adjusted "cone of depression" covers 75% of the Ag Land Trust property and shows seawater intrusion into "Big Well".
- E. Cal-Am map that falsely indicated Ag Land Trust property as within the designated "Project Area".
  Insert is not to scale.



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Yellow— Ag Land Trust (Monterey County Agricultural and Historic Land Conservancy) properties.

Pale Blue and Brown -- potential sea water wells and pipeline locations as extracted from Coastal Water Project FEIR Revised Figure 5-3.

**NOTE:** EIR Revised Figure 5-3 provides only a generalized representation of the sea water well areas with no references to properties included within their boundaries. Precise spatial data was not provided by the applicant or available from the EIR preparer.

This document was professionally prepared by a GIS Professional, using spatially accurate imagery, known physical features and property lines to provide a reliable representation of the Conservancy properties as they relate to the proposed sea well areas. Lack of access to the spatial data, if any, used in Revised Figure 5-3, has required some locational interpretation, which was performed using professional best practices.











A-3-MRA-14-0050 / 9-14-1735 L EXHIBIT 2 D

Right to Take - to tin the Public Interest 1. Failare suice 1995 to develops and secure a nuo water source. 2. COPE, low interestrates 3. Valuation must take into consideration lack of water rights & supplies. "Buying a dairy farm that has NO Cows !! 4. Lack of water supply explains (in part) why. Cal-Am's financing comes from American Water.

| From:    | Stephanie Locke                         |
|----------|---|
| То:      | Arlene Tavani                           |
| Subject: | Fwd: Input Re public takeover of Cal-Am |
| Date:    | Friday, January 11, 2019 7:33:03 AM     |

Hi,

He replied just me. This is an amendment to his previous comment.

Steph

Begin forwarded message:

From: "mikelino2u@juno.com" <mikelino2u@juno.com> Date: January 11, 2019 at 6:52:02 AM PST To: <locke@mpwmd.net> Subject: Re: Input Re public takeover of Cal-Am

Hello Stephanie, Hope you can add a missing word (dedicate) in the top line of the last paragraph. Also please call me "Michael". I don't use my academic title, except when I feel I need to "impress" the readers in favor of my argument. Thanks for your help. Michael

------ Original Message ------From: Stephanie Locke <<u>locke@mpwmd.net</u>> To: "<u>mikelino2u@juno.com</u>" <<u>mikelino2u@juno.com</u>> Subject: Re: Input Re public takeover of Cal-Am Date: Thu, 10 Jan 2019 22:56:50 +0000

Dr. Lubic,

Thank you for your comments.

Kind regards,

Stephanie Locke

On Jan 9, 2019, at 10:49 PM, "<u>mikelino2u@juno.com</u>" <<u>mikelino2u@juno.com</u>> wrote:

------ Forwarded Message ------From: "<u>mikelino2u@juno.com</u>" <<u>mikelino2u@juno.com</u>> To: <u>comments@mpwmd.net</u> Subject: Input Re public takeover of Cal-Am Date: Thu, 10 Jan 2019 06:37:53 GMT

### MONTEREY PENINSULA WATER MANAGEMENT DISTRICT] Input: Feasibility study listening session

1. Meaning of "Feasibility"

In the context of the designated study, the "F word" signifies a factbased overview and analysis of the multifaceted water management functions and itemized comparison with the Cal-Am performance record in order to assess the proposed public agency's ability to more successfully manage the same and do so at the lower water rates to the local consumers.

A number of caveats should be integral to the methodology if the study is to be performed in a fair and objective manner. It is of paramount importance that the study be an honest, fact-based effort and include relevant projections of the future water rates following the trajectory of rate increases under Cal-Am in the past so that valid figures are used when compared with those anticipated under public management. Special attention should be paid to the water conservation function, stewardship being an essential element for responsible management of this precious resource. Equally significant is the financial impact of the transition of water management on the local economy, the possibility of public financing for the benefit of the local economy and the like. Accordingly, the methodology ought to combine fact-finding and impartial examination of the historical record in order to furnish valid baselines for the conclusion to be made. Put simply, the study ought to provide the grounds for the choice between the public management of water resources at cost or continuation of the status quo, namely water management by a for-profit monopoly corporation.

### 2. Most Important Measure of "Feasibility"

Selection of a single measure of feasibility (considering the complexities around water, as a resource, and the fundamental difference in purpose and emphasis that guide private business as opposed to the public agencies) is pretty much an academic exercise. To comply with the question, however, I would choose the financial and conservation aspects as the most inclusive. They would generally answer the questions of whether we can afford to pay for it and for how long there'll be water... to drink.

3. Benefits of a Publicly Owned Water System

Without the overarching burden to realize the highest levels of profit, a public agency would be mandated to dedicate all its resources to the pursuit of objectives emanating from the customer-centered system and, in consequence, be evaluated by standards of efficient management, solid engineering, effective public education, good stewardship, and distribution of water. Recognizing water as a precondition for life on our planet, it is fair to conclude that water ought to be treated with spacial care, and not just like another commodity. The best illustration was furnished by Cal-Am dealing with successful water conservation results 2 years ago. Cal-Am added \$20. of monthly surcharge per customer because "people did not consume enough."

Michael Lubic, Ph.D. 208 chestnut St. Pacific Grove (831)373-6968

# Judge Judy Steps Down After 23 Years Over This Controversy

glancence-hality.com http://thirdpartyoffers.juno.com/TGL3132/5c36e86dc3603686d441fst02vuc

?
### January 9, 2019

Dear Board Members and Staff of the Monterey Peninsula Water Management District,

Thank you for requesting public input about feasibility. An acquisition of Cal Am needs to be financially feasible and beneficial for local residents. I think it will be financially feasible if:

- We can buy out Cal Am in 30 years or less by issuing bonds and paying them off with income generated by a nonprofit, publicly owned water company.
- The portion of income used for bond payments consists primarily of the portion of revenues
  historically used for Cal-Am's expenses such as payments to shareholders, taxes, expenses of nonlocal operations, and other items and payments not needed to maintain and operate the facilities
  of a local, publicly owned nonprofit water provider.
- Note that, as a nonprofit, the district could potentially finance bonds at lower rates than a forprofit company, and may at times be eligible for grants, incentives, and other cost savings.

I do not expect my water bills to decline much if at all. We will soon need to replace much of the water being taken from the Carmel River and other natural sources. The new water, recycled water and possibly also some de-sal, may cost more to produce, so costs for consumers may increase -- but probably by less than they would under Cal Am. There will also be other many public benefits:

- Unlike Cal-Am's choices on several occasions, the Monterey Peninsula Water Management District will adopt well-researched, realistic budgets and pursue well-researched options that are the least expensive available options that are also legally sound and environmentally responsible.
- There will be greater transparency in operations, more of the jobs will be local, there will be more input from local residents and ratepayers, and decisions will not be driven by a profit motive.
- Under a nonprofit water provider, rates should no longer rank as some of the very most expensive in the country in comparison to communities using similar sources of water.
- A public water district is also more likely to encourage all customers to conserve water in times of drought, rather than favoring special interests.
- Local oversight can also result in greater health and safety as the district maintains its facilities diligently to assure adequate supplies of water that meet water quality standards.
- The entire community can also benefit when revenues are retained in the local economy (as recently noted in *Our Towns*, a book about small to mid-size communities all across the US).

I hope that a fair evaluation of feasibility and public benefits will allow the establishment of a locally controlled, nonprofit public water company that will help today's residents and future generations achieve the benefits listed above and have greater control over their water, a vital resource. **Thank you.** 

Sincerely,

Marli Melton

Marli Melton, 7 White Oak Way, Carmel Valley, CA 93924

Thank you Board members for asking for the input from the ratepayers on "How do we define FEASIBLE".

I am Pat Venza, President of the Monterrey Vista Neighborhood Association. We are the second largest neighborhood association in Monterey.

Last summer the Monterey Vista Neighborhood Assoc. board voted to endorse Measure J. Many of us, within the association, also worked to get it passed.

Now we want to let you know what we consider "FEASIBLE" when it comes to if Cal Am stays or goes.

- We expect public ownership to be financially feasible. Our feasibility calculation puts more weight on the long term. We anticipate seeing an actual savings over time. Where as we expect Cal Am costs to only increase as history tells us. For us the long term savings will out weigh any initial cost burdens that the feasibility study might show.
- Local control is also important to us as association members. We believe in local involvement and control. We have tried expressing ourselves to the CPUC with little response. We want to be part of this process and having a say, through our vote for our board member and also attending meetings to let you know how we feel about specific items of interest.
- 3. We expect a long term improvement in getting projects done with a public agency. We feel that over time a public agency will have more incentive to get a long term regional water supply done, it will cost less and will take into consideration the wishes of the ratepayers and our neighboring city, Marina.

The Monterey Peninsula is a unique place, but not so unique that we should have the highest water rates in the United States, just to line the pockets of shareholders, Over 85% of the nations water districts are publicly owned for a reason. That reason is that water is a requirement for life and no one should be profiting off of it.

| From:        | Thomas Reeves                         |
|--------------|---------------------------------------|
| То:          | Comments                              |
| Subject:     | Measure J Listening Session Comments  |
| Date:        | Wednesday, January 9, 2019 5:04:36 PM |
| Attachments: | Measure J Feasibility Discussion.docx |

Thank you for the opportunity to provide comments relating to the potential takeover of the California American Water system. Attached are my comments and concerns. I have attempted to address all the questions that are posed on your web site. I attended the first listening session which was held at the Seaside City Council chambers. At that meeting, MPWMD staff handed out two questionnaires. I chose not to fill out either questionnaire. The reason I chose not to fill out the questionnaires is important to note. The problem with answering questions such as those posed in the questionnaires is that the answers are dependent upon the results of the "feasibility" study. For example, if the study shows that the cost of taking over the Cal Am system is going to result in costs that are well over what we're already paying, then game over in my opinion. It doesn't matter to me if the expenses are spread out over decades so that the pain of paying for isn't perceived as being all that much. What you have before you is a daunting task to say the least. To do this correctly, you need an apples-to-apples comparison. So as a retired City Engineer, I think the best way to go about this is to try to get all of the costs rolled back to present worth for both Cal Am's continued ownership as well as for a publicly owned and operated system. Please present to the rate payers an easy comparison of costs (not easy to do, I know).

After the rate payers know the costs, then there needs to be another vote so that the rate payers can express what is feasible at the ballot box. The rate payers, way more than will ever attend the listening sessions, will let you know if it's feasible. The initial marketing of measure J prior to a judge prohibiting such claims was that we will have cheaper water if the system is publicly owned. Let's see if that's true. Let the proponents handle the payment options marketing spiel (it reminds of stepping into the "closing office" at a car dealership). I want transparency. That means that I don't want obfuscation of costs thinking that the inevitable upgrades will be a future cost and not accounted for in the feasibility cost analysis. Playing with rate structures trying to get the pill down the throat of one group of rate payers at the expense of another group is just going to cause confusion.

Please, we need another vote prior to proceeding with any condemnation efforts. Thank you,

Tom Reeves 844 Pine Street Monterey, CA

### What is my definition of "feasible"?

- It must not cost more than the alternative of staying with Cal Am. And all costs need to be taken into account (staff time, study costs, legal costs such as for bond counsel and fighting law suits, capital costs, debt costs, operations, maintenance and management costs, capital replacement cost to name but a few)
- 2. There must be adequate water supply to fill the existing and future needs of the communities.
- 3. All water sources must be stable, in other words, not subject to the political winds of the District and there must be a reliable and sustainable source of water within the jurisdictional boundaries of the District. What's the District's plan for where the water will come from?
- 4. It must be the rate payers and voters that get to answer the question of what they feel is feasible by holding a vote prior to any condemnation proceedings after all of the cost data is available. Let the voters determine what is feasible.

### What's most important?

Allowing the voting rate payers to cast their votes and express their opinion prior to any condemnation proceedings.

### What do I see as the benefits of a publically owned water system?

Other than perhaps more transparency, I don't see too many benefits but I do see some possible pit falls such as:

- 1. Public employees and the costs associated therewith.
- 2. Inheriting an old and crippled water system while losing much of the institutional knowledge that goes with it.
- 3. Injecting politicians directly into the water supply of our region.
- 4. A potential for a "cash cow" mentality to flourish amongst the member entities as the water supply system could now become a revenue enhancer. Even though Proposition 218 prohibits making a profit, there are inventive ways in which local governments can include costs such as including parts of their existing overhead.
- 5. There's considerable risk associated with proceeding with eminent domain in that the District may lose the case and then be liable for paying the legal costs to California American Water.
- 6. With respect to future costs and rate increases, what if the rate payers don't agree and fail to pass the required Proposition 218 approval?
- 7. If there aren't sufficient sources of water within the District's boundries, can the District condemn sources outside of its' boundaries such as Cal Am's proposed desalination facility? If not, will we be held hostage to negotiate with the same Cal Am for our water?

To: MPWMD Board of Directors 5 Harris Ct., Bldg. G Monterey, CA 93940 http://www.mpwmd.net

P.O. Box 85 Monterey, CA 93942-0085

From: Tim Sanders 25075 Pine Hills Dr. Carmel, CA 93923

January 8, 2019

# RE: <u>FEASIBILITY</u> OF PUBLIC/PRIVATE OWNERSHIP OF THE PENINSULA WATER SYSTEM

I have two comments: one concerning existing facilities and the overall issue of ownership, and the second concerning the special circumstance of a proposed major project being pursued under threat of a regulatory deadline.

# 1. <u>Private ownership by Cal Am is infeasible according to any</u> reasonable standard of feasibility

First, the feasibility study must be viewed as a **comparative feasibility study**: Is it feasible to remain with CAW (Cal Am, California American Water) as owner of the water system? And, in comparison, is public ownership feasible? Any **rigorous study**, using consistent standards and knowledge of CPUC behavior and decisions, **would have found CAW ownership less feasible than public ownership** at, say, **any time since the year 2000**. An obvious pattern of costly delays, cost-overruns, failure to meet regulatory deadlines, excessive ratepayer charges, etc., would **not** have been **tolerated** by a management working **under direct local oversight** rather than one tied to the persistent corporate incentives of agency-protected and ever-growing

investment demands by owners – CAW investors – whose locations and preferences are remote from the issues affecting a local water acquisition and delivery system.

*Only if*, for example, the **highest water rates in the nation** were considered **appropriate** here, in this unlikely small coastal water district, **could private CAW ownership be deemed feasible**. It **has the highest rates**, and they certainly are **not appropriate**. CAW ownership **has not in fact been feasible**, and local ratepayers have had to pay the **excess costs of this infeasibility**. That is why 55% of district voters said, "We **no longer are willing to support** the **pretense** that CAW ownership of our water system is feasible."

In recent judicial decisions on private/public water system ownership, **public ownership** has been deemed **decisively "more necessary**" (the precise term used in the decisions) **than private**, in both the district and the state supreme courts (Montana). For the Monterey Peninsula public ownership, by those reasonable standards, similarly would be deemed the "more necessary" or more feasible option.

A principal standard for "feasibility" must be the comparative acceptability of the existing or available alternative.

2. <u>For desalination plants, public ownership is the California Standard</u> Second, the unusual circumstance in this case that a major and expensive water **project** is **in process** at the time when the ownership decision was brought forward by the public's vote, **adds complexity to the assessment of options**. However, several **critical factors weigh heavily in favor of public ownership** of any and all of the pending desal system proposals. One of these

is that **state law requires public ownership**, but CAW was unwisely awarded a **waiver** allowing private ownership of its proposed facility (still somewhat undefined). The **reasons for the law** against private ownership are **sound** and the **waiver should be rescinded**. A significant **effect** of the waiver would be to **raise substantially** the **consumer rates** for the desalinated water by perhaps as much as 30% (because of provisions for profit and corporate taxes) **relative to** the price under **public ownership**. This is a high percentage on **extremely expensive water**, and would constitute very large dollar increases. It is **entirely unacceptable** and **argues decisively against private ownership** of the desal facility.

The desal project, whatever form it may take, is **infeasible under reasonable California state rules**, that are applied to the rest of Californians; it is artificially made to **appear feasible** only through **corporate lobbying** for special and **unwarranted treatment** by a **waiver of enforcement** of the law for the CAW desal project.

Experience and evidence show clearly that private CAW operation of the water acquisition and delivery system, and its planning and execution for a desal project on the Monterey Peninsula, is distinctly infeasible, by existing and reasonable standards. The costs of operating that infeasible system have been and are borne by ratepayers who have *not* been properly and effectively protected by the Public Utilities Commission.

Public ownership of all aspects of the water system is distinctly "more necessary" (i.e., more feasible) than private ownership

10 Jan. 2019

The feasibility study is extremely important, a really vital first step.

The message from the ballot vote is that public ownership IS widely viewed as feasible and desirable, or the majority wouldn't have voted for it.

My sense is, it's <u>got</u> to be more feasible than continuing with Cal Am.

Even before the feasibility study is done, all the indicators point to a positive conclusion.

Will Cal Am try to make it not-feasible? You bet they will. I won't say that's the urgency behind their building a desal plant, but adding a huge desal plant to the company's assets certainly increases the cost of buy-out. Especially with the technical and legal uncertainties of Cal Am's version and their guaranteed 10% profit on capital projects.

If we can possibly avoid its being part of the package, we should. With the new resources being developed by the Water District, we can meet our needs and can meet what's required by the Cease & Desist Order.

We don't need a desal plant now.

If it emerges that a small desal plant could be a useful part of our equation, it can built by our publicly owned utility, as the law intended, less expensively, and on an appropriate scale.

Thank you.

Vicki Pearse Pacific Grove

From:Alan EstradaTo:CommentsSubject:Public Water [J]Date:Wednesday, January 16, 2019 8:48:49 AM

Dear Verily Important MPWMD Reader~

Consider locally-owned water here making public sense over time . . . over East Coast private interest, that is. Dollars would stay here, not sent to New Jersey.

Thank you for accepting this general and specific thought.

Alan Estrada Carmel 831-585-8195 Submitted by Anna Thompson at 1/15/2019 Listenjog Session

CALAN

### waynesbiz@live.com

From:

waynesbiz@live.com

Hello my name is Anna Thompson and I live in Carmel.

I think that the feasibility study includes two major components: Getting a realistic appraisal of CalAm's water system and the identification of all the future benefits that community ownership offers vs. what we can expect from CalAm, a for profit corporation. To determine a fair and realistic purchase price, it's critical that the appraisal evaluation be done by a very competent and respected firm who has experience with this type of appraisals.

I personally think we cannot afford to keep CalAm at any price. What benefit has CalAm provided so far or could provide in the future that we wouldn't get with public ownership? So far, no one has ever given us a good reason why we should keep CalAm? You think that after more than 50 years of CalAm's ownership of the system there would be some benefit one could point to. In fact the opposite is true: CalAm has provided no new water supply (still pumping from the river) and the highest average water costs per household in the nation. During my canvassing for YES on measure J, I asked the reason why he or she was against measure J and the prevailing answer was: "Because it's a government takeover". One other reason was: "CalAm is building a desal plant that would give us all the water we need and PWN is against it". I wonder how or where they got that idea. Maybe those large ads on the Pine Cone calling us anti-water thieves or fascists might have had something to do with it. It's true that we oppose the desal plant that CalAm wants to build in Marina, but that's because there are many legal and environmental issues that have not been addressed so far. It is the most costly and risky alternative to pursue. It will be very costly to us and could cause irreparable harm to the Marina's water basin and the environment. If CalAm doesn't care about the harmful impact of their desal plant, we should. It is not just for one group of people to benefit at the expense of another. There are safer and less expensive alternatives available, but we have no say on the matter. Like for example: The Pure Water Monterey expansion proposal. But, CalAm wouldn't even consider this alternative and we don't have any say on the matter. That is why I believe that we cannot afford keeping CalAm

is based on what is most politike for it company not for at our benefit. I The most precision Missing water

Monterey Peninsula Water Management District Listening Session Tuesday, January 15, 2019 Carpenter Hall, Sunset Center, Carmel

My name is Barbara Evans, I rent in Carmel and own a house in Pacific Grove. I've come to 4 of the 5 listening sessions

Most important to me is my belief that all living things need water and water simply should not be a for-profit business. Period.

In trying to determine what is feasible and of public benefit, most of the comments and focus is on the numbers, the money.

Feasible to me, of course means that the numbers have to work out within our means. A couple of comments about the numbers:

I hope your data is verified and double checked.

Remember: the only real numbers are the year end profit and loss, income and expense, balance sheet and tax returns. All else in the study is, at best, informed and knowledgable analyzers, but the result is speculative.

Beware: statistics are manipulated

I believe it is overall more desirable to be locally controlled and overseen, to build community participation, leadership, service and shared community values. We're in this together.

Whatever entity runs the business of providing water, we all need to remember the reality that we are faced with real challenges in having sufficient, unpolluted water resources.

Assuming we take local control, I would not expect to get immediate savings. More than focusing of the cost, I want the entity that practices good stewardship of the land and resources, that is aware of the collateral damage done by operations, cleans up after itself, does good work in providing service and maintaining infrastructure. To always improve and refine services.

Remember we are making choices and decisions for a silent majority who does not come to these rooms, or fathom the complexity of issues, or vote, but who are people who must have water to survive.

Submitted by Brian LeNeve at 1/15/2019 Listening 1988 sion

### MPWMD Listening meeting notes Brian LeNeve

My name is Brian LeNeve, I was born in Carmel and still live in Carmel.

I will not be able to complete our comments in 3 minutes so the woman behind me will read our remaining comments.

1: This process must be open-minded, impartial and objective. I have grave concerns that this process may not be any of the above.

On your board you now have a member who was the lead in bringing Measure J to the ballot. That board member has not recused himself.

It was widely publicized that your General Manager made critical comments to a person opposing Measure J and the General Manager is the one selecting what information sees the light of day.

Either man could be a better person than I am but the perception is that neither is impartial or objective.

While you are making a good start by listening to the public, it is imperative you somehow convince the public this is a fair process, otherwise, if and when you decide to proceed with an attempted takeover, there will always be a cloud over this board and the final decision. A lot of people now believe your mind is already made up.

2: To be feasible the District must be capable of running a water distribution system which you have never done.

Part of the District's job is to obtain enough water to meet the demands of the peninsula. To date you have not done that job. You have developed some new water but not nearly enough.

Why should we believe you can now complete your primary function and still take on something new; something you have no expertise with? To be feasible you not only have to convince the public you can do both jobs but you also must convince the courts.

3: We are here tonight to determine what the word "feasible" means.

If no one knows what feasible means, there is no way the voting public knew what they were voting for. Measure J was simply a vote expressing the frustrations of the peninsula and not a vote on dollars and cents.

Not only did Measure J not define feasibility, it gave the District power to commit the residents and businesses of the peninsula to millions of dollars of debt based on the District's determination of feasible.

For this to be a real open-minded, impartial and objective process you should go back to the voters after it is determined what the costs will be and let the voters decide if they want to proceed based on those costs. I do not want the District making that decision for me.

4: Possibly the most important point is: to be feasible any savings must be immediate and continual. To say that there will be savings in the future is something you can only guess at and not guarantee.

When the bond issues for the bridges over San Francisco Bay were first proposed, people said once they were paid off there would be a considerable decrease in bridge tolls. Bridge tolls never went down. The construction costs are paid for but again this year bridge tolls went up. It seems that politicians always find uses for money that becomes available.

You did the same thing with the Prop. 218 funding. That funding was to replace the fee on the Cal Am water bill when it was declared illegal. A court case determined the fee was legal and now it is back on the Cal Am bill but the Prop. 218 funding remains on our property tax bill. Where are the savings?

To be feasible all costs must be paid for now and no claims of future savings can be guaranteed. To say that future generations will thank us is bogus.

5: To be feasible all costs must be shown on the current water bill.

We the public need to know the true cost of a takeover and how long it will take to pay back the debt. To do what Felton did and put a large increase on property tax bills is deceiving and people are still arguing what the takeover in Felton cost.

To put some or all of the cost on property tax bills is also not taking responsibility for your actions. If I were to own a large apartment building on the peninsula (which I do not) and you put an increase on my property tax bill, I would have to either eat the cost in which case I would be burdened with a proportionally larger part of the cost or I would have to increase rents and I would be blamed for being a greedy landlord and your responsible would be hidden.

Show true leadership and have all costs on the monthly bill.

6: To be feasible you must put an allowance in your determination for how much it will cost if you start and fail.

My understanding is that if this whole issue goes to a court or jury trial and either the court or the jury decides that it is not in the best interest for the District to buyout Cal Am or that the District does not have the expertise to run a distribution system, then not only will the District (and the ratepayers) have to pay the District's attorney fees they will also have to pay Cal Am's attorney fees. Those fees will more than likely run into the millions.

7: To be feasible it must not interfere with the State Water Board's Cease and Desist Order.

Several people on your board and in your management have expressed interest in stopping the desal plant. While the Cease and Desist Order is on Cal AM, it is the residents and businesses of the peninsula who will suffer if the CDO is not complied with or if a milestone is not met. There is no way this whole takeover process will be complete before the date Cal Am is to be down to its legal limit of water and the next milestone is this September.

Nothing can jeopardize compliance with the CDO and since the takeover will happen after it is complied with, you MUST incorporate the cost of the desal plant in your analysis.

Measure J did not require you to take your decision back to the voters, good leadership says you should.

### MEASURE J FEASIBILITY STUDY COMMENTS

### WHAT DOES FEASIBLE MEAN TO YOU?

Feasibility is not measured directly by the current water rates charged by CalAm. Feasibility means that in the long run ratepayers will pay reasonable rates for their water as opposed to the current rates which are amongst the highest in the nation. This will be achieved through economic goals which are defined by the public good rather than how to achieve the greatest return to the shareholders. The profit now removed from the system will allow for its purchase and for the investment needed to produce a SUSTAINABLE water supply. Feasibility does not mean that water rates will be immediately reduced or that they will not rise but that the rates projected by a poorly run company will not be sustained in the future and that a patently unfair tier system will be replaced by reasonable measures to encourage conservation. In addition the costs of loans through a publicly owned system will be substantially lower. Costs associated by failed projects such as the Carmel river dam, the pilot desal plant, or the extremely risky regional desal project will be avoided. Another important factor is freedom from CPUC decisions that invariably fail to regulate a monopoly. Time and again the CPUC has failed to address the needs of the ratepayers; If we own the system, our needs will be heard through the ballot box.

#### WHAT MEASURE OF FEASIBLE IS MOST IMPORTANT TO YOU?

The key to feasibility is a FAIR assessment of the value of the water system. Clearly CalAm will overstate its value as a bargaining tactic. So the economic value must be fairly established unfortunately this will most likely be argued in the judicial system. The value of local ownership, however, goes beyond monetary concerns just as the value of home ownership is not just in the assessed value or mortgage payment. Ownership entails local freedom of action and responsibility. Access to clean potable water is a human right absolutely necessary to life. The best assurance that future generations will have this right is local ownership and control.

### WHAT DO YOU SEE ARE THE BENEFITS OF A PUBLICLY OWNED SYSTEM?

The benefits of a publicly owned system are many for example:

- Lower water cost no profit, no taxes, reduced overhead
- Lower cost of financing through a publicly owned system
- Avoidance of a costly lawsuit and delay by cooperating with the Marina Coast Water District rather than violating their water rights.
- No CPUC fees
- Local control and transparency and accountability
- Benefit to ratepayers not shareholders of an international corporation
- No corporate monopoly over an essential human right WATER
- Possibility for easier regional planning and cooperation
- More local jobs including retention of operational employees
- More sensitivity and concern of local environmental issues to include the Seaside basin and the Carmel River Watershed
- More of the water revenues stay in the local economy
- ETC

On a more philosophical note the Principle of Subsidiarity holds that social and political problems should be dealt with at the most immediate level capable of a solution. This principle is clearly consistent with the democratic foundations of our republic. It's our problem. We have the responsibility to solve it in an equitable and environmentally sustainable manner. If we do not exercise our rights we are in danger of losing them. Local control is exercising our right to clean, potable, sustainable water for future generations as well as ourselves.

Thank you for soliciting and considering my views on the implementation of Measure J. Sincerely,

Robert McGinley 1505 Ord Grove Avenue Seaside, CA



JAN 14 2019

Coalition of Peninsula Businesses

A coalition to resolve the Peninsula water challenge to comply with the CDO at a reasonable cost

Members Include: Monterey County Hospitality Association, Monterey Commercial Property Owners' Association, Monterey Peninsula Chamber of Commerce, Carmel Chamber of Commerce, Pacific Grove Chamber of Commerce, Monterey County Association of Realtors, Associated General Contractors-Monterey Division, Community Hospital of the Monterey Península

January 14, 2019

Molly Evans, Chair, and Members Board of Directors, Monterey Peninsula Water Management District Dave Stoldt, MPWMD General Manager P. O. Box 85 Monterey, CA 93942

Dear Chair Evans, Board Members and General Manager Stoldt:

The following letter is being submitted by the Coalition in response to the 'public ownership feasibility listening sessions' scheduled between January 7 – 15, 2019.

As you are well aware, an adequate water supply is critical to the business community and essential for the long-term viability of our entire community.

We are extremely concerned that the concept of "feasible" be clearly defined and that it covers both the business community and the residents of the water district. We want to ensure our community is not ultimately put in a position of bearing the burden of covering of extreme costs including legal fees or miscellaneous fees, which may be unintentional consequences in weighing the issue of whether or not our community will be better served with our water and its systems under public ownership.

Attached are a list of questions we want to have taken into consideration and answered as part of the due diligence needed in order to finalize the feasibility assumptions. Our request is based purely on trying to ensure that every rate payer of the Cal Am district is protected as the MPWMD navigates through this very complex problem of determining the feasibility of public ownership.

Sincerely,

Bob McKenzie, Consultant

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p.2

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- 1. What are the key feasibility definitions and assumptions; will you articulate the boundaries and definitions of feasibility before you initiate the study or perform data collection?
- 2. Will the entire feasibility study RFP be made available to the public?
- 3. Will you ask the feasibility consultant(s) to identify an upper valuation that would make purchase infeasible?
- 4. Will the entire feasibility analysis be made public before any Board vote on a finding of feasibility?
- 5. What is the source of the \$400,000 to \$700,000 estimated cost of a feasibility study? If reserves, what was the source of the reserve fund property tax? or water bill surcharges?
- 6. Will the entire acquisition plan be made public?
- 7. What 'public necessities' will be claimed to justify a taking?
- 8. Would any employees of MPWMD hired to actually operate the system be required to be part of the CalPERS retirement system? What is the District's current unfunded CALPERS liability? What is the plan/source of funds to cover that unfunded liability?
- 9. Will district staff recommend a public vote after the feasibility study and an acquisition plan are completed? Or if not at that point, at the point of issuing bonds or certificates of participation?
- 10. How will you fund the legal fees required to prove public necessity? What is your estimate of those fees?
- 11. If you lose the bench trial on public necessity, what will be the source of funds to pay Cal Am's legal fees?
- 12. If a decision is made to go forward and a judge finds a public necessity and a jury determines the transaction value of the assets, will you redo a feasibility study with the actual numbers before proceeding and will you call for a full public vote before proceeding?
- 13. Will there be a citizen's advisory panel and/or a technical advisory committee to assist the Board before, during and after the feasibility study?
- 14. Will the District commit to FULL transparency of all documents prepared using public funds?
- 15. If MPWMD decides to proceed on the assumption, as has been stated several times, that the feasibility study does not have to include the desal plant, how will its cost to Cal Am be handled?

From:Carter FilionTo:CommentsSubject:Input on Measure J Feasibility StudyDate:Monday, January 14, 2019 10:55:39 AM

We have been residents of Pebble Beach for 27 years.

### - We want the Cal Am desalination plant to be built.

### - We do not want any costs for a Cal Am buyout to be added to our property taxes.

- We do not consider a public buyout of Cal Am "feasible" unless there would be bill savings within a year.

Thank you,

Graham and Carter Filion 1010 Wranglers Trail Pebble Beach, CA 93953

From:Greg ThompsonTo:CommentsSubject:Comments on Cal Am takeover feasibilityDate:Wednesday, January 16, 2019 10:29:27 AM

I live in Carmel Valley with my wife. We are very conservative with water, we harvest rain water, and we route gray water to the landscaping. Our monthly Cal Am bill is usually less than \$50, and we are very satisfied with the water quality and taste. We have neighbors with palm trees and extensive landscaping that no one sees - their monthly water bills are over \$700 and they complain about it.

"Feasible" to me is that my water bill and water quality will remain <u>unchanged</u>. "Feasible" is **NOT cost sharing**, such that my bill increases so that others may save while continuing to abuse their water rights. It would NOT be feasible if I have to pay for others' overuse. If you overuse, you should overpay, no matter who is supplying your water.

People of the Monterey Peninsula need to stop blaming Cal Am for their water bills and start conserving and embracing the new reality, which is an ongoing shortage of clean water. MPWMD will not magically produce new sources of water that have not already been considered.

How about a community effort to conserve and recycle, rather than misguided rabble rousing.

Resident of Carmel Valley

| From:    | Molly Evans                                     |
|----------|---|
| То:      | Dave Stoldt; gqhwd1000@gmail.com; Arlene Tavani |
| Subject: | Fwd: Financial Feasibility Factors              |
| Date:    | Monday, January 14, 2019 11:09:04 AM            |

Dave,

This comment was sent to Gary and me. Please include this in the next submission of public comments that you send to the Board. Thank you.

- Molly Molly Evans MPWMD Chair

Begin forwarded message:

From: HELGA FELLAY <<u>puma2012@comcast.net</u>> Date: January 14, 2019 at 10:31:55 AM PST To: gqhwd1000@gmail.com Cc: water@mollyevans.org Subject: Financial Feasibility Factors Reply-To: HELGA FELLAY <<u>puma2012@comcast.net</u>>

Dear Mr. Hoffman:

As I am not certain that I will be able to attend tomorrow evening's meeting at Carpenter Hall, I wanted to make a few comments. Immediately below, (in italics) is a list that Public Water Now (PWN) has sent to its members as talking points (emphasis added). Below that list (not in italics) I questioned a few of their points.

### **Financial Feasibility Factors**

• Lower Water Cost – No profit, no taxes, reduced overhead

Publicly owned water in California costs an average of \$385 a year for 60,000 gallons.

### Our cost is \$1202 a year.

- Lower cost over time compared to Cal Am
- Lower cost public financing of new projects with lower interest rate
- Lower cost refinancing of Cal Am's debt at lower interest rate
- Stop costly environmental damage
- Eliminate CPUC fees
- More cost effective solutions without profit motive
- Avoid financial risks like building a desal plant with no water rights or harming Marina's water supply
- Avoid cost of failed projects:

### Carmel River Dam, \$3.5 million

Pilot desal at Moss Landing, \$12 million Failed regional desal project, \$20 million

### Why is a Buyout in the Public Interest?

- Lower cost and a sustainable water supply
- Local control & transparency Public has no say with private ownership
- Local Leadership, accountability and integrity All decisions are made locally
- Eliminates corporate monopoly control of a fundamental human resource
- Eliminates corporate profit incentive on future projects
- Focuses on benefit to ratepayers, not shareholders
- Eliminates the California Public Utilities Commission (CPUC)
- Eliminates Regulatory Capture
- Local public process and input on rate setting
- New water supply projects can be regional with shared costs
- New water projects and repairs don't have a profit markup
- Incentive to protect our natural resources in the interest of our community
- Responsible environmental management of the Carmel River and the Seaside Basin
- Retains operational employees who run the system now
- Creates new local jobs by relocating outsourced services
- *Water revenue stays in local economy*

# My own questions and responses to a few of the claims made by PWN (highlighted above)

**No Taxes** Taxes we pay support public services, which will still have to be collected from the public. Those millions collected by Cal Am as sales taxes will have to be collected some other way, in other words, we will still be paying them, only not on our water bill, probably added to the taxes we are already paying on our property taxes, added onto the taxes now billed under MPWMD. If not that, another sales tax or local income tax will be imposed. So I consider that a moot point.

**<u>Reduced Overhead.</u>** How and why. While the individual heading the organization will probably be paid less than CalAm's CEO, that's only one position. The thousands of workers currently employed by CalAm - what about them? Are we planning to reduce their wages? The countless CalAm trucks will cost just as much to run and maintain as they do under CalAm. There seem to be no concrete data to support the claim of reduction in overhead.

**Our cost is \$1,202 a year**. I presume this is an average. Which means that the water wasters, who claim to be paying hundreds a month or more, are offset by a majority of folks like myself who are making serious efforts at water conservation. My bill is consistently under \$40 a month, less than half of my

electric bill.

I have been with PWN since at least 4 years ago, and the biggest complaint I have heard over time is the **steep tier system**. While nobody talks about this publicly, I fear that the first thing PWN wants to accomplish is do away with the tier system altogether. The tier system seems to have been challenged in court in another jurisdiction in California and they won. It is silently planned to challenge Cal Am's tier system in Monterey County's court, using this as a precedent. If PWN wins this case as well, it would have two consequences: First, the majority of financially challenged consumers like myself would see a steep increase in our own water bills, while the minority, the water wasters,would see a steep reduction in theirs. And secondly, it would encourage the water wasters to waste more water, which in turn would be detrimental for the Carmel River.

### Avoid cost of failed projects: Carmel River Dam, \$3.5 million

Members of PWN have consistently accused CalAm of removing the San Clemente dam in order to make more profits. However, it was the Army Corps of Engineers which examined the condition of this dam (which was completely filled with silt and no longer served its purpose) and found that the dam was structurally unsound and posed a danger to the public. It found that an earthquake of four point something on the Richter Scale could break the dam, releasing a wall of silty water threatening the lives and properties of residents living near the river only 3 to 4 miles downstream. I don't know if they ordered CalAm to remove the dam, or merely advised to do so, but it was a sound decision, especially considering that small earthquakes like this are quite common in this area.

A sustainable water supply While Pure Water and water recycling may have provided some relief for the present, it does not for the future. The need for housing, especially affordable housing, will persist and become more urgent with time. There is also the challenge of developing the former Ft. Ord, which requires a drought independent solution, especially considering rapid climate change that cannot depend on annual rainfall. While PWN calls the water recycling system a "sustainable water supply," it is not as it still depends on annual rain fall, which is not guaranteed. PWN is dead set against the building of any kind of desal plant because it would drive up costs and thus not help the feasibility study results in their favor. This may be unrealistic.

Sincerely,

Helga and James Fellay

15 Paso Hondo

Carmel Valley, CA 93924

(831) 659-5116

| From:    | John Sherry                          |
|----------|--------------------------------------|
| To:      | <u>Comments</u>                      |
| Subject: | Monterey needs a cistern             |
| Date:    | Tuesday, January 15, 2019 2:17:53 PM |

Hi All,

I had this out of the box idea and wanted to present it for your consideration.

Monterey should consider engaging Elon Musk's Boring Company to create a cistern or possibly a network of cisterns, or man-made aquifers, of several hundred acre feet to collect rainwater runoff. This could completely fix our water shortage on the Monterey Peninsula and serve as a model for coastal cities throughout California. The hundreds of thousands of gallons of water that escape to the ocean could instead be captured and used. A one time, albeit substantial, expense to create an underground water supply would be far superior to the construction of a desalinization plant that would require vast amounts of costly energy to operate.

I'm interested to hear your thoughts.

Best, John It's never too late to be what you might have been

John Sherry http://johnsherry.com (831) 905-1708

| From:    | Jacquelyn Woodward                   |
|----------|--------------------------------------|
| To:      | Comments                             |
| Subject: | comments on measure j                |
| Date:    | Monday, January 14, 2019 12:04:07 PM |

My name is Jacquelyn Woodward. PO Box 3911 Carmel CA 93921 624-3982 I have lived in Carmel since 1957.

As a full-time, year-round resident for 62 years, I've seen my water bills climb to become a higher percentage of my overall expenses. However, the amount of my water bill is not how I judge the feasibility of publicly owned water. *Even if* the feasibility study determined that public ownership would end up costlier than CalAm ownership, I'm willing to pay an even higher amount for water if it means having our water supply under local control.

The most important measure of feasibility to me—and the greatest benefit of publicly owned water—is *protecting this resource that is vital to all people*, and not allow water to be treated largely as a means of producing corporate profits.

Water ownership is a serious global issue. We still have a voice here in Carmel, and the opportunity for our local citizens and government officials to help protect our water for future generations.

L. Letendre

### For the MPWMD Feasibility Study to Purchase Cal-Am Water Company

From Dictionary.com: Feasible is defined as:

- 1. capable of being done, effected, or accomplished: a feasible plan.
- 2. probable; likely: a feasible theory.
- 3. suitable: a road feasible for travel.

### From Accounting .com:

*Definition: Feasibility study* is the initial design stage of any project, which brings together the elements of knowledge that indicate if a project is possible or not.

From Investopedia.com:

https://www.investopedia.com > Investing > Financial Analysis

May 25, 2018 - A *feasibility study* is an *analysis* used in measuring the ability and likelihood to complete a project successfully including all relevant factors.

From businessdictionary.com: www.businessdictionary.com/definition/feasibility-study.html

An *analysis* and evaluation of a proposed project to determine if it (1) is technically *feasible*, (2) is *feasible* within the estimated cost, and (3) will be profitable.

### From Wikipedia:

A feasibility study aims to <u>objectively</u> and <u>rationally</u> uncover the strengths and <u>weaknesses</u> of an existing business or proposed venture, opportunities and threats present in the <u>natural</u> <u>environment</u>, the <u>resources</u> required to carry through, and ultimately the prospects for <u>success</u>.<sup>[1][2]</sup> In its simplest terms, the two criteria to judge feasibility are <u>cost</u> required and <u>value</u> to be attained.<sup>[3]</sup>

### From LinkedIn:

A Feasibility Study is a formal project document that shows results of the analysis, research and evaluation of a proposed project and determines if this project is technically feasible, cost-effective and profitable. The primary goal of feasibility study is to assess and prove the economic and technical viability of the business idea. A project feasibility study allows exploring and analysing business opportunities and making a strategic decision on the necessity to initiate the project. For each project passing through the Initiation Phase, a **feasibility study** should be developed in order for investors to ensure that their project is technically feasible, cost-effective and profitable. A thorough feasibility study can give you the right answer before you spend money, time and resources on an idea that is not viable. It must therefore be conducted with an objective, unbiased approach to provide information upon which decisions can be based.



### What Makes a Buyout of Cal Am Feasible and in the Public Interest?

We have the most expensive water in the country. Our costs on the Peninsula are more than three times the average of publicly owned water in California.

Public Water Now would like to see a reduction of water costs. While we think savings of any amount over time makes a public buyout of Cal Am feasible, our research from CPUC financial filings tells us that Cal Am's annual profit and corporate taxes of approximately \$19 million should cover the purchase price, and also lower the cost to customers.

Publicly owned water systems are more affordable because there are no profits, no taxes, and overhead is reduced. These factors plus the ability to finance new water supply projects and debt at significantly reduced interest rates all contribute to the financial feasibility of a buyout. In addition, more cost effective solutions are possible without the profit motive.

The feasibility analysis should look at savings or cost increases over time compared to the cost of staying with Cal Am. Staying with Cal Am ownership is NOT feasible.

Cal Am has taken financial risks resulting in \$34 million of unnecessary costs from failed projects. And now they face legal challenges on their proposed desal project over water rights. We expect a more financially responsible approach from a public agency that avoids costly environmental damage.

A buyout of Cal Am is in the public interest for many reasons.

Local control of a community's water system and resources is fundamental. Local control and lower costs are the main reasons that 87% of the water in the U.S. is provided by publicly owned agencies.

With local control, decisions are made here, not in San Francisco or New Jersey. We would also be free of CPUC oversight. Rates and projects would be approved locally. The CPUC is supposed to "protect the public interest", but in practice they consistently protect Cal Am's interests and profits.

When profit is NOT the driving motivation, both the community and the ratepayer benefit. The lack of profit motive allows problem solving that is more cost effective, and makes regional solutions possible. It drives policy and projects that are truly in the public interest.

Public Water Now understands that we need a new water supply to replace water being illegally drawn by Cal Am. We expect MPWMD to pursue options that are less expensive than Cal Am's proposed profit-driven solutions, and to make sure that they are both legally sound and environmentally responsible.

Melodie Chrislock Managing Director Public Water Now



# ISSUES FOR FEASIBILITY STUDY ON TRANSFER OF WATER SYSTEM OWNERSHIP

As preparation for the voter-mandated (56% to 44%) feasibility study to examine transfer of the Monterey Peninsula's Cal Am water facility to public ownership, Public Water Now has compiled the following inventory of issues that have generated the need and demand for the transfer.

**FRAMEWORK** for this inventory of issues: CEQA perspective on feasibility analysis, except that here existing conditions must be mitigated; the *intent of the action to be taken* (transfer of ownership) and to be analyzed, is to accomplish the mitigation itself – that is, to *eliminate, rectify, avoid or minimize the adverse existing conditions* or circumstances, i.e., to remove avoidable defects.

**CEQA meaning of "FEASIBLE":** "capable of being accomplished in a successful manner within a reasonable period of time, taking into account economic, environmental, legal, social, and technological factors."

**ACTION** whose feasibility is to be examined: Transfer of ownership of the privately held California American (Cal Am) water system to public ownership.

**GOAL OF PROJECT:** PUBLIC OWNERSHIP OF MEANS OF ACQUIRING AND DISTRIBUTING WATER TO THE MONTEREY PENINSULA COMMUNITY

**SPECIAL CIRCUMSTANCES**: CDO & Carmel River restrictions; "NEW" water (see final item below).

### **SPECIFIC OBJECTIVES:**

- ALIGN MANAGEMENTT INCENTIVES WITH PUBLIC (RATEPAYER)
   INTERESTS
- IMPROVE EQUITY AND FAIRNESS IN RATES AND POLICIES
- REDUCE LONG-TERM COSTS TO COMMUJNITY OF PRIVATE OWNERSHIP
- RETAIN IN LOCAL ECONOMY REVENUES FROM WATER ACQUISITION
   AND DELIVERY SERVICE
- REPLACE PROFIT AND CORP TAX COSTS WITH LONG-TERM INTEREST PAYMENTS UNTIL BONDS MATURE; THEREAFTER, ELIMINATE THOSE COSTS (*PRINCIPAL FINANCIAL TEST OF FEASIBILITY*)
- MAINTAIN OR REDUCE BILLING RATES THROUGHOUT AS OPRACTICABLE
- ELIMINATE CONFLICT OF INTEREST BETWEEN INVESTORS AND RATEPAYERS, AND ELIMINATE REGULATORY BUREAUCRACY (CPUC) REQUIRED TO MONITOR THAT INHERENT CONFLICT
- ELIMINSTE OR MITIGATE DEFECTS IN MANAGEMENT AND FINANCING
- ELIMINATE INSTABILITIES CREATED BY POTENTIAL TRANSFERS OF PRIVATE OWNERSHIP

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- PLACE VITAL RESOURE AND DELIVERY UTILITY (WATER DELIVERY) UNDER CONTROL AND MANAGEMENT OF COMMUNITY BEING SERVED
- PLACE PUBLIC TRUST (WATER RESOURCES) UNDER LOCAL PUBLIC CONTROL AND MANAGEMENT
- **MITIGATE ADVERSE IMPACTS OF PRIVATE OWNERSHIP AND CONTROL** EXHIBITED BY EXISTING AND PAST PRIVATE OWNERS

### PRINCIPAL ISSUES UNDER ANALYSIS:

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- **CAPACITY OF PUBLIC TO MANAGE** WATER ACQUISITION AND DISTRIBUTION SYSTEM:
- FAIR ASSESSMENT OF EXISTING PRIVATE SYSTEM'S VALUE
- ADEQUACY OF PROSPECTIVE REVENUE TO SUPPORT NONPROFIT PUBLIC BUYOUT

**ADVERSE IMPACTS OF EXISTING CONDITIONS, AND OF EXISTING PATTERNS AND PRACTICES;** (THE FIRST TWO CATEGORIES COVER GENERAL PUBLIC INTEREST, AND THE THIRD FOCUSES ON FINANCIAL MATTERS):

### **EXISTING MANAGEMENT DEFECTS: STRUCTURAL:**

- 1. Misalignment of objectives and incentives, between private profit and public need
- 2. Profit maximization prioritized over services to ratepayers; profit motive distorts incentives for future investment in system
- 3. Inadequate prioritization of public benefits, including public health, safety and welfare for ratepayers/users of water system
- 4. Access to water rate decision-making process is unnecessarily remote and complex, making equity in rates difficult to monitor and affect by the public.
- 5. Remote location of complaint/question desk (Illinois often could as well be India or Indonesia) is inefficient/ineffective and sometimes frustrating since the locus of all customer and service issues is local.
- 6. Current offsite services (call center, billing, lab services) can be repatriated and become local sources of jobs.
- 7. Information about the status and conduct of the system is not consistently delivered to all relevant local parties. Studies of the system, whether conducted for or by owners, consultants, jurisdictional agencies or otherwise are fundamentally local; initiation, progress reports and final reports are local matters.
- 8. Retention of "proprietary information" prevents public understanding, assessment of, and suitable action concerning, system status and operations.
- 9. What should be local public process, including hearings and deliberations, frequently is replaced by CPUC procedures that are unnecessarily complex and remote (e.g., San Francisco) customers and ratepayers
  - a. Concern critical issues such as rate-setting, decisions on facilities
  - b. May be inaccessible in practice, e.g. closed-door sessions in San Francisco
  - c. Ordinary local public participation is discouraged by formality of CPUC hearings and too-frequent need for legal advice, including that for navigating CPUC rules
- 10. Decision makers live far from the area served and the locus of relevant facilities, and cannot be adequately familiar with specifically local conditions or sensitive to pertinent local issues

- 11. Normal democratic mechanisms for local selection and change of decision-makers is not available for matters controlled by CPUC; CPUC is immune to local elections, local judgments of competence of appointees
- 12. Cal Am itself is not directly accessible through democratic process, and is even less responsive to community issues than CPUC
- 13. CPUC has no stake in local impacts.
  - a. Has no local representation

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- b. Gets all its input from Cal Am, unless local agencies incur costs and are proactive
- c. Local public agencies contribute unknown extra expenses not tallied in water costs; can water agency time/costs that engage CPUC/CalAm procedures be avoided/saved? Is there an estimate?
- 14. Being subject to CPUC traps ratepayers into byzantine (complex) sub-agencies, decision processes
  - a. Ratepayers advocates analysis (generally helpful to utility and necessary)
  - b. Administrative judge system
  - c. Commission decisions
- 15. CPUC process obscures and renders unpredictable the outcomes to be expected of submitted issues
- 16. PUC requires considerations in silos prevents review of cumulative impacts on costs, environment, partnerships, narrowly defined problem solving.
  - a. Cannot comment outside narrowly defined issues decided ahead of time.
  - b. Based on applicant determined scope, not expandable for related interests
  - c. SCDam example
    - i. Proceeding ALJ (manager) decided on limited cost and profit
    - ii. Appeal by applicant reversed ALJ, and awarded maximum return and profit
- 17. Inadequacy of CPUC/Cal Am management scheme caused need for and creation of MPWMD, expanding bureaucratic complexity, resolving some specific problems but not dealing with fundamental issues arising from private ownership of a public water utility
- 18. Private ownership generates continuing tax, regulatory, accounting and related costs that public ownership does not

### **EXISTING MANAGEMENT DEFECTS: PRACTICES:**

- 1. Inadequate planning to assure continuous, reliable, long-term sustainable water supply
- 2. Inadequate capital investment and expenditure on infrastructure
- 3. Grossly excessive ratepayer-financed opposition to public expression of ownership; Cal-Am failed to consult ratepayers concerning political expenditures
- 4. Excessive deferred maintenance
  - a. means crumbling infrastructure
  - b. means more expensive needs in the future
  - c. means not extending the life of existing infrastructure
  - d. sometimes especially egregious, as with dam removal
- 5. Inadequate response to government orders, such as
  - a. Overutilization of Carmel River basin resources (23-year delay and counting)
  - b. Cease and Desist Order
- 6. Inadequate coordination/integration with other public/government services
  - a. Street maintenance
  - b. Fire protection
  - c. Land use planning and development

d. Environmental concerns

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- 7. History of environmental damage:
  - a. over pumped Carmel River, which caused riparian and river damage, threatened Steelhead, caused SWRCB CDO
  - b. over pumped Seaside Basin, caused adjudication, caused creation of oversight Water master agency at new public cost
- 8. Use of rate structure to favor particular groups/industries, thereby cultivating distorted support and endorsement for water company actions and positions.
- 9. Excessive promotional advertising
  - a. System is monopoly, so new sales are irrelevant
  - b. Increased sales are irrelevant since scarcity and external factors (e.g., drought) demand conservation
  - c. Significant Cal Am record of conveying false and misleading assertions in public meetings and printed material
  - d. Political advertising has been largely false and misleading; was unwarranted and unsuccessful;
  - e. Ratepayers pay for PR propaganda against their own interests
  - f. More annoying to ratepayers than useful when not strictly informational and correct
- 10. Promoting conservation, then quietly getting approval to collect for undelivered water. No belt tightening, no change in costs, only continued buildup of WRAM.
- 11. Lack of transparency:
  - a. books, maintenance records,
  - b. More opportunity to see cost/contract/planning docs
- 12. Invasion of neighboring water jurisdiction to extract water for its own use
- 13. Proceeding WITHOUT WATER RIGHTS front loaded risks and costs, later risks and costs
- 14. Corporate interests buy influence with donations, charitable contributions and memberships using revenues from ratepayers
- 15. Rate increases have been erratic and not subject to local review: CPUC/CalAm history confirms
- 16. Cal Am shielded consultant Dennis Williams from conflict of interests, until exposed; a result unlikely scrutiny of a local public agency with oversight and transparency rules.
- 17. CalAm's desal returned-water plan requires an unusual/unnecessary subsidy, cost, and headache to ratepayers
- Failed Regional Desal Project resulted in no penalties or personnel changes, no public embarrassment, nor changes/demotions/transfers/reprimands for key managers or decision makers
- 19. Exporting of jobs from service area for corporate scaling and convenience
- 20. Financial risks invading neighbor MCWD
- 21. Failed projects charged to ratepayers:
  - a. New Carmel River Dam 1997-2004
    - b. Pilot desal at Moss Landing 2004-2007
    - c. REPOG Regional Desal 2007-2010

### SPECIFIC EXISTING FINANCIAL, ECONOMIC DEFECTS:

- 1. Highest cost water in USA, per FWW national study
- 2. Stranded cost history Three tries, 3 stranded costs, all on ratepayers, none on shareholders

- a. New Carmel River Dam 1997-2004, \$3.5 million
- b. Pilot desal at Moss Landing 2004-2007, \$12 million
- c. REPOG Regional Desal 2007-2010, \$20 million
- 3. Cost of environmental damage from past overdraft practices
  - a. NOAA penalty agmt, \$2+?? million per year, Carmel River mitigations by MPWMD
    - b. Water Master for SGWB, \$1 million per year
- 4. Arsenic dumping fined \$300,000?
- 5. Cal Am costs that can be saved:
  - a. CPUC fees

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- b. attorney costs imposed by CPUC procedures
- c. public relations
- d. Intervenor reimbursements
- e. Franchise fees?
- f. donations and memberships
- g. litigation of CPUC actions,
- 6. Millions are exported for overhead, corporate services, lab, call center, billing. (Fluff & services) that could and should be spent locally.

### **SPECIAL CIRCUMSTANCES:**

Additional issues for this water system result from special local circumstances, in particular,

- 1. SWRCB order 95-10 and subsequent Cease and Desist order to *curtail withdrawals* of water from the Carmel River, and
- 2. The *methods proposed to comply with those orders*, including proposed and partially approved desalinization efforts.

The general framework and elements used above can be applied to these circumstances to generate an inventory of critically important further issues. Since many specific relevant considerations are substantially more technical than we are equipped to assess thoroughly, we leave to the MPWMD and its consultant(s) the details of developing a suitable further inventory of issues for these concerns.

For example, mechanism and standards for responding fully and in a timely way to regulatory mandates, and for developing reasonable and publicly available criteria for the acquisition and introduction of new water sources are needed but not present. The Byzantine character and remoteness of the CPUC render it unsuitable to meet these needs, as recent experience demonstrates.

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#### WATER, THE FIX WE ARE IN

Submitted by Mark Eckles at 1/15/2019 Listening **209**5ion

Submitted by Wark Dekies at 1/15/2019 Listening 200

A year after hurricane Maria devastated Puerto Rico, water and electricity service has been restored to nearly all areas. In order to address the costs, a move is afoot to make private Puerto Rico's educational and public utilities. To an extent, with regard to water, we are there our public resource in control of CalAm and come hell or no water it makes a ten percent profit. Doubtless, none or few of the shareholders observe a blighted neighborhood; many residents must choose to put food on the table above using water on landscaping.

Full page ads, numerous flyers (PG&E, CaIAM) with one purpose -to assure the public what good friends they are. With funds assigned to maintain a gas pipeline diverted to shareholders, a totally neglected dam (e.g. nonfunctioning fish ladder) a liability made public.

A person paraded before the public media to express what an onerous deal the residents of Felton entered to make it's water public. No one from the public media at the time investigated the story. (As a former Brookside Dr. resident of Felton, I questioned residents on the street, grocery store, hardware store, house of worship, fire station in Steve Allen fashion. All shook their heads incredulous of her motive despite their unanimous content brought about by the accomplishment and terms of control of public water.)

What explains a particular group of commercial, influential customers of CalAm to obtain water at a lower rate than the general public's? With premeditation, CalAm divided public opinion in order to reduce or prevent agreement and engender fealty of the particular business group's support through monetary reward. Overdue is the favored party to realize the entire community will benefit from public water, lest the insidious effect upon neighborhoods of the nation's highest water cost, will dissuade visitors come to an area that assumes the characteristics from where they are trying to get away.

The proposed desalination plant lay at a site about a mile from the Salinas River, at the terminus of a vast aquifer with more water flowing through it than in the river to the Monterey Bay. Just a rudimentary knowledge of physics will reveal the fraudulent claim by CalAm that brackish water pumped will not differ much than the spotty operation of the shoreline test well. Eight proposed wells will pump significantly more, possibly several times fresher water (supply for the Marina Water District) than seven percent. Further, maintenance expense will be extreme.

A scientist in the study of the effects of climate change on glaciation describes the rate of melt of the Greenland glacier as "astonishing." A rising sea will arrive sconer and will be higher than only recently anticipated. To build anything on the Cemex site will likely upon an extreme weather event be destroyed. This site lies in the area of the most severe erosion on the entire California coastline. A new "Stillwell Hall."

For all life on earth the most pressing problem is for the human population to learn to arrive at the sorts of spiritual understanding necessary to cooperate and build mechanisms to stop environmental degradation, fossil fuel consumption. In the anguish our materialism will cause, slim chance our direction will change. The era of the Ohlone, Chumash will not return and as well the natural state of the Carmel River. Do not tie our water supply to the energy practices the route of our decline. A small population of steelhead (sorry Jonas) will be better served by increasing the storage on the Carmel River and likewise water quality on the Salinas River will be improved with a link between Nasciemento and San Antonio reservoirs. Please, if you have not, read Tom Stienstra's article on the Los Vaqueros reservoir (only local body of water at capacity in the last dry spell) in the SF Chronicle archives. Please, for the long term total benefit of this community, do not reward the deceit of CalAm, the fraud and folly of the proposed desal project. Don't make the expedient decision; look at a bigger picture for the sake of future generations.

Very truly yours,

Mark Magruder Eckles Pacific Grove, Ca



# Water Wars,

### Desalinization threatens to keep us on escapist path

### By Tim Holt

Having virtually exhausted its supplies of fresh water, California is preparing to dip its straw into dozen proposed desalinization plants have surfaced in the last two years and are under review by local water boards and the California Coastal Commission.

One would tap into the waters of San Francisco Bay. Ten more would be sited in the environmentally sensitive Monterey Bay National Marine Sanctuary. Altogether, the proposed plants would provide water for approximately 170,000 households.

That's probably just the beginning, as technological advances make desalinization increasingly cost-effective and as the cost of importing fresh water to cities increases.

The proposed plants would be located primarily along the southern portion of the California coast, from those clustered at Monterey Bay – where inland cities are chronically strapped for fresh water supplies – to one at Huntington Beach, which, if built, would be the largest in the United States and help nurture Orange County's sprawl.

help nurture Orange County's sprawl. The timing here is unfortunate: The seductive promise of limitless supplies of water from an untapped resource comes just at a time when **> DESALT**: Page E6

### California's 'liquid gold' shouldn't be entrusted to private conglomerates

#### By Joseph W. Cotcheti

ou are driving down the California coast to Monterey, looking out over the blue Pacific, and your view is interrupted by tugboats pulling what appear to be huge plastic bags the size of football fields going south. The bags are filled with water from Northern California rivers that has been sold to thirsty Southern California and Arizona residents.

California and Arizona residents. Does this sound far -fetched? No, and if it weren't for the objections of two different North Coast communities, plans for exactly such a scheme – known as "water bagging" – would be in place and the tuge would be passing the Golden Gate on a regular basis, raising the question of who owns the river water.

Proposals for water bagging populate on-

ly one of many fronts in a war that threatens to explode in the next decade. The war is over who owns the water, and it will determine who owns what is arguably California's and the Earth's most important resource.

Fortune Magazine calls water the oil of the 21st century: "the precious commodity that determines the wealth of nations." The Central Intelligence Agency says that by 2015, access to drinking water could be a major source of international conflict around the world. All signs point to a growing water crisis



ligh price of water wars

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trol of local water is dangerous. A Eurela Times Shaudard editorial noted that the Timity River has been, and will be, tapped by the rest of California for homes and cities for years to come. When the tiver's fishery declined, a plan to tiver's fishery declined, a plan to restore and a lawsuit resulted spawning problems for all North To Californians, who owns the water is nothing new, but sak the people of the Owens Valley, or the once-pleniful Los Angeles orange growers. Or rent the classic film "Chinatown, which depacts the thicamery of Los Angeles rois leaders nearly a century ago to di-Water wars have always been waged behind the series, played out in boundrooms, legislatures and council meetings. Chizens typically become aware of the struggles when the water bills comes too dire to ignore. We need to understand who owns the water, who is profiting from it, and whether that ownership is good for the people who re-ly on the water supply every day. If you liked the energy crists of a few years ago, you will love the ceding local convert water to LA and create a megshoot through the roof, when the water service taken for granted is contaminated or interrupted, or when environmental damage be-Commission. He is the author of "The Coast Time Forgot," a piece on the history of the San coming water crisis in California. Mateo County trial lawyer. He has served as chairman of the oseph W. Cotchett is a San Mateo County coastline. California State Parks complications, Coast rivers. alopolis. ed water delivery system serving about 1560 connections went for a whopping \$111 million. Similar grumblings about private owner-ship are being heard in other Northern California conneum ture profits – the sum the compa-ny estimated it would have made had it kept the contract for a few years. It's somewhat as if Enron had sued the state of California. In our own backyard, the lush coastal rivers of Northern Califorcorporation - but through a court-supervised settlement, the town where deadly riots forced the government to cancel a 40-year contract with a subsidiary of San enormonsly, to levels that repre-sented a significant percentage of people's monthly wages. The losnarenoiders and German parent to purchase the system, although at a very steep price. The dilapidatties, including Monterey. Internationally, the milying cry for such citizen revolts is "Cocha-bamba," the name of the Bolivian Montara Sanitary District was able Francisco giant Bechtel Corp. Soon after signing the contract, the water company jacked up rates ernments cede control to private corporations, are often the result of pressure from international financial institutions. International loans to cash-strapped countries Privatize state assets or no loan. With the rat-fiftcation of regional and global trade pacts, asset seizures like the canceled contract in Cochabamba Such contracts, in which govcan end up in court. Bechtel and its partners are now suing Bolivia for multimilions of dollars in lost funia, Ric Davidge, an Alaskan businessman and former Reagan-era come with conditions: corporation cals revolted. as our population weeks ban Francisco's Hach Hetchy San Francisco's Hach Hetchy system, which draws water from a reservoir withm Yosemite/bation-al Pru, will get a \$16 billion up-grade over the next decade or so, financed with public money ap-proved by San Francisco voters, even though they have their water bills would triple by 2015. But bere's a catch: The state is over-seeing the enormous project be-cause San Francisco has a bad hab-it of firitering away bond money. If menusystem to unner water, now a subsidiary of the French con-glomerate Suez Lyonnaise des Eaux To win the contract, the a state audit shows similar practic-es on this project, one scenario brought up by Sacramento law-makers has the state seizing con-trol of Hetch Hetchy. also enjoy monopoly control --puted up The city had to issue at least four "boil water" advisories to company promised to reap savings for the city that never materializ-ed. Complaints about the service - suspiciously similar to com-plaints about public services that warn citizens against contami-nants Finally, the city of Atlanta negotiated a return of the system to public hands following the di-sastrous experiment with privatization. Fact: Our water systems are in dite need of repair and upgrading, zation are documented, yet people continue to push privatization in the name of profit. Under private control, water companies are subsure for profits, not public service. A study by U.S. News and World ers of private water companies pay higher rates -- sometimes twice as The arguments against privatiject to constant shareholder pres-Report showed that most custom-In South Africa, the post-apart-litid constitution exploring systes, claritying a right that's already been put to the test by people whose supply was cut off when they could not afroid to pay their water bills. ally a man-made product, not a gift from nature. The question is, how will we obtain dean drinking wa-ter for millions of peophe in Cali-forma and the billions in the world? will be needed over the next 20 years to upgrade our nation's drinking water infrastructure and thatin California, we will need \$15 to \$20 billion. State water experts Universal and Germany's verdi Universal and Germany's verdi Universal and Germany's RWE swallow up smaller, locally run utilities around the world. But should basic economic and demand apply to water? Is wa-ter a basic right to which everyone, Here in California, we have come to expect clean, healthy wa-ter to be there when we turn our faucets. But water that falls from At the heart of this question is the dispute of whether private, forprinciples such as the law of supply the sky or flows through rivers is ership. Before we look at the arguments, first some facts. Fact: Maintaining and upgradnot necessarily the same as clean, drinkable water. Pure water is usuprofit ownership of public water utilities is better than public ownthink it will be much more, in the \$30 to \$40 billion range. Put that on top of our deficits, and it is a ingwater systems is expensive. The EPA estimates that \$150 billion large slice of future state budgets. Fact: With the current fiscal crisis and projected government deficits here in California for years to rich or poor, deserves access? "In some areas index." "In some areas along the coast, desaination could remove what desaination growth a limited sup-ply of potable water," its report notes. "In turn, this additional supply of water could result in new and unanticipated pressures on local populations and infrareal solutions to the challenge of resource limitation. There is no such thing as an infinite resource. We hanow this intellectually, but our lifestyles deny it. sophisticated alternative to those bizarre proposals to ship huge water bags down the coast to Southern California. But both are cries for help, not Somehow, we've deluded our-selves into believing that we can keep increasing the human pop-ulation while promoting a conconvincing ourselves that geneti-cally modified foods, electric cars and hybrid engines – and now desalinization – will allow us to keep overpopulating and over-The push for desalinization is another example of resource es-capism, a more technologically sumerist lifestyle that requires more and more of everything -larger cars, larger homes. We try to believe, desperately, in the miracle of the techno-fix, consuming. The ordy infinite resource seems to be our capacity for deni-County, is an environmental writer and the author of "Songs of the Simple Life," a al, and even that must one day confront the hard reality of the Earth's finite resources. lim Holt, who lives in Siskiyou collection of essays structure. its general impacts are. Moto stawater processing sys-tems trap and kill every living on-ganism they suck in. Fish are trapped, injured and killed as they're sharmed against intake Environment and Security tion threatens to put us back on an escapist path. And it may well loss of open space and d, and worsening air screens by high-velocity water. Further filtering and processing destroys the remaining smaller But the promise of desalinization's effect on the ocean envi-ronment, but we do know what merged pipes employed in some systems, which suck water from using this more benign system, according to an August report by the Coastal Commission's staff. Desalinization brings with it the very real prospect of control of municipal supplies of water by private companies, especially as a step toward more sprawl studies have been done on desalinizaorganisms. This is not the case with sub-Unly one-fourth of the pro-posed plants are even considering bination of concentrated salt, oth-er minerals and organic matter. It is not readily soluble in seabeach wells" and use the ocean pipes under the water, and, once discharged, would probably float offshore in a floor as a natural filter. However, A major byproduct of the desalinization process is brine, a comconcentrated mass, contributing to the growth of harmful algae submerging pipes under th ocean floor limits water intake. comprehensive colonies like red tide. Desalinization brin ment, Enviro in Oakland farmland, further quality. No ۲. 3
| From:    | Peter H Hiller                        |
|----------|---------------------------------------|
| То:      | <u>Comments</u>                       |
| Subject: | re CalAm buyout                       |
| Date:    | Saturday, January 12, 2019 9:49:16 AM |
|          |                                       |

Dear members of the Monterey Peninsula Water District Board,

Please find this as my comments about the potential CalAm buyout - an acknowledgement of receipt is appreciated.

I live in the unincorporated part of Carmel and am currently a CalAm customer. I voted for and am in support of a CalAm buyout to take place as quickly as possible.

I would like to see a publicly owned system in place that is designed to cover all costs without a profit motive.

I am in support of working with all water agencies in Monterey County to coordinate water use with the intent of serving the greater good for all.

I am in favor of exploring all water alternatives such as desalt, again without compromising any community.

Please find these comments in lieu of attending any of the community meetings - January 8 - January 15.

Thank you,

Peter Hiller 26541 Willow Place Carmel, CA. 93923

From:Dave StoldtTo:Arlene TavaniSubject:FW: Measure J Feasibility Study CommentsDate:Wednesday, January 16, 2019 12:53:11 PM

More

From: Robert Ellis <burlybob4@gmail.com>
Sent: Wednesday, January 16, 2019 12:51 PM
To: Comments <Comments@mpwmd.net>; gqhwd1000@gmail.com; district5@co.monterey.ca.us; Dave Stoldt <dstoldt@mpwmd.net>
Subject: Measure J Feasibility Study Comments

My name is Robert Ellis and I am a Carmel Valley resident (District 5).

I am a professional engineer specializing in the planning, design and construction of water facilities. I have been responsible for over \$ 3 billion in projects for major water utilities throughout the western US.

I attended the listening session on January 8 at the District headquarters. I agree with your general approach to the feasibility study outlined at the meeting. I have the following additional comments.

Items that need to be addressed in the financial feasibility step include :

1. Establish and document the baseline for CALAM projected rates over the next 20 years whatever reasonable timeframe is established by MPWMD and the consultants.

2. Determine whether or not the Desalination Project will be included in the baseline. This project has significant technical, environmental, and financial risk and may never be constructed. It may be appropriate to do analyses with and without this project.

3. A comprehensive condition assessment of all existing facilities must be completed as part of the valuation study. Many facilities are in need of repair and this will impact their valuation as well as capital budgeting going forward.

4. Based on my experience, it is not likely that rates will drop initially. However, the financial feasibility test should be realization of significant savings over the next 20 years or so compared to continued ownership and operation by CALAM.

If financial feasibility is established and well documented, the next steps should include :

1. How will operations staff be transferred and integrated into the MPWMD? What gaps will need to be filled with external recruiting ?

2. How will administrative, financial and management functions be integrated into MPWMD to remain cost-effective ?

3. How will MPWMD organize to respond to the new state and federal regulatory requirements unique to delivery of municipal and industrial water supply ?

I appreciate the opportunity to provide input to your feasibility study and look forward to reviewing the results.

| From:    | Elsberry, Russell (Russ) (CIV)  |
|----------|---|
| То:      | Comments  |
| Subject: | Comments related to the feasibility of public water company versus Cal Am Water |
| Date:    | Saturday, January 12, 2019 5:54:53 PM   |

My comments presume that a public water company would not be subject to the California Public Utility Commission (PUC) regulations, which have allowed Cal Am to earn about 8.5% annually on its capital base. According to a letter in the Carmel Pine Cone, Cal Am was thus permitted in 2017 to have a 10.8% return to its stockholders. All of us Cal Am customers know that Cal Am did go to the California PUC at the end of the recent drought and was allowed to greatly increase their water rates to cover their costs and pay their stockholders. In this PUC regulation arrangement, there had been no reason for Cal Am to have a flexible or efficient infrastructure in those drought years when water usage was further restricted by the State of California. Cal Am could pay workers, management, and executives anything they wanted (and according to Cal Am's advertisements prior to the November vote, be a "good citizen by donating hundreds of thousands of dollars to schools and charities).

My first point is that the feasibility decision should be based on what a totally redesigned work and management staff would cost for a public water company that efficiently serves our area that alternates between long droughts and then one or two wet years. Such a new design should avoid the crisis in retirement system costs that California local governments are presently facing by having a minimal permanent staff and by using contractors for flexible needs. Another suggestion is to explore a pay system widely used in East Asia in which a base salary is paid with a twice a year bonuses given depending on the (water) service actually provided.

My second point is the cost of acquiring Cal Am, and the future Cal Am water rates, will critically depend on that PUC-allowed 8.5% return on the Cal Am capital base if or when the desalination plant is built. I strongly suspect that the Cal Am's own cost estimate of more than a billion dollars is based on their investments thus far and the anticipated cost of building that desalination plant. Thus it is important that the feasibility decision regarding a public water company must be made before Cal Am begins the desalination plant, because the public water company will not require an 8.5% return on its capital base since it will get bonds at a lower rate and does not have stockholders to pay.

My final point is that the feasibility of the slant-pipe desalination plant to produce the specified peak water amounts on a long-term basis without violating the water rights of adjacent land owners needs to be re-examined. My thought is that the digging of the slant pipe will create a "channel in the underground river" that will draw water farther and farther inland during each successive summer when the peak water is to be drawn. Essentially, it will be analogous to a broadening of the Salinas River during peak winter rains. Whereas the draw of ocean water into the slant pipe is constrained by the depth of the sand above the pipe, each summer it will become easier to pull water from the land side via the broadening channel in the underground river. Since the water rights of the land owners have precedence, less and less water will be produced by the desalination plant, and the water rates will go up and up. I

submit that the short tests of the slant-pipe design have not addressed the potential effect of sustained heavy draws by the desalination plant during the dry months of April to November. Such an eight month test should be required with measurements of the extent and magnitude of the draw from the landward side. In my view, the slant-pipe design is basically flawed, and the only alternative is a pipe on the ocean floor with screens to prevent the entrapment of the little ocean creatures that the California Coastal Commission is dedicated to protecting at the expense of humans. However, if a slant-pipe desalination plant is the only option, it will be far better for it to be built by a public water company than by Cal Am with its guaranteed annual 8.5% return on its capital base.

Bottom line: I am more concerned with stopping the PUC-guaranteed water rate increases than requiring any specific amount of cost savings, which I strongly believe will be possible with a public water company.

Russell L Elsberry, Emeritus Distinguished Professor of Meteorology, Naval Postgraduate School

| From:    | Tim Smith                            |
|----------|--------------------------------------|
| То:      | Comments                             |
| Subject: | Feaseability                         |
| Date:    | Tuesday, January 15, 2019 2:09:06 PM |

Board Members,

I write to share my particular view on feasibility as I've not been able to attended any of the listening sessions.

The passage of measure J indicated the communities willingness to explore the feasibility of replacing Cal-Am

with local ownership of the water resource. For me this is the highest good against which any feasibility discussion

should be measured. Without local control of our resource, we're destined to be controlled, one way or the other,

by parties having no interest in preserving the character, environment and habitat of the Carmel River, principal source

of our area's water.

Additionally, the coming environmental crisis precipitated by global warming will present us with many issues that must

be locally addressed and decided. Leaving the resource in the hands of a for-profit, non local firm puts us at risk. We have

already born the costs associated with poor management by Cal-Am, and these costs are likely to increase more rapidly given

the uncertainty of the environmental impact of global warming. We will be better served, even if prices do not significantly decline,

by an organization that is responsible to us, not outside shareholders nor market whims.

These factors should be considered in determining feasibility, and whether or not reasonable cost increases are justified. Assuming

that we can save money, its all the more critical that we look at the entire picture, not just the dollars.

Thank you,

T.L. Smith 101 Calle de Quien Sabe Carmel Valley, CA 93924

#### **ITEM:** ACTION ITEM

## 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

| Meeting Date: | January 23, 2019                    | Budgeted:                  | N/A                             |
|---------------|-------------------------------------|----------------------------|---------------------------------|
| From:         | David J. Stoldt,<br>General Manager | Program/<br>Line Item No.: | 2-6-1-A<br>Prop. 1 Coordination |
| Prepared By:  | Larry Hampson                       | Cost Estimate:             | N/A                             |

General Counsel Review: N/A

#### Committee Recommendation: The Administrative Committee has not reviewed this item due to cancellation of the January 2019 meeting. CEQA Compliance: Exempt under CEQA Section 15262

**SUMMARY:** In 2018, the Regional Water Management Group (RWMG) formed to implement the Monterey Peninsula Integrated Regional Water Management (IRWM) Plan met with local stakeholders, several of whom expressed an interest in joining the RWMG. A copy of the draft amended MOU to add new members to the RWMG is attached as **Exhibit 16-A**.

**RECOMMENDATION:** With this recommendation, the General Manager would be authorized to make minor or non-substantive modifications to the RWMG Memorandum of Understanding (MOU) presented to the Board (**Exhibit 16-A**, attached), in order to accommodate changes requested by other signatories, and to execute the MOU on behalf of the District. District staff recommends approval of the above action.

**DISCUSSION:** In 2014, voters approved the \$7 billion Proposition 1, a portion of which authorized \$43 million in competitive grants for Integrated Regional Water Management (IRWM) projects in the six Central Coast IRWM regions<sup>1</sup>. Funding is administered by the Department of Water Resources (DWR). The amount allocated to the Monterey Peninsula, Carmel Bay, and Southern Monterey Bay (Monterey Peninsula) region is proposed to be \$4.3 million. The District has represented the Monterey Peninsula region in negotiating a funding area agreement.

The Central Coast IRWM regions have agreed to a funding area allocation that requires a local entity from each planning region to execute a Memorandum of Agreement (MOA) on behalf of each region (see attached Exhibit 14-A).

The intent of the IRWM Grant Program is to encourage integrated regional strategies for

<sup>1.</sup> The Central Coast funding area is comprised of the watershed areas draining to the Monterey Bay, and includes portions of Santa Clara County and San Benito County, and all of Monterey, San Luis Obispo and Santa Barbara Counties. The Monterey Peninsula region includes the Carmel River watershed, the six Monterey Peninsula cities, and portions of unincorporated Monterey County in the Carmel Highlands and along Highway 68.

management of water resources and to provide funding, through competitive grants, for projects that protect communities from drought, protect and improve water quality, and improve local water security by reducing dependence on imported water. The IRWM Grant Program is administered by DWR and is intended to promote a comprehensive model for water management. One of the goals of the IRWM Grant Program is to encourage communities to work on synergistic approaches to solving regional water supply and environmental quality problems.

In 2007, MPWMD helped form a Regional Water Management Group (RWMG) to implement the IRWM Plan with other local agencies that have regional responsibilities for water resources management. The RWMG initially executed a Memorandum of Understanding (MOU) in June 2008 and has subsequently amended the MOU several times to expand the RWMG in response to state legislation and local interest. The MOU formalizes the collaborative planning effort that several local agencies have been involved in for several years, describes the process for completing and amending, and describes the role of stakeholders in carrying out the Plan.

In 2016, MPWMD worked with the Monterey Peninsula RWMG and other Central Coast RWMGs to negotiate a funding area allocation for Prop. 1 IRWM funds. The Monterey Peninsula region is eligible for approximately \$4.3 million of the \$43 million to be awarded to the Central Coast funding area.

**STAFF/RESOURCE IMPACTS:** Section 6.16 of the MOU, **Personnel resources**, states "It is expected that the General Managers and/or other officials of each entity signatory to this MOU will periodically meet to insure that adequate staff resources are available to implement the IRWM Plan." Staff anticipates additional effort over the next few years to coordinate the completion and adoption of an updated IRWM Plan, an application to the State in 2019 for IRWM grant funds, and continuing efforts in administering Disadvantage Community grant funds previously awarded to the planning region.

## EXHIBIT

**16-A** Draft Amended Memorandum of Understanding for in the Monterey Peninsula, Carmel Bay, and South Monterey Bay Area

# <u>AMENDED</u>

# Memorandum of Understanding for Integrated Regional Water Management in the Monterey Peninsula, Carmel Bay, and South Monterey Bay Region

#### **1. PURPOSE**

The purpose of this Memorandum of Understanding (MOU) is to recognize a mutual understanding among entities in the southern Monterey Bay area regarding their joint efforts toward Integrated Regional Water Management (IRWM) planning. That understanding will continue to increase coordination, collaboration and communication for comprehensive management of water resources in the cities and unincorporated portions of the Monterey Peninsula, Carmel Bay, and South Monterey Bay Region (Region).

A. Background and Description of Amendments. The initial MOU to form a Regional Water Management Group (RWMG) was fully executed on July 22, 2008 by the Big Sur Land Trust (BSLT), a 501 (c) 3 organization, the City of Monterey, the Monterey Regional Water Pollution Control Agency (MRPWCA, now known as Monterey One Water or M1W), the Monterey County Water Resources Agency (MCWRA), and the Monterey Peninsula Water Management District (MPWMD). The MOU formed a Regional Water Management Group (RWMG) for the purposes of developing and implementing projects consistent with the guidelines set by the State of California for IRWM.

Subsequently, the Marina Coast Water District (MCWD) requested approval to become part of the RWMG and signed an amended MOU in June 2011 that includes MCWD as a member of the RWMG. In 2012, the MOU was amended to include the Resource Conservation District of Monterey County (RCD) as a member of the RWMG. In 2018, a number of additional organizations requested approval to become part of the MOU, including California State University Monterey Bay, Carmel Area Wastewater District, Carmel River Watershed Conservancy, Carmel Valley Association, City of Carmel-bythe-Sea, City of Del Rey Oaks, City of Sand City, City of Seaside, and Monterey County Resource Management Agency.

In 2014, voters passed Proposition 1, the Water Quality, Supply, and Infrastructure Improvement Act of 2014 the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Act (Public Resources Code, sections 79700 -79798), which authorizes the Legislature to appropriate funding for competitive grants for Integrated Regional Water Management (IRWM) projects. Funding is administered by the Department of Water Resources (DWR).

In 2015, representatives from the RWMGs representing the Central Coast region, which is coincident with the geographic extent of the funding area, entered into discussions about a funding area agreement for Proposition 1 funds allocated to the Central Coast funding area. In 2016, the Central Coast RWMGs entered into a Memorandum of Agreement for Integrated Regional Water Management Planning and Funding in the

Central Coast Funding Area to share Proposition 1 funding for the IRWM grant program among the six Parties in a fair and equitable manner, and to reduce the need for the Parties to compete against each other for grant funds, which creates unnecessary economic inefficiencies in implementing each Planning Region's IRWM Plan.

(Pending approval by a majority of current RWMG members) This amended MOU reflects the addition of California State University Monterey Bay, Carmel Area Wastewater District, Carmel River Watershed Conservancy, Carmel Valley Association, City of Carmel-by-the-Sea, city of Del Rey Oaks, City of Sand City, City of Seaside, and Monterey County Resource Management Agency as members of the RWMG.

# 2. RECITALS

- A. The State of California desires to foster Integrated Regional Water Management (IRWM) planning and encourages local public, non-profit, and private (for profit) entities to define planning regions appropriate for managing water resources and to integrate strategies within these planning regions.
- B. Water resources management authority in the Region is currently distributed among various public agencies with a range of legal powers and regulatory responsibilities. These public agencies have definite jurisdictional boundaries, whereas sensible water resources planning and management frequently requires actions in multiple jurisdictions. Non-public entities within the Region have considerable interests in cooperating with public entities to protect, manage, and enhance water resources within the Region.
- C. (Pending approval by current RWMG members) Thirteen public entities and three nonprofit entities in the Region with responsibility and interests in the management of water resources have agreed to form a Regional Water Management Group for the purposes of developing and implementing projects consistent with the guidelines set by the State of California for IRWM. These entities are:
  - Big Sur Land Trust (BSLT), a 501 (c) 3 organization;
  - California State University Monterey Bay
  - Carmel Area Wastewater District;
  - Carmel River Watershed Conservancy, a 501 (c) 3 organization;
  - Carmel Valley Association;
  - City of Carmel-by-the-Sea;
  - City of Del Rey Oaks
  - City of Monterey;
  - City of Seaside;
  - City of Sand City;
  - Monterey One Water (M1W));
  - Monterey County Resource Management Agency;
  - Monterey County Water Resources Agency (MCWRA);
  - Marina Coast Water District (MCWD);

- Resource Conservation District of Monterey County; and
- Monterey Peninsula Water Management District (MPWMD).
- D. The RWMG has defined an appropriate planning Region that takes into consideration jurisdictional limits, powers and responsibilities, and watershed and groundwater basin boundaries. The RWMG is taking the lead in overseeing and implementing a detailed IRWM Plan within the planning Region. The Region is generally described as encompassing approximately 347 square miles and consists of groundwater basins and coastal watershed areas contributing to the Carmel Bay and south Monterey Bay. The Region includes coastal watersheds from the southernmost portion of the San Jose Creek watershed north to the northern limit of the Seaside Groundwater Basin. The inland area is bounded by the Seaside Groundwater Basin to the north and by the Carmel River watershed to the south and east. The western limit of the planning Region generally coincides with the land and Pacific Ocean interface, but includes the Pt. Lobos, Carmel Bay, and Pacific Grove Areas of Special Biological Significance (ASBS) adjacent to the coastal portion of the Region.

The principal groundwater basins in the planning Region are the Seaside Groundwater Basin and the Carmel Valley Aquifer. The Region includes about 38 miles of the coast within the Monterey Bay National Marine Sanctuary, three ASBS, the Cities of Carmelby-the Sea, Del Rey Oaks, Monterey, Pacific Grove, Sand City, Seaside, and unincorporated portions of Monterey County including the Carmel Valley watershed (255 square miles), Pebble Beach, the Carmel Highlands and portions of the Seaside Groundwater Basin adjacent to Highway 68 (also known as Canyon Del Rey). This description of the planning Region is not intended to be a limitation on projects and resource planning that may be shared between adjacent IRWM planning Regions (e.g., the Greater Monterey County IRWM planning Region to the north and east).

E. The entities signatory to this MOU desire to link and integrate efforts to jointly oversee the development and implementation of a comprehensive Integrated Regional Water Management Plan for the Region and to allocate IRWM funding within the planning Region.

# 3. GOALS

The goals of the collaborative effort undertaken pursuant to this MOU are:

3.1 To implement a comprehensive IRWMP for the Region that will consider the strategies that are required by the State under CWC 79562.5 and 79564 and subsequent modifications required under Proposition 1. Eligible projects must yield multiple benefits and include one or more of the following elements

## (Water Code §79743 (a - j)):

- ✓ Water reuse and recycling for non-potable reuse and direct and indirect potable reuse
- ✓ Water-use efficiency and water conservation

- ✓ Local and regional surface and underground water storage, including groundwater aquifer cleanup or recharge projects
- ✓ Regional water conveyance facilities that improve integration of separate water systems
- ✓ Watershed protection, restoration, and management projects, including projects that reduce the risk of wildfire or improve water supply reliability
- ✓ Stormwater resource management, including, but not limited to, the following:
  - Projects to reduce, manage, treat, or capture rainwater or stormwater
  - Projects that provide multiple benefits such as water quality, water supply, flood control, or open space
  - Decision support tools that evaluate the benefits and costs of multibenefit stormwater projects
  - Projects to implement a stormwater resource plan developed in accordance with Part 2.3 (commencing with Section 10560) of Division 6 including Water Code § 10562 (b)(7)
- ✓ Conjunctive use of surface and groundwater storage facilities
- ✓ Water desalination projects
- ✓ Decision support tools to model regional water management strategies to account for climate change and other changes in regional demand and supply projections
- ✓ Improvement of water quality, including drinking water treatment and distribution, groundwater and aquifer remediation, matching water quality to water use, wastewater treatment, water pollution prevention, and management of urban and agricultural runoff
- ✓ Regional projects or programs as defined by the IRWM Planning Act (Water Code §10537)
- 3.2 To implement a comprehensive IRWMP for the Region that incorporates water supply, water quality, flood and erosion protection, and environmental protection and enhancement objectives.
- 3.3 To improve and maximize coordination of individual public, private, and non-profit agency plans, programs and projects for mutual benefit and optimal gain within the Region.
- 3.4 To help identify, develop, and implement collaborative plans, programs, and projects that may be beyond the scope or capability of individual entities, but which would be of mutual benefit if implemented in a cooperative manner.

- 3.5 To facilitate regional water management efforts that include multiple water supply, water quality, flood control, and environmental protection and enhancement objectives.
- 3.6 To foster coordination, collaboration and communication between stakeholders and other interested parties, to achieve greater efficiencies, enhance public services, and build public support for vital projects.
- 3.7. To realize regional water management objectives at the least cost possible through mutual cooperation, elimination of redundancy, and enhanced regional competitiveness for State and Federal grant funding.
- 3.8 To satisfy State requirements for incorporation of a Storm Water Resource plan developed for the Region in accordance with Part 2.3 (commencing with Section 10560) of Division 6 including Water Code § 10562 (b)(7).

# 4. DEFINITIONS

- 4.1 **Funding Area Agreement.** The agreement entered into between the six regions within the Central Coast funding area to allocate a portion of Proposition 1 IRWM funds to each planning region.
- 4.2 Integrated Regional Water Management Plan (IRWMP or IRWM Plan). The plan envisioned by state legislators and state resource agencies that integrates the strategies, objectives, and priorities for projects to manage water resources proposed by public entities, non-profit entities, and stakeholders within a defined Planning Region. The minimum plan standards are as shown in Appendix A of "Integrated Regional Water Management Grant Program Guidelines, November 2004, Department of Water Resources and State Water Resources Control Board, Proposition 50, Chapter 8," as revised. Minimum IRWM Plan standards may be revised from time to time by the State of California.
- 4.3 **Integration**. The combining of water management strategies and projects to be included in an IRWMP.
- 4.4.a Lead Agency for IRWM Plan Development. The Monterey Peninsula Water Management District is designated by the Regional Water Management Group to lead the development or implementation of an Integrated Regional Water Management Plan for the Region.
- 4.4.b Lead Agency for IRWM Grant Applications. The Regional Water Management Group may designate any entity in the Regional Water Management Group to be the Lead Agency in making application to the State for grant funds.
- 4.4.c Lead Agency for Executing a Central Coast funding area agreement. The entity the Regional Water Management Group designates to represent the Monterey Peninsula Region to execute a Funding Area Agreement.
- 4.5 **Non-profit Agency.** A 501 (c) (3) corporation, conservancy, group or other organization involved in water resources management in the Region.
- 4.6 **Private Agency.** A private or publicly held for-profit corporation or property owner involved in water resources management in the Region
- 4.7 **Project**. A specific project that addresses a service function.
- 4.8 **Public Agency**. A state-authorized water district, water agency, water management agency or other public entity, be it a special district, city or other governmental entity, responsible for providing one or more services in the areas of water supply,

water quality, wastewater, recycled water, water conservation, stormwater/flood control, watershed planning and aquatic habitat protection and restoration.

- 4.9 **Region.** The area defined by the Regional Water Management Group (RWMG) consisting of watersheds, sub-watersheds and groundwater basins under the jurisdiction of one or more entities within the RWMG.
- 4.10 Service Function. A water-related individual service function provided by a private, public, or non-profit entity, i.e. water supply, water quality, wastewater, recycled water, water conservation, stormwater/flood protection, watershed planning, recreational facilities, and habitat protection and restoration.
- 4.11 **Signatory Entity.** A public, private, or non-profit entity within the Region that is signatory to this MOU.
- 4.12 **Stakeholder.** A non-signatory public, private, or non-profit agency identified in the IRWM Plan with an interest in water resources management within the Region.
- 4.13 **Stormwater Resource Plan**. The plan developed for the Region that identifies stormwater capture project opportunities.
- 4.14 **Technical Advisory Committee.** The committee organized to advise the Regional Water Management Group and Stakeholders concerning the IRWM Plan. Normally, the group will be comprised of individuals with technical backgrounds in the fields of marine and freshwater biology, ecology, geology, engineering, hydrogeology, planning, resource conservation, riparian systems, water conservation, and water quality. However, stakeholders with interests in a particular aspect of resource or project management, but not necessarily a technical background, may also be considered for inclusion in the TAC.
- 4.15 **Regional Water Management Group.** The group of entities that takes the lead in overseeing the development and implementation of the Integrated Regional Water Management Plan within the Planning Region. (a list of members of the Regional Water Management Group is provided in Recital C)
- 4.16 Water Management Strategies. Plans for and activities to be considered in an IRWMP include, but are not limited to, ecosystem restoration, environmental and habitat protection and improvement, water-supply reliability, flood management, groundwater management, recreation and public access, storm water capture and management, water conservation, water quality improvement, water recycling, and wetlands enhancement and creation.

## **5. IRWMP PARTICIPANTS**

- 5.1 Adopting Entities. The entities in the Region that participate in the development, adoption, and implementation of the Integrated Regional Water Management Plan for the Region. Each entity intending to carry out a project proposed in the IRWMP must formally adopt the IRWMP or provide written substantiation of acceptance by the governing authority of the entity. For a public agency, adoption of the IRWMP is by formal resolution of the governing body. For a non-profit or for-profit entity, proof of acceptance of the IRWMP by the equivalent of a public agency governing body is required (e.g., by a board of directors or other management entity).
- 5.2. **Stakeholders**. Entities, such as other public, private, and non-profit entities, business and environmental groups, that are considered valuable contributors to the understanding and management of the Region's water resources.

- 5.3. Regulatory Agencies. These agencies, including, but not limited to, the State Water Resources Control Board, Central Coast Regional Water Quality Control Board, California Coastal Commission, U.S. Army Corps of Engineers, California Public Utilities Commission, National Marine Fisheries Service (NOAA Fisheries), U.S. Fish and Wildlife Service, and the California Department of Fish and Wildlife, will be invited to participate in the development and implementation of the IRWMP.
- 5.4 **Regional Water Management Group.** The group of entities that takes the lead in developing and implementing an Integrated Regional Water Management Plan within the Planning Region.

# 6. MUTUAL UNDERSTANDING

- 6.1. **Subject matter scope of the IRWMP**. The IRWMP for the Region will include, but is not limited to, water supply, water quality, wastewater, recycled water, water conservation, stormwater/flood control, watershed planning, erosion prevention, and habitat protection and restoration. It is acknowledged that the proposals contained in the IRWMP may be based, in part, on the land-use plans of the member entities local governments such as Cities, Monterey County, and special districts located within the Region. Therefore, the resultant IRWMP will by design have incorporated the land-use plans and assumptions intrinsic to the respective water-related service function.
- 6.2. Geographical scope of the IRWMP. The area for this Memorandum is generally defined as the watersheds and associated groundwater basins contributing to the south Monterey Bay and Carmel Bay as shown in Figure 3-1: Map of Monterey Peninsula Integrated Regional Water Management Planning Region in the IRWM Plan.

The Region includes coastal watersheds from the southernmost portion of the San Jose Creek watershed north to the northern limit of the Seaside Groundwater Basin. The inland area is bounded by the Seaside Groundwater Basin to the north and by the Carmel River watershed to the south and east. The western limit of the planning Region generally coincides with the land and Pacific Ocean interface, but includes the Pt. Lobos, Carmel Bay, and Pacific Grove Areas of Special Biological Significance (ASBS) adjacent to the coastal portion of the Region.

However, it is recognized that the geographic scope represented in the IRWM Plan may be amended to include projects that are implemented cooperatively between IRWM planning regions (e.g., with the Greater Monterey County IRWM planning region) and is not intended to be a rigid boundary.

6.3. Approach to developing the IRWMP. It will be the responsibility of each entity signatory to this Memorandum to provide the Lead Agency with information for the IRWMP concerning project proposals or to identify the need for a water management strategy for each service function provided by a signatory entity.

In order to be included in the IRWMP, all proposals for development of water management plans and water development project proposals related to the IRWMP must meet the standards identified in the IRWM Plan for the Region.

A technical advisory committee consisting of staff representatives from the Regional Water Management Group, other Stakeholders and such other organizations as may become contributing entities, will review proposed management plans and project proposals for consistency with the IRWMP and recommend a prioritized list of projects to be carried out within the Region. The Regional Water Management Group and Stakeholders will meet to review the recommendation made by the TAC.

- 6.4. **Approval of prioritized project list.** Approval of the prioritized project list should occur by consensus of the Regional Water Management Group and Stakeholders and should be based on the prioritization process described in the IRWMP and the recommendations of the Technical Advisory Committee. However, if a consensus cannot be reached among the Stakeholders and Regional Water Management Group, the Regional Water Management Group may make a final determination of the prioritized project list.
- 6.5. Adoption of the IRWMP. Plan adoption will occur by approval of the governing board of each entity. Each member of the RWMG shall adopt the IRWM Plan or an amended IRWM Plan, when the Plan becomes available. Project proponents named in an IRWM grant application shall adopt the IRWM Plan or amended IRWM Plan prior to submittal of the grant application. It should be noted that the adopted Plan and project list may be amended from time to time as described below.
- 6.6 Amendment of IRWMP or Prioritized Project list. The IRWM Plan and prioritized project list may be amended from time to time. Any member of the Regional Water Management Group or Stakeholders may request that the Lead Agency convene a meeting of the Regional Water Management Group and Stakeholders for the purposes of amending the IRWM Plan or the prioritized project list. However, it is anticipated that the IRWMP or prioritized project list will be amended no more frequently than annually, unless more frequent amendments are required to meet State IRWM standards or grant application cycles. An amended IRWM Plan must be consistent with State IRWM standards as described in Definition 4.1 "Integrated Regional Water Management Plan" and any subsequent revisions by the State to IRWM guidelines.
- 6.7. **Project Implementation.** Project proponents will be responsible for completing proposed projects and providing project reports to the Lead Agency.
- 6.8 **Project Monitoring.** The Regional Water Management Group will be responsible for monitoring the implementation of the IRWMP. The technical advisory committee will regularly report to the General Managers and Governing Boards of the Regional Water Management Group regarding progress on the development and implementation of the IRWMP. The Lead Agency will be responsible for coordinating data collection and dissemination.
- 6.9 **Grant Applications.** The Regional Water Management Group will designate a Lead Agency to apply for grant funds. The Lead Agency for each grant application

should have a mission and expertise that is consistent with the purpose of the grant being applied for.

- 6.10 **Central Coast funding area agreement.** The RWMG designates MPWMD to execute a funding area agreement on behalf of the Monterey Peninsula Planning Region.
- 6.11 **Grant Awards and Agreement**. The Lead Agency will be the grantee and administer the grant on behalf of the Regional Water Management Group and Stakeholders.
- 6.12 **Participation in Regional Water Management Group (RWMG)**. Any qualified stakeholder may petition to become a member of the RWMG. A qualified stakeholder must demonstrate an interest, responsibility or authority over one or more resources within the region; The RWMG shall consider such a request for a change to the RWMG and shall vote by majority to accept or reject the request.
- 6.13 Length of Term in Regional Water Management Group. Members of the RWMG may change from time to time, depending on the level of resources available to each entity. However, there is no required minimum or maximum length of time required as a member of the RWMG. If an entity withdraws from the RWMG, the remaining entities should attempt to replace the interest, responsibility or authority lost by the withdrawal.
- 6.14 **Rights of the Parties and Constituencies**: This MOU does not provide any added legal rights or regulatory powers to any of the signatory parties, or to the RWMG as a whole. This MOU does not of itself give any party the power to adjudicate water rights, or to regulate or otherwise control the private property of other parties. This MOU does not contemplate the parties taking any action that would adversely affect the rights of any of the parties, or that would adversely affect the customers or constituencies of any of the parties.
- 6.15 **Termination**. An entity signatory to this MOU may withdraw from participation upon 30 days advance notice to the other signatory entities, provided it agrees to be financially responsible for any previously committed, but unmet resource commitment.
- 6.16. **Personnel resources**. It is expected that the General Managers and/or other officials of each entity signatory to this MOU will periodically meet to insure that adequate staff resources are available to implement the IRWM Plan.
- 6.17. **Other on-going regional efforts** Development of the IRWMP is separate from efforts of other organizations to develop water-related plans on a regional basis around Monterey Bay and the Central Coast. As the IRWMP is developed and implemented, work products may be shared to provide other entities and groups with current information.

# 7. RECORD OF AMENDMENTS

- 7.1 June 2010 add Marina Coast Water District to RWMG. Revise Goals, Definitions and MOU terms to reflect Proposition 84 requirements.
- 7.2 March 2012 add process to change RWMG, define when plan is to be adopted, revise to Proposition 84 standards
- 7.3 August 2012 add Resource Conservation District of Monterey County to RWMG

7.4 DATE (anticipated as by February 2019) – add California State University Monterey Bay, Carmel Area Wastewater District, Carmel River Watershed Conservancy, Carmel Valley Association, City of Carmel-by-the-Sea, City of Del Rey Oaks, City of Sand City, City of Seaside, and Monterey County Resource Management Agency to RWMG

# 8. SIGNATORIES TO THE MEMORANDUM OF UNDERSTANDING

We, the duly authorized undersigned representatives of our respective entities, acknowledge the above as our understanding of the intent and expected outcome in overseeing the development and implementation of an Integrated Regional Water Management Plan for the Monterey Peninsula, Carmel Bay, and South Monterey Bay Region.

| Big Sur Land Trust                  | Monterey County Water Resources Agency   |
|-------------------------------------|--|
| By:                                 | By:                                      |
| Date:, 20                           | Date:, 20                                |
| Monterey Regional Water Pollution   | City of Monterey                         |
| Control Agency                      |  |
| By:                                 | By:                                      |
| Date:, 20                           | Date:, 20                                |
| Monterey Peninsula Water Management | Marina Coast Water District              |
| District                            |  |
| By:                                 | By:                                      |
| By                                  |  |
| Date:, 20                           | Date:, 20                                |
| Resource Conservation District of   | California State University Monterey Bay |
| Monterey County                     | By:                                      |
| By:                                 |  |
| Date:, 20                           | Date:, 20                                |

| Carmel Area Wastewater District            | Carmel River Watershed Conservancy         |
|--|--|
|  |  |
| By:  | By:  |
| ·  |  |
|  |  |
|  |  |
|  | Date: , 20                                 |
| Date:   , 20     Carmel Valley Association | City of Carmel-by-the-Sea                  |
| Carmer vancy Association                   | chy of carmer by the sea                   |
|  | By:  |
| By:  | by.  |
|  |  |
|  |  |
|  | Date: , 20                                 |
| Date: , 20                                 | ,  |
| City of Del Rey Oaks                       | City of Sand City                          |
|  |  |
| By:  | By:  |
|  |  |
|  |  |
|  |  |
|  | Date: , 20                                 |
| Date: , 20                                 | Monterey County Resource Management Agency |
| City of Seaside                            | Monercy County Resource Management Agency  |
|  | By:  |
| By:  | 23.  |
|  |  |
|  |  |
|  | Date: , 20                                 |
| Date: , 20                                 | , <u></u>                                  |

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#### **ITEM: DISCUSSION ITEM**

## 18. DISCUSS MEMORANDUM FROM DAVID C. LAREDO, GENERAL COUNSEL ON SMART METERS

| Meeting Date: | January 23, 2019                    | Budgeted:                  | N/A |
|---------------|-------------------------------------|----------------------------|-----|
| From:         | David J. Stoldt,<br>General Manager | Program/<br>Line Item No.: | N/A |
| Prepared By:  | David J. Stoldt                     | Cost Estimate:             | N/A |

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

**SUMMARY:** The Board will discuss a memorandum on Smart Meters prepared by David C. Laredo, General Counsel. No action will be taken by the Board.

## EXHIBIT

18-A January 7, 2019 Memorandum on Smart Meters

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ATTORNEYS AT LAW

David C. Laredo

Heidi A. Quinn

Frances M. Farina

Michael D. Laredo

Paul R. De Lay (1919 – 2018) Pacific Grove Office: 606 Forest Avenue Pacific Grove, CA 93950 Telephone: (831) 646-1502 Facsimile: (831) 646-0377

Email: fran@laredolaw.net

January 7, 2019

| TO:   | MPWMD Board of Directors         |
|-------|----------------------------------|
| FROM: | David C. Laredo, General Counsel |
| RE:   | Memorandum on Smart Meters       |

This memo provides an overview of California's policy efforts toward energy efficiency and the expansion of Advanced Metering Infrastructure (AMI) including the installation of Smart Meters. The early activity was focused on the energy utilities; water utilities followed later.

## I. <u>Background</u>

In 2002, the California Public Utilities Commission (Commission or CPUC) opened Rulemaking (R.) 02-06-001 "as a policymaking forum to develop demand response as a resource to enhance electric system reliability, reduce power purchase and individual consumer costs, and protect the environment."<sup>1</sup>

By 2005, Pacific Gas and Electric Company (PG&E) filed Application (A.) 05-06-028 to deploy Advanced Metering Infrastructure (AMI).<sup>2</sup> Since PG&E provides electric and gas service to California-American Water Company's (Cal-Am) Monterey Water District, this memo focuses initially on Commission AMI proceedings with PG&E.

## II. <u>PG&E's AMI Implementation</u>

PG&E's proposed system-wide deployment of AMI was estimated to take five years. It filed A.05-06-028 on June 16, 2005 and subsequently revised it on October 13, 2005. AMI includes metering and communications infrastructure together with computerized systems and software. A wireless smart

<sup>&</sup>lt;sup>1</sup> R.02-06-001, Order Instituting Rulemaking on policies and practices for advanced metering, demand response, and dynamic pricing, filed June 6, 2002. The Rulemaking was closed by Decision (D.) 05-11-009 dated November 18, 2005. Pacific Gas and Electric Company (PG&E) was one of the investor owned utilities named as a respondent in the proceeding. <sup>2</sup> A.05-06-028, Application of Pacific Gas and Electric Company for Authority to Increase Revenue Requirements to Recover the Costs to Deploy an Advanced Metering Infrastructure.

meter transmits customer usage data through radio transmission. For evaluation purposes, PG&E had to show the likelihood of long-term benefits from utility operating cost savings as well as demand response and consumer energy consumption management potential.

PG&E's technology provides two-way communications to each customer's meter. It also allows other functions including direct polling to the meter by PG&E which can assist in completing customer service related requests. It also has the potential for direct communication with in-home devices like thermostats and load control switches.

AMI module-equipped meters provide significant operating data and consumption data with applications in demand forecasts, service-related issues, and rate design. The useful life of the system was determined to be 20 years. PG&E was authorized to proceed with AMI implementation in D.06-07-027 on July 20, 2006.

# A. Addition of an Opt-Out Option

In 2011, PG&E applied to the Commission for a modification to its "SmartMeter<sup>TM</sup>" Program to include an opt-out option.<sup>3</sup> In Phase 1 of the proceeding, the Commission determined the option was available only to residential customers who, *for whatever reason*, preferred an analog meter. To cover the costs of this service, interim fees and charges were authorized.

# B. FCC Exposure Limits

As part of the record in Phase 1, PG&E produced a response from the FCC which sets exposure limits for radio frequency (RF) fields. FCC standards are derived from recommendations by the Institute of Electrical and Electronics Engineers, Inc. and the National Council on Radiation Protection and Measurements, as well as by the U.S. Environmental Protection Agency, the Food and Drug Administration, and other federal health and safety agencies. These scientists and engineers have extensive experience and knowledge in the area of RF biological effects and related issues.

In the case of PG&E's SmartMeters, the FCC had no data or report to suggest that exposure was occurring at levels of RF energy that exceed their RF exposure guidelines.<sup>4</sup> The Commission further noted that the issue of whether RF emissions from SmartMeters "have an effect on individuals is outside the scope of this proceeding."<sup>5</sup>

# C. Analog Meter Opt-Out Option

The Commission balanced the customer concerns about exposure to RF transmissions with California's energy policy that required investor owned utilities (IOU) to replace analog meters with smart meters "to give consumers greater control over their energy use."<sup>6</sup>

Only analog meters were authorized for customers exercising the opt-out option. An initial fee plus monthly charges for a period of three years were authorized to cover the anticipated costs.

<sup>4</sup>In D.10-12-001, the Commission determined that PG&E's SmartMeter technology complied with FCC requirements. <sup>5</sup> D.12-02-014, pp. 15-16.

<sup>6</sup> D.12-02-014, p. 16.

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<sup>&</sup>lt;sup>3</sup> A.11-03-014, Application of Pacific Gas and Electric Company for Approval of Modifications to its SmartMeter™ Program and Increased Revenue Requirements to Recover the Costs of the Modifications. (U39M).

# D. Phase 2 Issues

Phase 2 of A.11-03-014 was limited in scope to consideration of cost and cost allocation issues associated with providing an opt-out option and whether to expand the opt-out option to allow for a community opt-out option.

1. Cost and Cost Allocation (Opt-Out Fees)

Because costs are based primarily on the number of customers who choose the analog option, results vary greatly. The Commission examined what were the utility costs associated with offering an analog meter opt-out option and whether more than one option should be offered.

The decision was to continue with the original "Initial Fee"  $(\$75.00)^7$  and "Monthly Charge" (\$10.00) for customers who were Non-California Alternative Rates for Energy (CARE) Customers. Reduced fees for CARE customers were \$10.00 and \$5.00 respectively. These are the same amounts that were established in D.12-02-014. Collection of the monthly charge was limited to three years from the date the opt-out was chosen. Analog meters would be read every other month. If these fees did not cover all program costs, the balance would be allocated to the residential customer class as a whole.

There was unanimous agreement among the parties that the only opt-out option would be an all-analog meter. Offering multiple meter types would have increased already high program costs. The Commission agreed with this determination.

Consideration was given to imposition of an "exit cost" or "exit fee" reflecting the costs associated with returning an opt-out customer's meter to standard service with a smart meter. The Commission agreed with intervenors that no exit fee would be assessed on opt-out customers.

Consideration was also given to whether the opt-out fees should be assessed on a per meter or per location basis. The Commission directed that fees should be assessed on a per location basis.

2. Community Opt-Out

D.14-12-078 determined that local governments may not collectively opt out of smart meter programs on behalf of residents in their jurisdiction. Similarly, multi-unit dwellings with homeowner and condominium associations may not collectively opt-out of smart meter programs on behalf of individual residents who are members of the association.<sup>8</sup>

In making this determination, the Commission first examined whether it could delegate its authority to allow local governments or communities to determine what type of electric or gas meter can be installed within the government or community's defined boundaries.

"Article XII, Section 3 of the California Constitution grants the California Legislature 'exclusive control over the PUC's regulation of public utilities.' Section 8 of Article XII of the California Constitution states, 'a city, county or other public body may not regulate matters over which the Legislature grants regulatory power to the Commission.' Thus, the Commission holds the power to regulate public utilities, and this authority

<sup>&</sup>lt;sup>7</sup> The opt-out option was not offered prior to the installation of SmartMeters. For water utilities where no conversion to smart meters has taken place, this could reduce or eliminate the Initial Fee expense.

<sup>&</sup>lt;sup>8</sup> D.14-12-078, p. 4.

may not be delegated to another entity or public agency without statutory authorization."9

In addition, the Legislature granted the Commission authority over a public utility's infrastructure, including the installation of metering equipment.<sup>10</sup> Thus, in the absence of statutory authority modifying this intention, only the CPUC has authority to regulate public utilities.

# III. <u>AMI for Water Utilities</u>

As part of a rulemaking proceeding begun in 2011, the Commission provided guidance for the use of AMI for regulated investor-owned water utilities.<sup>11</sup> The Commission determined that AMI "can harness and communicate data to manage water production and purchases, identify and stop leaks, protect drinking water quality by promptly identifying backwash incidents, produce data that yield more accurate forecasts, and provide customers and water system operators timely information. Current meters do not accomplish these objectives."<sup>12</sup>

The Commission's 2016 Decision provided guidance for water IOUs' implementation of AMI. Specifically, the Decision ordered "the commencement of a transition to the use of AMI for Class A and B water services to increase data for customer and operational use, produce conservation signals through real-time data delivery, improve water management, reduce leaks, and promote equity and sustainability."<sup>13</sup> The Monterey region was identified as an area where AMI installation was warranted.

While the Decision ordered the "commencement of a transition to the use of AMI for Class A and B water services,"<sup>14</sup> the approach would be gradual over one or two General Rate Case (GRC) cycles. The initial targets were converting flat rate customers to metered service, replacing aging or obsolete meters, and installing AMI meters in new construction. Class A and B water IOUs were to coordinate with electric and gas IOUs that have smart meters. Customers who didn't want analog meters replaced with AMI could request an opt-out via a process established by the water IOU.

Cal-Am's 2016 GRC effort to implement AMI was denied in D.18-12-021, but the Commission encouraged it to make a new proposal in a future application or GRC.

# IV. <u>Conclusion</u>

Smart meters have been installed by PG&E in the Monterey area beginning in 2006. The CPUC has exclusive jurisdiction over all utility infrastructure and delegation of this authority to other jurisdictions is prohibited without further legislative enactment. Customers who do not want smart meters can opt out for any reason or no reason, but they bear the costs for this service. Cal-Am does not yet have an approved program for district-wide AMI but could link up with PG&E's infrastructure in the future.

<sup>&</sup>lt;sup>9</sup> Id. pp. 56-57.

<sup>&</sup>lt;sup>10</sup> See Public Utilities Code Section 761.

<sup>&</sup>lt;sup>11</sup> R.11-11-008, Order Instituting Rulemaking on the Commission's Own Motion into Addressing the Commission's Water Action Plan Objective of Setting Rates that Balance Investment, Conservation, and Affordability for Class A and Class B Water Utilities.

<sup>&</sup>lt;sup>12</sup> D.16-12-026, pp. 61-62.

<sup>&</sup>lt;sup>13</sup> D.16-12-026, p. 63. The AMI features respond to the Governor's May 9, 2016 Executive Order B-37-16 that directed the CPUC to take steps to stem water leaks.

## ITEM: INFORMATIONAL ITEMS/STAFF REPORTS

## **19. LETTERS RECEIVED**

| Meeting Date: | January 23, 2019                    | <b>Budgeted:</b>           | N/A |
|---------------|-------------------------------------|----------------------------|-----|
| From:         | David J. Stoldt,<br>General Manager | Program/<br>Line Item No.: | N/A |
| Prepared By:  | Arlene Tavani                       | Cost Estimate:             | N/A |
| General Couns | el 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 December 11, 2018 and January 14, 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 <u>www.mpwmd.net</u>.

| Author                          | Addressee    | Date      | Торіс  |
|---------------------------------|--------------|-----------|--|
| Hideko Inouye<br>Graves         | David Stoldt | 11/24/18  | Request for Discretionary Exemption  |
| John Narigi and<br>Bob McKenzie | MPWMD Board  | 1/1/2019  | MPWMD's Motion to Correct Captions   |
| Loris Langdon                   | MPWMD        | 1/8/2019  | Unusually high water bill  |
| John Narigi and<br>Bob McKenzie | MPWMD Board  | 1/14/2019 | Response of David Laredo to Coalition of<br>Peninsula Businesses letter of January 1, 2019 |

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## ITEM: INFORMATIONAL ITEM/STAFF REPORTS

## 20. MONTHLY ALLOCATION REPORT

| Meeting Date:                    | January 23, 2019                    | Budgeted:                  | N/A |
|----------------------------------|-------------------------------------|----------------------------|-----|
| From:                            | David J. Stoldt,<br>General Manager | Program:<br>Line Item No.: | N/A |
| Prepared By:                     | Gabriela Ayala                      | Cost Estimate:             | N/A |
| General Counse<br>Committee Reco | l Review: N/A<br>ommendation: 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 December 31, 2018, a total of **22.581** acre-feet (6.6%) 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 20-A** shows the amount of water allocated to each Jurisdiction from the Paralta Well Allocation, the quantities permitted in December 2018 ("changes"), and the quantities remaining. The Paralta Allocation had two debits in December 2018.

**Exhibit 20-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 20-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 20-C**.

## **EXHIBITS**

- 20-A Monthly Allocation Report
- **20-B** Monthly Entitlement Report
- **20-C** District's Water Allocation Program Ordinances

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## EXHIBIT 20-A MONTHLY ALLOCATION REPORT Reported in Acre-Feet For the month of December 2018

| Jurisdiction      | Paralta<br>Allocation* | Changes | Remaining | PRE-<br>Paralta<br>Credits | Changes | Remaining | Public<br>Credits | Changes | Remaining | Total<br>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                 | 0.417   | 5.006     | 34.438                     | 0.000   | 34.438    | 2.693             | 0.000   | 1.144     | 40.588             |
| TOTALS            | 342.720                | 0.417   | 22.581    | 101.946                    | 0.000   | 35.923    | 90.142            | 0.000   | 28.932    | 87.436             |

| Allocation Holder | Water Available | Changes this Month | Total Demand from Water<br>Permits Issued | Remaining Water<br>Available |  |
|-------------------|-----------------|--------------------|---|------------------------------|--|
| Quail Meadows     | 33.000          | 0.000              | 32.320                                    | 0.680                        |  |
| Water West        | 12.760          | 0.003              | 9.375                                     | 3.385                        |  |

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

#### EXHIBIT 20-B MONTHLY ALLOCATION REPORT ENTITLEMENTS Reported in Acre-Feet For the month of December 2018

## **Recycled Water Project Entitlements**

| Entitlement Holder   | Entitlement | Changes this Month | Total Demand from Water<br>Permits Issued | Remaining Entitlement/and<br>Water Use Permits Available |
|--|-------------|--------------------|---|--|
| Pebble Beach Co. <sup>1</sup>  | 224.980     | 0.200              | 31.431                                    | 193.549  |
| Del Monte Forest Benefited<br>Properties <sup>2</sup><br>(Pursuant to Ord No. 109) | 140.020     | 0.173              | 53.819                                    | 86.201   |
| Macomber Estates   | 10.000      | 0.000              | 9.595                                     | 0.405  |
| Griffin Trust  | 5.000       | 0.000              | 4.829                                     | 0.171  |
| CAWD/PBCSD Project<br>Totals   | 380.000     | 0.373              | 99.674                                    | 280.326  |

| Entitlement Holder        | Entitlement | Changes this Month | Total Demand from Water<br>Permits Issued | Remaining Entitlement/and<br>Water Use Permits Available |  |
|---------------------------|-------------|--------------------|---|--|--|
| City of Sand City         | 206.000     | 0.000              | 4.548                                     | 201.452  |  |
| Malpaso Water Company     | 80.000      | 0.500              | 11.808                                    | 68.192   |  |
| 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   |  |
| <b>Cypress Pacific</b>    | 3.170       | 0.000              | 3.170                                     | 0.000  |  |

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

## EXHIBIT 20-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.

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#### ITEM: INFORMATIONAL ITEM/STAFF REPORTS

## 21. WATER CONSERVATION PROGRAM REPORT

| Meeting Date: | January 23, 2019                    | Budgeted:                  | N/A |
|---------------|-------------------------------------|----------------------------|-----|
| From:         | David J. Stoldt,<br>General Manager | Program/<br>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 **86** property transfers that occurred between December 1, 2018 and December 31, 2018 were added to the database.

#### B. Certification

The District received **34** WCCs between December 1, 2018, and December 31, 2018. Data on ownership, transfer date, and status of water efficiency standard compliance were entered into the database.

C. Verification

In December, **58** properties were verified compliant with Rule 144 (Retrofit Upon Change of Ownership or Use). Of the **58** verifications, **35** properties verified compliance by submitting certification forms and/or receipts. District staff completed **31** Site inspections. Of the **31** properties inspected, **23** (74%) 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 December 2018 are estimated at **0.470** Acre-Feet Annually (AFA). Water savings from retrofits that exceeded the requirement (i.e., HETs to Ultra High Efficiency Toilets) is estimated at **0.220** AFA (22 toilets). Year-to-date estimated savings from toilet retrofits is **11.540** 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 **seven** inspections. Of the **seven** inspections certified, **six** were in compliance. **None** of the properties that passed inspection involved more than one visit to verify compliance with all water efficiency standards; the remainder complied without a reinspection.

MPWMD is forwarding its CII inspection findings to California American Water (Cal-Am) for their verification with the Rate Best Management Practices (Rate BMPs) that are used to determine the appropriate non-residential rate division. Compliance with MPWMD's Rule 143 achieves Rate BMPs for indoor water uses, however, properties with landscaping must also comply with Cal-Am's outdoor Rate BMPs to avoid Division 4 (Non-Rate BMP Compliant) rates. In addition to sharing information about indoor Rate BMP compliance, MPWMD notifies Cal-Am of properties with landscaping. Cal-Am then conducts an outdoor audit to verify compliance with the Rate BMPs. During November 2018, MPWMD referred **no** properties to Cal-Am for verification of outdoor Rate BMPs.

E. <u>Water Waste Enforcement</u>

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 <u>www.mpwmd.net</u> or <u>www.montereywaterinfo.org</u>. There were **two** Water Waste responses during the past month. There were **no** repeated incidents that resulted in a fine.

# II. WATER DEMAND MANAGEMENT

# A. Permit Processing

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 67 Water Permits in December 2018. Eight 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 **67** Water Permits issued in December, **one** was issued under this provision.

B. Permit Compliance

District staff completed **51** Water Permit final inspections during December 2018. **Twelve** of the final inspections failed due to unpermitted fixtures. Of the **35** passing properties, **29** 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 December, the District prepared **55** deed restrictions. Of the **67** Water Permits issued in December, **38** (**69%**) required deed restrictions. District staff provided Notary services for **46** 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

|                        | 1  | REBATE PROGRAM SUMMARY                 |         |          | 2018 YTD  | 1997 - Present |          |            |                |
|------------------------|--|--|---------|----------|-----------|----------------|----------|------------|----------------|
| I. Application Summary |  |  |         |          |           |                |          |            |                |
|                        | Α.   | Applications Received                  |         |          |           | 1472           | 26,206   |            |                |
|                        | В.   | Applications Approved                  |         |          | 160       |                |          | 1001       | 20,434         |
|                        | C.   | Single Family Applications             |         |          | 142       |                |          | 1207       | 23,701         |
|                        | D.   | Multi-Family Applications              |         |          | 52        |                |          | 120        | 1,351          |
|                        | Ε.   | Non-Residential Applications           |         |          | 2         |                |          | 29         | 354            |
|                        |  |  | Number  |          |           |                |          |            |                |
|                        |  |  | of      | Rebate   | Estimated | Gallons        | 2018 YTD | 2018 YTD   | 2018 YTD       |
| II.                    | Тур  | e of Devices Rebated                   | devices | Paid     | AF        | Saved          | Quantity | Paid       | Estimated AF   |
|                        | Α.   | High Efficiency Toilet (HET)           | 118     | 10194.00 | 1.265220  | 412,273        | 369      | 26,619.00  | 3.60036        |
|                        | В.   | Ultra Low Flush to HET                 | 0       | 0.00     | 0.000000  | 39,102         | 11       | 1,399.00   | 0.11           |
|                        | C.   | Ultra HET                              | 0       | 0.00     | 0.010000  | 3,259          | 3        | 1,475.00   | 0.01           |
|                        | D.   | Toilet Flapper                         | 0       | 0.00     | 0.000000  | 0              | 5        | 75.00      | 0              |
|                        | Ε.   | High Efficiency Dishwasher             | 19      | 3930.00  | 0.057000  | 18,574         | 201      | 28,930.00  | 0.057          |
|                        | F.   | High Efficiency Clothes Washer         | 78      | 52940.99 | 1.255800  | 409,204        | 466      | 296,439.33 | 1.2558         |
|                        | G.   | Instant-Access Hot Water System        | 0       | 0.00     | 0.000000  | 0              | 3        | 600.00     | 0              |
|                        | Н.   | On Demand Systems                      | 2       | 200.00   | 0.000000  | 0              | 4        | 500.00     | 0              |
|                        | I.   | Zero Use Urinals                       | 0       | 0.00     | 0.000000  | 0              | 0        | 0.00       | 0              |
|                        | J.   | High Efficiency Urinals                | 0       | 0.00     | 0.000000  | 0              | 0        | 0.00       | 0              |
|                        | К.   | Pint Urinals                           | 0       | 0.00     | 0.000000  | 0              | 0        | 0.00       | 0              |
|                        | L.   | Cisterns                               | 3       | 9650.00  | 0.000000  | 0              | 28       | 33,024.75  | 0              |
|                        | M.   | Smart Controllers                      | 1       | 199.99   | 0.000000  | 0              | 1        | 199.99     | 0              |
|                        | N.   | Rotating Sprinkler Nozzles             | 0       | 0.00     | 0.000000  | 0              | 50       | 252.00     | 0              |
|                        | 0.   | Moisture Sensors                       | 0       | 0.00     | 0.000000  | 0              | 0        | 0.00       | 0              |
|                        | Ρ.   | Lawn Removal & Replacement             | 1       | 540.00   | 0.000000  | 0              | 7        | 7,010.00   | 0              |
|                        | Q.   | Graywater                              | 0       | 0.00     | 0.000000  | 0              | 0        | 0.00       | 0              |
|                        | R.   | Ice Machines                           | 0       | 0.00     | 0.000000  | 0              | 0        | 0.00       | 0              |
| III.                   | Tot  | als: Month; AF; Gallons; YTD           | 222     | 77654.98 | 2.58802   | 882,411        | 1148     | 182,087.59 | 16.26102       |
|                        |  |  |         |          |           |                |          | 2018 YTD   | 1997 - Present |
| IV.                    | <u>To</u> ta   | al Rebated: YTD; Program               |         |          |           |                |          | 482,087.59 | 31,807.27      |
| V.                     | Esti   | mated Water Savings in Acre-Feet Annua | ally*   |          |           |                |          | 16.261020  | 2.58802        |
| *Rot                   | Betrofit savings are estimated at 0.041748 AE/HET:0.01 AE/LIHET:0.01 AE/LILE to HET:0.003 AE/HE DW: 0.0161 AE/Residential HEW: 0.0082 AE/100 sf. of lawn removal |  |         |          |           |                |          |            |                |

# ITEM: INFORMATIONAL ITESM/STAFF REPORTS

### 22. QUARTERLY WATER USE CREDIT TRANSFER STATUS REPORT

| Meeting Date:  | January 23, 2019                    | Budgeted:                  | N/A |  |  |  |  |  |  |
|--|-------------------------------------|----------------------------|-----|--|--|--|--|--|--|
| From:  | David J. Stoldt,<br>General Manager | Program/<br>Line Item No.: | N/A |  |  |  |  |  |  |
| Prepared By:   | Gabriela Ayala                      | Cost Estimate:             | N/A |  |  |  |  |  |  |
| General Counsel Review: N/A<br>Committee Recommendation: N/A<br>CEQA Compliance: This action does not constitute a project as defined by the California<br>Environmental Quality Act Guidelines Section 15378. |                                     |                            |     |  |  |  |  |  |  |

Information about Water Use Credit transfer applications will be reported as applications are received. There are no pending Water Use Credit transfer applications.

#### ITEM: INFORMATIONAL ITEMS/STAFF REPORTS

#### 23. CARMEL RIVER FISHERY REPORT FOR DECEMBER 2018

| Meeting Date:  | <b>January 23, 2019</b>             | Budgeted:                  | N/A |
|----------------|-------------------------------------|----------------------------|-----|
| From:          | David J. Stoldt,<br>General Manager | Program/<br>Line Item No.: | N/A |
| Prepared By:   | Beverly Chaney                      | Cost Estimate:             | N/A |
| General Counse | l Review: N/A                       |                            |     |

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

**AQUATIC HABITAT AND FLOW CONDITIONS:** After slowly filling over the last month, Los Padres Reservoir (LPR) spilled on December 18, peaking at 60 cfs following a moderate storm. The river front reached the lagoon on December 19, 2018. Rearing conditions for juvenile steelhead are now good all the way to the lagoon. Most lower-valley tributaries remain dry at their confluence.

Mean daily streamflow at the Sleepy Hollow Weir ranged from 17 to 53 cfs (monthly mean 28.5 cfs) resulting in 1,750 acre-feet (AF) of runoff. Mean daily streamflow at the Highway 1 gage ranged from 0 to 27 cfs (monthly mean 8.2 cfs) resulting in 506 acre-feet (AF) of runoff.

There were 2.45 inches of rainfall in December as recorded at Cal-Am's San Clemente gauge (3.64 inches at LPR). The rainfall total for WY 2019 (which started on October 1, 2018) is 4.66 inches, or 68% of the long-term year-to-date average of 6.81 inches.

**CARMEL RIVER LAGOON:** The lagoon mouth is closed and the water surface elevation rose from 9.5 to 12.75 feet (North American Vertical Datum of 1988; **NAVD** 88) due to waves overtopping the beach berm during a large mid-month storm event, and then river inflow starting on December 19, 2018 (see graph below).

Water quality depth-profiles were conducted at five sites on December 18 while the lagoon was closed and no river inflow (the river reached the lagoon the next day). The water surface elevation was 9. 5 feet with foamy seawater and ocean debris on top. Steelhead rearing conditions near the surface were "fair to good" down to ~1 meter depth with moderate salinity and oxygen levels, but conditions generally worsened in deeper water with higher salinity and lower oxygen levels. Throughout the lagoon, salinity ranged from 10-25 ppt, dissolved oxygen (DO) levels were 0.1-9 mg/l, while water temperatures were slightly lower again this month, ranging from 53-60 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. December work included re-contouring of the disturbed area, some revegetation, completion of the plumbing for the return water at the end of the rearing channel, foundation work for the settling basin, and pouring the new concrete foundation for the equipment building.



Carmel River Lagoon December 2018

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#### ITEM: INFORMATIONAL ITEMS/STAFF REPORT

# 24. MONTHLY WATER SUPPLY AND CALIFORNIA AMERICAN WATER PRODUCTION REPORT

| Meeting Date: | January 23, 2019                    | Budgeted:                  | N/A |
|---------------|-------------------------------------|----------------------------|-----|
| From:         | David J. Stoldt,<br>General Manager | Program/<br>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 24-A** shows the water supply status for the Monterey Peninsula Water Resources System (MPWRS) as of **January 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 24-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 December 2018 totaled 2.25 inches and brings the cumulative rainfall total for WY 2019 to 3.82 inches, which is 133% of the long-term average through December. Estimated unimpaired runoff during December totaled 945 acre-feet (AF) and brings the cumulative runoff total for WY 2019 to 1,212 AF, which is 67% of the long-term average through December. Usable storage for the MRWPRS was 27,370 acre-feet, which is 99% of average through December, and equates to 73% 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 **December**, using the CDO accounting method, Cal-Am has produced **964 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 **December**, Cal-Am has produced **620 AF** from the Seaside Groundwater Basin. Through **December**, **0** AF of Carmel River Basin groundwater have been diverted for Seaside Basin injection; **0** AF have been recovered for customer use, and **0** AF have been diverted under Table 13 water rights. Cal-Am has produced **1,674 AF** for customer use from all sources through **December**. **Exhibit 24-**C shows production by source. Some of the values in this report may be revised in the future as Cal-Am finalizes their production values and monitoring data. The 12 month moving average of production for customer service is **9,910 AF**, which is below the rationing trigger of **10,130** AF for WY 2019.

# EXHIBITS

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

# Monterey Peninsula Water Management District Water Supply Status January 1, 2019

| Factor                              | Oct to Dec 2018 | Average<br>To Date | Percent of<br>Average | Oct to Dec 2017 |
|-------------------------------------|-----------------|--------------------|-----------------------|-----------------|
| <b>Rainfall</b><br>(Inches)         | 6.07            | 6.77               | 90%                   | 1.02            |
| <b>Runoff</b><br>(Acre-Feet)        | 2,962           | 6,957              | 43%                   | 2,599           |
| Storage <sup>5</sup><br>(Acre-Feet) | 28,680          | 28,990             | 99%                   | 30,580          |

#### 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.

# EXHIBIT 24-A

#### EXHIBIT 24-B

|       |       | (         | Carmel Valley Wells <sup>1</sup> |                    |           |           |           | Seaside Wells <sup>2</sup> |           |            |           |            | Total Well | 8           | Sa                        | and City Des | al          |            |
|-------|-------|-----------|----------------------------------|--------------------|-----------|-----------|-----------|----------------------------|-----------|------------|-----------|------------|------------|-------------|---------------------------|--------------|-------------|------------|
|       | Actu  | al        | Antici                           | pated <sup>3</sup> | Under     | Target    | A         | ctual                      | Ant       | icipated   | Under     | • Target   | Actual     | Anticipated | Acre-Feet<br>Under Target | Actual       | Anticipated | Under Targ |
| Upp   | per   | 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  |
| s 0   | )     | 491       | 0                                | 550                | 0         | 59        | 341       | 28                         | 350       | 0          | 9         | -28        | 860        | 900         | 40                        | 16           | 25          | 9          |
| 3 0   | )     | 456       | 0                                | 383                | 0         | -73       | 280       | 25                         | 350       | 0          | 70        | -25        | 761        | 733         | -28                       | 21           | 25          | 4          |
| 8 0   | )     | 468       | 0                                | 559                | 0         | 91        | 162       | 18                         | 100       | 0          | -62       | -18        | 648        | 659         | 11                        | 11           | 25          | 14         |
| )     |       |           |                                  |                    |           |           |           |                            |           |            |           |            |            |             |                           |              |             |            |
| )     |       |           |                                  |                    |           |           |           |                            |           |            |           |            |            |             |                           |              |             |            |
| )     |       |           |                                  |                    |           |           |           |                            |           |            |           |            |            |             |                           |              |             |            |
| 2     |       |           |                                  |                    |           |           |           |                            |           |            |           |            |            |             |                           |              |             |            |
|       |       |           |                                  |                    |           |           |           |                            |           |            |           |            |            |             |                           |              |             |            |
| 2     |       |           |                                  |                    |           |           |           |                            |           |            |           |            |            |             |                           |              |             |            |
| 2     |       |           |                                  |                    |           |           |           |                            |           |            |           |            |            |             |                           |              |             |            |
|       |       |           |                                  |                    |           |           |           |                            |           |            |           |            |            |             |                           |              |             |            |
|       |       |           |                                  |                    | 1         |           | 1         |                            | l         |            |           |            |            | l           | 1 1                       |              | 1           |            |
| 0     | )     | 1,416     | 0                                | 1,492              | 0         | 76        | 782       | 71                         | 800       | 0          | 18        | -71        | 2,269      | 2,292       | 23                        | 48           | 75          | 27         |

California American Water Production by Source: Water Year 2019

#### **Total Production: Water Year 2019**

|  | Actual     | Anticipated       | Acre-Feet Under Target |
|--|------------|-------------------|------------------------|
| Oct-18<br>Nov-18<br>Dec-18<br>Jan-19<br>Feb-19<br>Mar-19<br>Apr-19<br>Jun-19<br>Jun-19<br>Aug-19<br>Sep-19 | 782<br>659 | 925<br>758<br>684 | 49<br>-24<br>25        |
| To Date  | 2,317      | 2,367             | 50                     |

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.

#### **EXHIBIT 24-C**

# Production vs. CDO and Adjudication to Date: WY 2019

(All values in Acre-Feet)

|                     |                      | N       | <b>/IPWRS</b> | Wa          | ter Projects   | and Rig  | ghts                  |                   |                |
|---------------------|----------------------|---------|---------------|-------------|----------------|----------|-----------------------|-------------------|----------------|
|                     | Carmel               | Seaside | Groundwate    | er Basin    | MANA           |          |                       |                   | Water Projects |
| Year-to-Date        | River                |         | Laguna        | Ajudication | MPWRS<br>Total | ASR      | Table 13 <sup>7</sup> | Sand              | and Rights     |
| Values              | Basin <sup>2,6</sup> | Coastal | Seca          | Compliance  | Totai          | Recovery |                       | City <sup>3</sup> | Total          |
| Target              | 1,661                | 800     | 0             | 800         | 2,461          | 0        | 24                    | 75                | 99             |
| Actual <sup>4</sup> | 1,440                | 782     | 71            | 853         | 2,293          | 0        | 0                     | 48                | 48             |
| Difference          | 221                  | 18      | -71           | -53         | 168            | 0        | 24                    | 27                | 51             |
| WY 2018 Actual      | 1,352                | 984     | 82            | 1,066       | 2,417          | 0        | 0                     | 43                | 43             |

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, 0 AF and 0 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)



Rationing Trigger: WY 2019

| 12 Month Moving Average <sup>1</sup>                          | 9,839              | 10,130             | Rule 160 Production Limit  |
|---|--------------------|--------------------|----------------------------|
|   |                    |                    |                            |
| 1 Average includes production from Carmal River Seaside Basin | Sand City Decal an | d ASR recovery pro | duced for Customer Service |

nd City Desal, and ASR recovery produced for Customer Service

#### ITEM: INFORMATIONAL ITEMS/STAFF REPORTS

# 25. QUARTERLY CARMEL RIVER RIPARIAN CORRIDOR MANAGEMENT PROGRAM REPORT

| Meeting Date: | January 23, 2019                        | Budgeted:                  | N/A |
|---------------|---|----------------------------|-----|
| From:         | Dave Stoldt,<br>General Manager         | Program/<br>Line Item No.: | N/A |
| Prepared By:  | Thomas Christensen and<br>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.

**IRRIGATION OF RIPARIAN VEGETATION:** The supplemental watering of riparian restoration plantings was carried out for the dry season in 2018 at six Monterey Peninsula Water Management District (District) riparian habitat restoration sites. The following irrigation systems were in use March through November: deDampierre, Trail and Saddle Club, Begonia, Valley Hills, Schulte, and Schulte Bridge.

#### Water Use in Acre-Feet (AF)

(preliminary values subject to revision)

| January - March 2018                       | 0.82 AF        |
|--|----------------|
| April - June 2018<br>July – September 2018 | 3.41<br>4.79   |
| October – December 2018                    | <u>2.89</u> AF |
| Year-to-date                               | 11.91 AF       |

**MONITORING OF RIPARIAN VEGETATION:** Starting in June 2018, staff recorded monthly observations of canopy vigor on target willow and cottonwood trees to provide an indication of plant water stress and corresponding soil moisture levels. Four locations (Rancho Cañada, San Carlos, Valley Hills, and Schulte) are monitored monthly for canopy ratings based on a scale from one to ten. This scale evaluates characteristics such as yellowing leaves and percentages of defoliation (see scale on **Exhibit 25-A**). A total of 12 willows and 12 cottonwoods at these locations provide a data set of established and planted sample trees that are representative of trees in the Carmel River riparian corridor. Combined with monthly readings from the District's array of monitoring wells and pumping records for large-capacity Carmel Valley wells in the California American Water service area, the District's monitoring provides insight into the status of soil moisture through the riparian corridor.

Monitoring results for the 2018 season show that riparian vegetation was below threshold moisture stress levels because of adequate soil moisture. The graph in **Exhibit 25-A** shows average canopy ratings for willows and cottonwoods in selected restoration sites in lower Carmel Valley. The graph in **Exhibit 25-B** shows impacts to water table elevations.

The types of monitoring measurements made during June - October 2017 are as follows:

# **Monitoring Measurement**

Canopy ratings Groundwater levels (monitoring wells) Groundwater pumping (production wells) (See Exhibit 25-A for trends.) (See Exhibit 25-B for trends.)

# OTHER TASKS PERFORMED SINCE THE OCTOBER 2018 QUARTERLY REPORT:

1. Rancho San Carlos Bank Stabilization Project: The Rancho San Carlos Bank Stabilization Project was completed on October 31, 2018. In the winter of 2016-2017 this reach experienced significant erosion which created a potential threat to houses in the area and the loss of mature riparian forest. This project was designed to prevent additional bank erosion and incorporate new plantings to reestablish native streamside habitat. The project consisted of protecting the left bank with a 165 foot long log cribwall. The right bank was protected with riprap and anchored rootwads with additional gravel and cobble to support the bank.



2. Concrete Bridge Pier and Deck Removal: During the March 10, 1995 flood, the furthest downstream bridge on the Rancho Cañada Golf Course collapsed. A concrete center pier and the bridge deck fell into the river and remained there for 23 years. The District recognized an opportunity to remove the concrete as a mitigation offset for work being carried out at the Sleepy Hollow Steelhead Rearing Facility (SHSRF).



Concrete Bridge Pier before removal (Spring 2018)



Concrete Bridge Pier removed from channel bottom (Fall 2018)

3. Los Padres Dam Long-Term Plan: The Technical Review Committee (TRC) for sediment management held several meetings to review the results of sediment transport model development and scenario analysis. Preliminary results indicate potential changes in the bottom of the Carmel River channel of -5 to +5 feet in the lower several miles of the river, depending on the supply of sediment from the upper watershed. Alternatives range from no change to a resumption of the natural load. While the model shows results for a 60-year analysis period, modeled river channel adjustments generally occur within the first 10 to 20 years after a change in supply.

Los Padres Dam Fish Passage Study: The fish passage TRC met in November 2018 to consider several alternatives to improve upstream and downstream passage. Several alternatives were eliminated due to complexity and uncertainty of benefits.

It is expected that the two TRCs will need one or two additional meetings before a report of findings can be prepared.

4. Integrated Regional Water Management: Staff participated in several meetings to review regional goals and objectives and to expand the Regional Water Management Group. Please see related information in this Board packet under Action items.

### EXHIBITS

- **25-A** Average Willow and Cottonwood Canopy Rating
- **25-B** Depth to Groundwater

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# EXHIBIT 25-A

Carmel River Riparian Vegetation: Average Canopy Rating for Cottonwoods and Willows



| C   | anopy Rating Scale        | Stress Level                                     |
|-----|---------------------------|--|
|     |                           |  |
| 1=  | Green, obviously vigorous | none, no irrigation required                     |
| 2=  | Some visible yellowing    | low, occasional irrigation required              |
| 3=  | Leaves mostly yellowing   | moderate, regular irrigation required            |
| 4=  | < 10% Defoliated          | moderate, regular irrigation required            |
| 5=  | Defoliated 10% to 30%     | moderate, regular irrigation required            |
| 6=  | Defoliated 30% to 50%     | moderate to high, additional measures required   |
| 7=  | Defoliated 50% to 70%     | high stress, risk of mortality or canopy dieback |
| 8=  | Defoliated 70% to 90%     | high stress, risk of mortality or canopy dieback |
| 9=  | > 90% Defoliated          | high stress, risk of mortality or canopy dieback |
| 10= | Dead                      | consider replanting                              |

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#### EXHIBIT 25-B



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#### ITEM: INFORMATIONAL ITEMS/STAFF REPORTS

**Environmental Quality Act Guidelines Section 15378.** 

#### 26. SEMI-ANNUAL GROUNDWATER-QUALITY MONITORING REPORT

| Meeting Date:        | January 23, 2019                 | Budgeted:                  | Yes   |
|----------------------|----------------------------------|----------------------------|---|
| From:                | David Stoldt,<br>General Manager | Program/<br>Line Item No.: | Hydrologic Monitoring 2.6<br>2-6-1 G, and 2-6-2 D |
| Prepared By:         | Jonathan Lear/<br>Tom Lindberg   | Cost Estimate:             | N/A   |
| General Counse       | el Review: N/A                   |                            |   |
| <b>Committee Rec</b> | ommendation: N/A                 |                            |   |
| <b>CEQA</b> Complia  | nce: This action does n          | ot constitute a project    | t as defined by the California                    |

**SUMMARY:** Water-quality results from the Fall 2018 sampling of the Monterey Peninsula Water Management District's (District's) monitor well networks in the Carmel Valley aquifer and the coastal areas of the Seaside Groundwater Basin are presented and briefly summarized below.

**BACKGROUND:** The District has maintained a groundwater-quality monitoring program in the Carmel Valley Aquifer since 1981, and in the Seaside Groundwater Basin since 1990. Currently, collection of samples from the Carmel Valley monitor wells is conducted on an annual basis. The sampling schedule for Carmel Valley is staggered, with upper valley wells (i.e., upgradient of the Narrows), sampled in Spring and lower Carmel Valley wells in Fall, to coincide with the historically higher nitrate concentrations in these respective areas. Beginning in 2007, the District was retained by the Seaside Basin Watermaster to collect water-quality samples from the District's Seaside Basin coastal monitor wells on a quarterly basis. The results of that sampling are reported to the Seaside Basin Watermaster Board on an annual basis. Results of the Fall 2017 and Fall 2018 sampling of the Seaside Basin coastal monitor wells are included in this report.

#### **DISCUSSION/ANALYSIS:**

**Carmel Valley Aquifer Monitor Wells** - Results from the Fall 2018 sampling are provided in **Exhibit 26-A**. Six monitor wells in the lower Carmel Valley were sampled during Fall 2018, per the sampling schedule described above. Review of these water-quality results indicates that, in general, there are minor changes in overall water quality compared to samples collected in 2017 (provided here as a reference in **Exhibit 26-B**). A seventh well that was formally sampled in the Fall (16S/1E-13Md), was not sampled in Fall 2018 or Fall 2017 because it was submerged under high water in the Carmel River Lagoon wetlands during the sampling period. Another well that had been sampled during this period was destroyed by flooding in March of 2011 when the river scoured away the south end of the Carmel River State Beach parking lot. The locations of the sampling points are shown on the map in **Exhibit 26-C**. Changes in water quality for specific wells are discussed below. Staff is particularly interested in tracking indicators of potential seawater intrusion in the coastal portion of Carmel Valley. Accordingly, three clustered sets of wells were established west of Highway 1, with each set being made up of three wells completed

at different depths. Review of historical data indicated that the shallower and intermediate depth wells in the coastal area are subject to the mixing of fresh water and saline water as high tides and surf overtop the sand berm between the lagoon and the ocean. This contributes to episodic mixing within the shallower and intermediate zones of the aquifer, but is not indicative of larger-scale seawater intrusion into the aquifer. All three wells in the cluster closest to the ocean were destroyed by river erosion in 2011, and all three of the wells in the next closest cluster to the ocean were inaccessible due to high water during the sampling period, so currently, only the deeper well at one of the three coastal locations is sampled.

Well 16S/1W-13Lc is the deepest in the array of three wells located State Parks property near the Carmel Area Wastewater District treatment plant at River Mile (RM) 0.65, currently the most proximate well to the ocean in Carmel Valley that is available for sampling. There is an overall increasing trend in Specific Electrical Conductance (SEC) and Chloride from 1989 to 2018 (Exhibit 26-D) with some notable fluctuations. Both SEC and Chloride declined from 2006 to 2008, but have trended generally upward since then. However, current Chloride and SEC levels are below peak levels observed at this location in Water Year 2013, and although both constituents are slightly elevated compared to the previous year, they are both lower than they have been in nine of the last 13 years. Additional background on historical water-quality at the coastal monitor well sites can be found in District Technical Memorandum 90-04, *Summary of Carmel Valley Groundwater-quality from Coastal Monitor Wells*, which is available at the District office. Staff will continue to track future results for trends that might indicate significant changes in concentrations of these or other constituents in the coastal area of the aquifer.

Well 16S/1E-23E4, located 6.53 miles upstream from the mouth of the Carmel River, has had fluctuating water quality in the past - primarily as variably elevated iron and manganese, likely attributable to flooding along the roadside where this well is located. Elevaated iron and manganese concentrations are not unusual in Carmel Valley; four of the six wells sampled in Fall 2018 showed levels above the State Drinking Water Standards for these constituents. Results indicate no significant changes to water quality here in 2018 relative to 2017. Staff will continue to monitor the site to ensure the wellhead is secure from surface-water sources.

Well 16S/1E-23La, located 6.72 miles upstream from the river mouth, does not show a significant change in 2018 relative to 2017, but a graph of SEC and Chloride is included to track long-term trends as was described in previous Board packet reports (**Exhibit 26-E**). This graph indicates a downward trend in both SEC and Chloride at this site; most other constituents were not significantly different in 2018 relative to 2017.

<u>Seaside Groundwater Basin Coastal Monitor Wells</u> - Since 1990, the District has been collecting water-quality samples from coastal monitor wells in the Seaside Groundwater Basin, for the purposes of water-quality characterization and sea-water intrusion monitoring. In 2009 District staff switched from air-lifting samples from wells in Seaside to "micro-purging", which generally extends the well life. In Fall 2018, 11 dedicated monitor wells at six different sites were sampled. Results of water-quality sampling from 2018 and 2017 for the Seaside wells are provided in **Exhibit 26-A** and **Exhibit 26-B**, respectively. Because laboratory results for the Fall 2018 samples needed to be received and processed earlier than in years prior to 2008 in order to complete an Annual Report to the Seaside Groundwater Basin Watermaster, some of the Seaside wells were

actually sampled in July and August of 2018. The locations of the Seaside monitor wells are shown on the map in **Exhibit 26-F**. Results for most constituents in most of the wells were not significantly different in 2018 relative to 2017, with few exceptions. Five of the wells in the Seaside Groundwater Basin showed levels of Iron above the Drinking Water Standard in Fall 2018. Concentrations of Iron were notably higher in two wells (15S/1E-N2 and -15F2) in 2018 relative to 2017. Concentrations of Iron in well 15S/1E-F1, while still elevated, were considerably lower in 2018 compared to 2017. The concentration of Iron in well 15S/1E-11Pb was lower relative to the higher reading in 2017, and remains significantly lower than the level reported in 2015 (5.772

mg/l). The level of Iron in well 15S/1E-11Pa was almost unchanged relative to 2017, but staff will continue to watch it as it was elevated well above the Drinking Water Standard in 2016. The concentration of Iron in well 15S/1E-11Fc was lower than in 2017, and far lower than in 2016, and the concentration in well -11Fa was about the same as reported in 2017. A more complete historical summary of the Seaside Basin coastal groundwater-quality data is contained in District Technical Memorandum 97-02 *Seaside Basin Coastal Monitor Wells: Ground Water-quality Monitoring Results, 1990-1996*, which is available at the District office.

# **EXHIBITS**

- 26-A Groundwater-quality Monitoring Results Fall 2018
- 26-B Groundwater-quality Monitoring Results Fall 2017
- 26-C Location of MPWMD Lower Carmel Valley Water-quality Monitoring Wells
- 26-D Water-quality Results in Well 16S/1W-13Lc in Carmel Valley
- 26-E Water-quality Results in Well 16S/1E-23La in Carmel Valley
- 26-F Location of MPWMD Seaside Basin Water-quality Monitoring Wells

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#### EXHIBIT 26-A

#### MONTEREY PENINSULA WATER MANAGEMENT DISTRICT

#### **GROUNDWATER-QUALITY MONITORING RESULTS**

Carmel Valley Aquifer Sample Collection Date: October 15, 2018

#### Seaside Basin Sample Collection Dates: July 3, August 13, September 5, 2018

#### Units are milligrams per liter unless otherwise noted.

| Water Quality Constituent   |            | Specific<br>Conductance<br>(micromhos/cm) | Total<br>Alkalinity<br>(as CACO3) | рН       | Chloride        | Sulfate         | Ammonia<br>Nitrogen<br>(as N) | Nitrate<br>Nitrogen<br>(as NO3) | Total<br>Organic<br>Carbon | Calcium | Sodium | Magnesium | Potassium | Iron   | Manga-<br>nese | Orthophos-<br>phate | Total<br>Dissolved<br>Solids | Boron | Bromide | Fluoride |
|-----------------------------|------------|---|-----------------------------------|----------|-----------------|-----------------|-------------------------------|---------------------------------|----------------------------|---------|--------|-----------|-----------|--------|----------------|---------------------|------------------------------|-------|---------|----------|
| Drinking Water Standard (1) |            | 900 1600 2200 (2)                         | NA                                | NA       | 250 500 600 (2) | 250 500 600 (2) | NA                            | 45                              | NA                         | NA      | NA     | NA        | NA        | 0.3    | 0.05           |                     | NA                           | NA    | NA      | NA       |
| Sampling Location           | River Mile |   |                                   |          |                 |                 |                               |                                 |                            |         |        |           |           |        |                |                     |                              |       |         |          |
| Carmel Valley Aquifer       |            |   |                                   |          |                 |                 |                               |                                 |                            |         |        |           |           |        |                |                     |                              |       |         |          |
| 16S/1W-14Jh (shal)          | 0.07       | ' no longer in ar                         | nnual samplin                     | g networ | ĸ               |                 |                               |                                 |                            |         |        |           |           |        |                |                     |                              |       |         |          |
| 16S/1W-14Jf (inter)         | 0.07       | ' no longer in ar                         | nnual samplin                     | g networ | ĸ               |                 |                               |                                 |                            |         |        |           |           |        |                |                     |                              |       |         |          |
| 16S/1W-14Jg (deep)          | 0.07       | ' no longer in ar                         | nnual samplin                     | g networ | k, destroy      | yed by flo      | oding                         |                                 |                            |         |        |           |           |        |                |                     |                              |       |         |          |
| 16S/1W-13Mc (shal)          | 0.31       | no longer in ar                           | nnual samplin                     | g networ | ĸ               |                 |                               |                                 |                            |         |        |           |           |        |                |                     |                              |       |         |          |
| 16S/1W-13Mb (inter)         | 0.31       | no longer in ar                           | nnual samplin                     | g networ | ĸ               |                 |                               |                                 |                            |         |        |           |           |        |                |                     |                              |       |         |          |
| 16S/1W-13Md (deep)          | 0.31       | no access in N                            | Vovember or                       | Decembe  | er due to l     | high watei      | r in Lagoon                   | 1                               |                            |         |        |           |           |        |                |                     |                              |       |         |          |
| 16S/1W-13Lb (shal)          | 0.65       | no longer in ar                           | nnual samplin                     | g networ | ĸ               |                 |                               |                                 |                            |         |        |           |           |        |                |                     |                              |       |         |          |
| 16S/1W-13La (inter)         | 0.65       | no longer in ar                           | nnual samplin                     | g networ | ĸ               |                 |                               |                                 |                            |         |        |           |           |        |                |                     |                              |       |         |          |
| 16S/1W-13Lc (deep)          | 0.65       | 967                                       | 189                               | 7.2      | 95              | 170             | 0.6                           | <0.1                            | 2.6                        | 83      | 101    | 21        | 3.7       | 2.000  | 0.740          | 0.3                 | 600                          | 0.21  | 0.2     | 1.8      |
| 16S/1E-17J4                 | 3.85       | 466                                       | 87                                | 6.4      | 33              | 98              | <0.1                          | 0.6                             | 1.9                        | 41      | 28     | 16        | 3.3       | 0.244  | 0.018          | 3 <0.1              | 300                          | <0.05 | 0.1     | 0.2      |
| 16S/1E-17R2                 | 3.86       | 1223                                      | 169                               | 6.5      | 122             | 334             | 0.2                           | <0.1                            | 4.8                        | 142     | 69     | 31        | 4.0       | 7.970  | 0.300          | ) <0.1              | 880                          | <0.05 | 0.2     | 0.2      |
| 16S/1E-23E4                 | 6.53       | 1082                                      | 269                               | 7.0      | 101             | 170             | <0.1                          | <0.1                            | 2.4                        | 109     | 84     | 27        | 1.7       | 1.010  | 0.781          | <0.1                | 730                          | 0.10  | 0.2     | 0.5      |
| 16S/1E-23La                 | 6.72       | 432                                       | 113                               | 7.0      | 28              | 64              | <0.1                          | 0.1                             | 1.5                        | 35      | 33     | 12        | 2.8       | 0.998  | 0.197          | <0.1                | 264                          | <0.05 | 0.1     | 0.5      |
| 16S/1E-24N5                 | 8.02       | 442                                       | 128                               | 6.9      | 26              | 62              | <0.1                          | <0.1                            | 1.4                        | 46      | 30     | 13        | 2.6       | <0.01  | <0.01          | <0.1                | 268                          | <0.05 | 0.1     | 0.3      |
| Seaside Basin               |            |   |                                   |          |                 |                 |                               |                                 |                            |         |        |           |           |        |                |                     |                              |       |         |          |
| 15S/1E-15N3 (shal)          |            | 214                                       | 66                                | 7.1      | 46              | 15              | <0.1                          | <0.1                            | 0.3                        | 18      | 34     | 5         | 2.9       | 0.036  | <0.01          | <0.1                | 214                          | <0.05 | 0.2     | 0.1      |
| 15S/1E-15N2 (deep)          |            | 889                                       | 230                               | 7.4      | 153             | 15              | <0.1                          | <0.1                            | 0.9                        | 57      | 106    | 15        | 4.8       | 5.320  | 0.106          | 6 <0.1              | 529                          | 0.11  | 0.4     | 0.3      |
| 15S/1E-23Ca (shal)          |            | 760                                       | 206                               | 7.4      | 105             | 38              | 0.1                           | 1.1                             | 0.9                        | 72      | 83     | 16        | 4.6       | 0.064  | 0.012          | 2 <0.1              | 474                          | 0.08  | 0.3     | <0.1     |
| 15S/1E-23Cb (deep)          |            | not sampled in                            | n 2018 due to                     | obstruc  | tion in we      | ell             |                               |                                 |                            |         |        |           |           |        |                |                     |                              |       |         |          |
| 15S/1E-15F1 (shal)          |            | 315                                       |                                   | 6.8      | 48              | 11              | <0.1                          | 0.7                             | 0.5                        | 20      | 35     | 5         |           | 0.776  | <0.01          | <0.1                | 206                          | <0.05 | 0.1     | <0.1     |
| 15S/1E-15F2 (deep)          |            | 1109                                      |                                   | 6.2      | 159             | 42              | 0.1                           | <0.1                            | 2.1                        | 81      | 111    | 17        |           | 25.900 | 0.286          | 6 <0.1              | 660                          | 0.11  | 0.4     | <0.1     |
| 15S/1E-15K5 (shal)          |            | 288                                       |                                   | 7.7      | 50              | 9               | 0.1                           | 0.4                             | 0.5                        | 18      | 42     | 5         |           | <0.01  | <0.01          | <0.1                | 211                          | <0.05 | 0.1     | <0.1     |
| 15S/1E-15K4 (deep)          |            | 797                                       |                                   | 7.4      | 116             | 71              |                               | 0.7                             |                            |         | 101    | 19        |           | 0.04   | 0.157          |                     |                              | 0.11  |         | 0.3      |
| 15S/1E-11Pa (shal)          |            | 348                                       |                                   | 6.5      | 58              | 16              |                               | 0.2                             | 0.7                        |         | 33     |           |           | 0.336  | <0.01          |                     |                              | <0.05 |         | <0.1     |
| 15S/1E-11Pb (deep)          |            | 433                                       | 100                               | 6.1      | 71              | 4               | 0.7                           | <0.1                            | 10.4                       |         | 57     | 4         | 3.7       | 0.517  | <0.01          | <0.1                | 223                          | 0.07  | 0.2     |          |
| 15S/1E-12Fa (shal)          |            | 260                                       |                                   | 8.2      | 44              | 13              |                               | 0.4                             | 1.2                        |         | 41     | 2         |           | 0.921  | 0.021          |                     |                              | <0.05 |         | 0.1      |
| 15S/1E-12Fc (deep)          |            | 325                                       | 68                                | 7.9      | 54              | 17              | 0.2                           | 0.1                             | 1.8                        | 22      | 41     | 4         | 3.6       | 0.027  | 0.050          | 0.4                 | 254                          | 0.05  | 0.1     | 0.2      |

#### NOTES:

(1) Maximum contaminant levels are from California Domestic Water Quality and Monitoring Regulations, Title 22, 1977.

(2) The three values listed for certain constituents refer to the "recommended" level, the "upper" level, and "short-term use" level, respectively.

(3) The "Practical Quantifiable Limit" for Amonia-N changed in 2017.

(4) The "Practical Quantifiable Limit" for Nitrate as N was inconsistently reported in 2017, but corrected for this report.

(5) The "Practical Quantifiable Limit" for Orthophosphate and Bromide changed in 2012.

(6) Well 15S/1E-15K4 is being used as a "far-field monitor" for ASR well #4, and as such was sampled for additional constituents in 2016 that are not shown on this table.

#### EXHIBIT 26-B

#### MONTEREY PENINSULA WATER MANAGEMENT DISTRICT

#### **GROUNDWATER-QUALITY MONITORING RESULTS**

#### Carmel Valley Aquifer Sample Collection Date: September 19, 2017 Seaside Basin Sample Collection Dates: July 24, August 14, September 11 and 20, and October 6, 2017

#### Units are milligrams per liter unless otherwise noted.

| Water Quality Constituent   |            | Specific<br>Conductance<br>(micromhos/cm) | Total<br>Alkalinity<br>(as CACO3) | рН       | Chloride        | Sulfate         | Ammonia<br>Nitrogen<br>(as N) | Nitrate<br>Nitrogen<br>(as NO3) | Total<br>Organic<br>Carbon | Calcium | Sodium | Magnesium | Potassium | Iron   | Manga-<br>nese | Orthophos-<br>phate | Total<br>Dissolved<br>Solids | Boron | Bromide | Fluoride |
|-----------------------------|------------|---|-----------------------------------|----------|-----------------|-----------------|-------------------------------|---------------------------------|----------------------------|---------|--------|-----------|-----------|--------|----------------|---------------------|------------------------------|-------|---------|----------|
| Drinking Water Standard (1) |            | 900 1600 2200 (2)                         | NA                                | NA       | 250 500 600 (2) | 250 500 600 (2) | NA                            | 45                              | NA                         | NA      | NA     | NA        | NA        | 0.3    | 0.05           |                     | NA                           | NA    | NA      | NA       |
| Sampling Location           | River Mile |   |                                   |          |                 |                 |                               |                                 |                            |         |        |           |           |        |                |                     |                              |       |         |          |
|                             |            |   |                                   |          |                 |                 |                               |                                 |                            |         |        |           |           |        |                |                     |                              |       |         |          |
| Carmel Valley Aquifer       |            |   |                                   |          |                 |                 |                               |                                 |                            |         |        |           |           |        |                |                     |                              |       |         |          |
| 16S/1W-14Jh (shal)          |            | no longer in ar                           |                                   | •        |                 |                 |                               |                                 |                            |         |        |           |           |        |                |                     |                              |       |         |          |
| 16S/1W-14Jf (inter)         |            | no longer in ar                           | ,                                 | 0        |                 |                 |                               |                                 |                            |         |        |           |           |        |                |                     |                              |       |         |          |
| 16S/1W-14Jg (deep)          |            | no longer in ar                           |                                   | •        |                 | ed by floo      | oding                         |                                 |                            |         |        |           |           |        |                |                     |                              |       |         |          |
| 16S/1W-13Mc (shal)          |            | no longer in ar                           | ,                                 | 0        |                 |                 |                               |                                 |                            |         |        |           |           |        |                |                     |                              |       |         |          |
| 16S/1W-13Mb (inter)         | 0.31       | no longer in ar                           | nnual samplin                     | g netwol | ĸ               |                 |                               |                                 |                            |         |        |           |           |        |                |                     |                              |       |         |          |
| 16S/1W-13Md (deep)          | 0.31       | no access in N                            | lovember or l                     | Decembe  | er due to l     | nigh water      | in Lagoon                     |                                 |                            |         |        |           |           |        |                |                     |                              |       |         |          |
| 16S/1W-13Lb (shal)          | 0.65       | no longer in ar                           | nnual samplin                     | g netwol | ĸ               |                 |                               |                                 |                            |         |        |           |           |        |                |                     |                              |       |         |          |
| 16S/1W-13La (inter)         | 0.65       | no longer in ar                           | nnual samplin                     | g netwol | ĸ               |                 |                               |                                 |                            |         |        |           |           |        |                |                     |                              |       |         |          |
| 16S/1W-13Lc (deep)          | 0.65       | 962                                       | 195                               | 7.2      | 91              | 165             | 0.6                           | <0.1                            | 2.5                        | 72      | 79     | 20        | 4         | 1.990  | 0.621          | 0.24                | 608                          | 0.15  | 0.2     | 1.3      |
| 16S/1E-17J4                 | 3.85       | 423                                       | 75                                | 6.3      | 26              | 91              | <0.1                          | 0.3                             | 1.9                        | 36      | 22     | 13        | 3         | 0.286  | <0.01          | <0.1                | 294                          | <0.05 | <0.1    | 0.2      |
| 16S/1E-17R2                 | 3.86       | 1222                                      | 185                               | 6.5      | 113             | 292             | 0.2                           | 0.1                             | 4.4                        | 127     | 78     | 28        | 4         | 6.220  | 0.249          | <0.1                | 866                          | 0.06  | 0.1     | 0.2      |
| 16S/1E-23E4                 | 6.53       | 1058                                      | 298                               | 7.0      | 84              | 153             | 0.4                           | 0.2                             | 3.0                        | 101     | 86     | 25        | 2         | 1.130  | 0.777          | <0.1                | 683                          | 0.11  | 0.1     | 0.5      |
| 16S/1E-23La                 | 6.72       | 446                                       | 120                               | 6.9      | 27              | 64              | <0.1                          | 0.1                             | 1.4                        | 36      | 30     | 12        | 3         | 1.070  | 0.158          | 3 <0.1              | 291                          | <0.05 | <0.1    | 0.5      |
| 16S/1E-24N5                 | 8.02       | 499                                       | 138                               | 6.9      | 29              | 68              | <0.1                          | 1                               | 1.6                        | 46      | 30     | 13        | 3         | <0.01  | <0.01          | <0.1                | 388                          | <0.05 | <0.1    | 0.3      |
| Seaside Basin               |            |   |                                   |          |                 |                 |                               |                                 |                            |         |        |           |           |        |                |                     |                              |       |         |          |
| 15S/1E-15N3 (shal)          |            | 203                                       | 67                                | 7.1      | 45              | 15              | <0.1                          | 1                               | 0.2                        | 18      | 32     | 5.0       | 2.7       | <0.01  | <0.01          | <0.1                | 203                          | <0.05 | 0.2     | 0.1      |
| 15S/1E-15N2 (deep)          |            | 969                                       | 257                               | 7.4      | 152             | 18              | <0.1                          | <0.1                            | 0.9                        | 64      | 106    | 15        | 4.6       | 2.769  | 0.015          | 5 <0.1              | 566                          | 0.11  | 0.5     | 0.3      |
| 15S/1E-23Ca (shal)          |            | 742                                       | 222                               | 7.4      | 103             | 36              | <0.1                          | 0.9                             | 0.9                        | 53      | 71     | 12        | 4         | 0.026  | 0.022          | 2 <0.1              | 508                          | 0.06  | 0.3     | 0.2      |
| 15S/1E-23Cb (deep)          |            | not sampled ir                            | n 2015 due to                     | obstruc  | tion in we      | ell             |                               |                                 |                            |         |        |           |           |        |                |                     |                              |       |         |          |
| 15S/1E-15F1 (shal)          |            | 315                                       | 70                                | 6.9      | 47              | 11              | <0.1                          | 3                               | <0.2                       | 19      | 33     | 5.0       | 2.2       | 1.636  | <0.01          | <0.1                | 223                          | <0.05 | 0.2     | 0.10     |
| 15S/1E-15F2 (deep)          |            | 1102                                      | 326                               | 6.3      | 159             | 42              | <0.1                          | <0.1                            | 1.2                        | 80      | 105    | 17        | 4.8       | 19.797 | 0.230          | ) <0.1              | 668                          | 0.12  | 0.5     | 0.3      |
| 15S/1E-15K5 (shal)          |            | 208                                       | 66                                | 7.8      | 49              | 8               | <0.1                          | 0.5                             | 1.2                        | 16      | 37     | 4         | 2.5       | 0.095  | <0.01          | NR                  | 208                          | 0.05  | 0.1     | 0.1      |
| 15S/1E-15K4 (deep)          |            | 806                                       | 195                               | 7.4      | 113             | 33              | <0.1                          | <0.1                            | 0.6                        | 57      | 101    | 12        | 4.4       | 0.033  | 0.149          | <0.1                | 460                          | 0.10  | 0.3     | 0.3      |
| 15S/1E-11Pa (shal)          |            | 331                                       | 69                                | 6.8      | 54              | 13              | <0.1                          | <0.1                            | 0.5                        | 28      | 38     | 5.0       | 4.3       | 0.078  | <0.01          | <0.1                | 217                          | <0.05 | 0.2     | <0.1     |
| 15S/1E-11Pb (deep)          |            | 426                                       | 100                               | 5.9      | 71              | 1               | 0.4                           | <0.1                            | 4.0                        | 30      | 62     | 4.0       | 4.2       | 0.714  | <0.01          | <0.1                | 271                          | <0.05 | 0.3     | 0.1      |
| 15S/1E-12Fa (shal)          |            | 342                                       | 62                                | 8.2      | 59              | 12              | <0.1                          | 0.4                             | 0.3                        | 21      | 38     | 4         | 3         | 0.618  | 0.026          | s <0.1              | 246                          | 0.06  | 0.2     | 0.1      |
| 15S/1E-12Fc (deep)          |            | 292                                       | 59                                | 7.6      | 45              | 13              | <0.1                          | 0.5                             | 1.0                        | 17      | 34     | 2         | 2         | 0.927  | 0.030          | ) <0.1              | 177                          | 0.07  | 0.1     | 0.1      |
|                             |            |   |                                   |          |                 |                 |                               |                                 |                            |         |        |           |           |        |                |                     |                              |       |         |          |

#### NOTES:

(1) Maximum contaminant levels are from California Domestic Water Quality and Monitoring Regulations, Title 22, 1977.

(2) The three values listed for certain constituents refer to the "recommended" level, the "upper" level, and "short-term use" level, respectively.

(3) The "Practical Quantifiable Limit" for Amonia-N changed in 2017.

(4) The "Practical Quantifiable Limit" for Nitrate as N was inconsistently reported in 2017, but corrected for this report.

(5) The "Practical Quantifiable Limit" for Orthophosphate and Bromide changed in 2012.

(6) Well 15S/1E-15K4 is being used as a "far-field monitor" for ASR well #4, and as such was sampled for additional constituents in 2016 that are not shown on this table.

# LOCATION OF MPWMD LOWER CARMEL VALLEY WATER QUALITY MONITORING WELLS (River Mile 0.0 to 9.0)



**EXHIBIT 26-D** 



/U:\staff\Boardpacket\2019\20190123\InfoItems\24\Item-24-Exh-D.xls

**EXHIBIT 26-E** 



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#### EXHIBIT 26-F

# SEASIDE GROUNDWATER BASIN COASTAL WATER QUALITY MONITORING WELLS



u:/tom/pdf19/wellmaps/SCBWQ

S:\Water\_Supply\Well\_sites\Wellsites2017RevisedSCBWQ.prt.mxd

rev. TL 20170113

3





# Supplement to 1/23/2019 MPWMD Board Packet

Attached are copies of letters received between December 11, 2018 and January 14, 2019. These letters are listed in the January 23, 2019 Board packet under Letters Received.

| Author                          | Addressee    | Date      | Торіс  |
|---------------------------------|--------------|-----------|--|
| Hideko Inouye<br>Graves         | David Stoldt | 11/24/18  | Request for Discretionary Exemption  |
| John Narigi and<br>Bob McKenzie | MPWMD Board  | 1/1/2019  | MPWMD's Motion to Correct Captions   |
| Loris Langdon                   | MPWMD        | 1/8/2019  | Unusually high water bill  |
| John Narigi and<br>Bob McKenzie | MPWMD Board  | 1/14/2019 | Response of David Laredo to Coalition of<br>Peninsula Businesses letter of January 1, 2019 |

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RECEIVED

MPWMD

#### HIDEKO INOUYE GRAVES

Attorney at Law 196 Del Monte Boulevard Pacific Grove, CA 93950

(831) 375-2126 • Fax (866) 518-1858 Email: hidekog@gmail.com

November 24, 2018

Mr. David Stoldt Monterey Peninsula Water Management District 5 Harris Court, Building G Monterey CA 93940

Re: Request for Discretionary Exemption - In Lieu Compliance for 198 Del Monte Boulevard and 906 Lighthouse Avenue, Pacific Grove CA 93950

Dear Mr. Stoldt:

I am the owner and manager of five rental units at 198 Del Monte Boulevard and 906 Lighthouse Avenue, Pacific Grove CA 93950. Over the years of ownership we've made a number of improvements to the units including improvements for conservation of water.

1. Ultra-low flush (ULF) (none more than 1.6 gallon per flush) toilets were installed in each unit.

- 2. A commercial clothes washer with a 6.85 water factor was installed in April 2015.
- 3. Compliant hose nozzles, faucet aerators and shower heads have been or will be installed by December 31, 2018.
- 4. Four rain barrels have been installed.
- 5. All units are separately metered.

The commercial clothes washer is metered separately (account No. 14245377) and the current washer's water usage has historically been well under 500 gallons per month. Monies from the coin box suggest that current usage is on the order of 5 loads per week. Ordinance No. 178 Findings 9 and 10 note, respectively, "While an in-home machine averages only 4 to 6 loads per week, common area machines often wash 20 to 50 loads per week per Clothes Washer" and "Newer water efficient models have a Water Factor rating of 4 to 8 . . . "

Based on current and past performance and the findings noted, this 3.5 year old commercial washer is a newer water efficient model with a water factor slightly above the 5.0 that will be required by January 1, 2019, and with a usage more reflective of residential rather than commercial use.

Each of the units is equipped with the most water-efficient toilet available at the time, none

November 24, 2018 Page 2

using more than 1.6 gallons per flush.

I have inquired of the equipment provider and my plumber as to whether there may be any way to retrofit our clothes washer but I am informed that our only option is to buy a new machine, at a cost of approximately \$2,000.

Given that we used the most water-efficient equipment available when the replacements were made, and the exceedingly low water usage of our commercial clothes washer both currently and in the past years, we hereby request an exemption to the clothes washer 5.0 water factor and the high efficiency toilet requirements under Ordinance 178 under the discretionary power contained therein. We commit that all future replacements will conform to the ordinance and that any remaining units will be brought into compliance prior to closing any future property transfer.

I would be happy to meet with you at your office to discuss the particulars in more detail, if that would be helpful.

Thank you for your attention.

Very truly yours,

### HIDEKO INOUYE GRAVES

HIG:mi

#### **Coalition of Peninsula Businesses**

A coalition to resolve the Peninsula water challenge to comply with the CDO at a reasonable cost

Members Include: Monterey County Hospitality Association, Monterey Commercial Property Owners' Association, Monterey Peninsula Chamber of Commerce, Carmel Chamber of Commerce, Pacific Grove Chamber of Commerce,

Monterey County Association of Realtors, Associated General Contractors-Monterey Division, Community Hospital of the Monterey Peninsula RECEIVED

January 1, 2019

Molly Evans, Chair, and Members Board of Directors, Monterey Peninsula Water Management District Dave Stoldt, MPWMD General Manager P.O. Box 85

Monterey, California 93942

Transmitted by fax to: Fax: (831) 644-9560

Re: MPWMD's Motion to Correct Captions Or, Alternatively, to Intervene... filed October 24, 2018 (hereinafter Motion) and Answer of Proposed Real Party In Interest/Intervenor Monterey Peninsula Water Management District To Petitions of Review filed November 16, 2018 (hereinafter Answer)

Dear Chair Evans, Board Members and General Manager Stoldt:

The Motion and Answer you filed with the California Supreme Court on October 24<sup>th</sup> and November 16th, captioned above, came as a shock to the Coalition of Peninsula Businesses, at both the procedural and policy level.

Please provide us written answers to the following detailed questions.

Our procedural questions are as follows.

- When and where was the discussion of and decision made to hire special counsel to write and file the Motion and Answer (and any other filings)?
- Why was there no public discussion of hiring special counsel or no public report of the actions taken that led to the Motion and the Answer?
- What was the budget for this work and was the decision unanimous to spend this money?
- When and where was the discussion of the policy implications of filing the Motion and the Answer?

COALITION OF PENINGULA BUSINESSES P.O. BOX 223542 . CARMEL, CA 93922 . BOB MCKENZE, CONSULTANT . IRBOBMCK@GMALCOM Page 1 of 2 • Why was there no public discussion of, or report on, the policy implications of filing the Motion to Correct and the Answer?

Our policy questions are as follows.

In light of 1) the fact the District signed the 'comprehensive settlement agreement' (and never withdrew from it), 2) the District signed the 'return water settlement agreement' (now adopted as part of the California Public Utilities Commission [CPUC] Decision D.18-09-017 approving the Monterey Peninsula Water Supply Project), and 3) the District did not raise any of the issues it argues in its Answer in either its response to the CPUC's proposed decision nor in its comments on the Final Environmental Impact Statement, please describe for us the policy discussions and decisions, including the related votes, that led to the following assertions in the Motion and the Answer:

- MPWMD does not support the 6.4 mgd portion of the Monterey Peninsula Water Supply Project (MPWSP) approved in D.18-09-017;
- MPWMD does not believe the MPWSP EIR should have been certified;
- MPWMD does not believe Cal Am can perfect rights to water produced by MPWSP; and
- MPWMD does not believe that MPWSP is legally tenable.

As an additional matter, please provide a written answer to this policy-related and logic-related question: how can MPWMD argue that it should be included as a real party in interest in the Marina Coast Water District and City of Marina petitions because of its support of a position adverse to the petitioners (presumably support of MPWSP) and at the same time argue for the policies enumerated above (which contradict support for MPWSP and essentially support the petitioners opposition to MPWSP).

Thank you for your prompt attention to these questions.

Sincerely,

John Narigi, Chair

Bob McKenzie, Consultant

Monterey Peninsula Water Management District PO Box 85 Monterey, California



On December 24th I received a bill from California American Water in the amount of \$608.42 (copy enclosed). Usage was said to be 14,202 gallons from Nov 16 to Dec17

444.13 gallons each and every day. I immediately called their toll free number and the representative arranged to have the meter read the morning of Dec.26th.

She suggested I send a token payment which I have done in the amount of November's bill of \$50.68.

The meter reader found there were no leaks. I called again on Dec.27th and was told I would be contacted within 30days.

I have every hope this will be taken care of. I certainly never had this water. At 90 years old I have lived in this house for 60years. I'm glad to hear you will be having public hearings soon although I don't feel up to attending.

Yours truly, Loris Langdon

Law Long dom

#### BILLING PERIOD AND METER READINGS

- Billing date: December 19, 2018
- Due Date: January 10, 2019
- Billing period: Nov 16 to Dec 17 (32 Days)
- Next reading on or about: Jan 16, 2019
- Customer Type: Residential

| Meter No.             |                  |
|-----------------------|------------------|
| Size of meter         | 5/8"             |
| Current Read          | 4,392 (Actual)   |
| Previous Read         | 4,202 (Actual)   |
| Total water used this | 190 units        |
| billing period        | (14,212 gallons) |

#### Total Water Use Comparison (in 100 gallons)

|   | in the end of the particular (in 100 Barrono) |            |
|---|---|------------|
| • | Current billing period 2018:                  | 142.12 CGL |
| • | Same billing period 2017:                     | 0.00 CGL   |

Same billing period 2017:

#### Billed Use Graph (100 gailons)



| BILLING SUMMARY                               |                                       |          |
|---|---------------------------------------|----------|
| For Service To:                               |                                       |          |
| For Account                                   |                                       |          |
| Prior Balance                                 |                                       |          |
| <ul> <li>Balance from last bill</li> </ul>    |                                       | 50.68    |
| <ul> <li>Payments as of Nov26. Th</li> </ul>  | ank you!                              | -50.68   |
| Balance Forward                               |                                       | 0.00     |
| Current Water Service                         |                                       |          |
| <ul> <li>Water Service Charge</li> </ul>      |                                       | 16.80    |
| <ul> <li>Water Usage Charge</li> </ul>        | (\$0.72870000 x 29.90)                | 21.79    |
|   | (\$1.50390000 x 29.90)                | 44.97    |
|   | (\$3.50910000 x 44.90)                | 157.56   |
|   | (\$6.76060000 x 37.42)                | 252.98   |
| <ul> <li>Total Water Service Relat</li> </ul> | ed Charges                            | 494.10   |
| Other Charges                                 |                                       |          |
| <ul> <li>Consolidated Expense Bala</li> </ul> | ancing Account (\$0.06820000 x 142.12 | 9.69     |
| <ul> <li>MPWMD User Fee</li> </ul>            |                                       | 41.13    |
| <ul> <li>2015 WRAM/MCBA Surcha</li> </ul>     | arge                                  | 25.92    |
| <ul> <li>Payment Assistance Surch</li> </ul>  | arge Water                            | 1.21     |
| <ul> <li>Pre-2015 WRAM Surcharg</li> </ul>    | e                                     | 10.08    |
| <ul> <li>Seaside Basin BA Surcharg</li> </ul> | ge                                    | 0.37     |
| <ul> <li>Total Other Charges</li> </ul>       |                                       | 88.40    |
| Taxes   |                                       |          |
| <ul> <li>City Franchise Fees</li> </ul>       |                                       | 6.12     |
| <ul> <li>Utility User Tax</li> </ul>          |                                       | 11.65    |
| <ul> <li>Commission Surcharge</li> </ul>      |                                       | 8.15     |
| Total Taxes                                   |                                       | 25.92    |
| TOTAL CURRENT CHARG                           | RES                                   | 608.42   |
|   |                                       |          |
| TOTAL AMOUNT [                                | DUE                                   | \$608.42 |

### Important messages from California American Water

- AVERAGE DAILY USE FOR BILLING PERIOD = 444.13 GALLONS
- Tiered Consumption Amount (CGL)

003735/003776 ACWE5G ETM1000004

 Tier 1 - 29.90 | Tier 2 - 29.90 | Tier 3 - 44.90 | Tier 4 - 67.30 | Tier5 - All Other Usage

• \*\*\*IMPORTANT WATER QUALITY MESSAGE: Your annual Water Quality Report can be viewed electronically at www.amwater.com/ccr/ monterey.pdf If you prefer a paper copy to be sent to you, please contact our Customer Service Center at 888-237-1333.

· Su informe anual de la calidad de agua puede consultarse electronicamente en www.amwater.com/ccr/monterey.pdf Si prefiere una copia, por favor pongase en contacto al cliente con nuestro centro de servicio en 888-237-1333.

· Contact California American Water's local conservation department at 831.646.3205 to take advantage of rebates, water wise house calls and more. For more information visit www.montereywaterinfo.org.



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pg 1 of 2 **7** 



**Coalition of Peninsula Businesses** 

A coalition to resolve the Peninsula water challenge to comply with the CDO at a reasonable cost

Members Include: Monterey County Hospitality Association, Monterey Commercial Property Owners' Association, Monterey Peninsula Chamber of Commerce, Carmel Chamber of Commerce, Pacific Grove Chamber of Commerce, Monterey County Association of Realtors, Associated General Contractors-Monterey Division, Community Hospital of the Monterey Peninsula

January 14, 2019

Molly Evans, Chair, and Members Board of Directors, Monterey Peninsula Water Management District David Stoldt, MPWMD General Manager David C. Laredo, MPWMD General Counsel P. O. Box 85 Monterey, California 93942

Transmitted by fax to (831) 644-9560 and (831) 646-0377

Re: Response of David Laredo to Coalition of Peninsula Businesses letter of January 1, 2019

Dear Chair Evans, General Manager Stoldt, and General Counsel Laredo:

Thank you for your letter of response dated January 4 to our January 1 letter posing questions about Monterey Peninsula Water Management District's Motion and Answer filed with the California Supreme Court.

We reviewed the available minutes (minutes of the December 17, 2018 are not yet available) for record of Closed Session reports. The reports are not informative, and Mr. Laredo's response does not substantively respond to our questions. For instance, the closed session report in the October 15, 2018 states the Board voted to "intervene" in Supreme Court Case S251935 but does not explain how the intervention was to be framed, why intervention was thought necessary, or how intervention was to be accomplished (that is, spending district funds on a special counsel).

The Coalition remains quite concerned about transparency of District actions and concerned about the District keeping the pubic it serves adequately informed of its actions and attitude about the CPUC-approved water supply project. This is critical and essential to maintaining public trust in the District.

Sincerely,

John Narigi, Chair

Bob McKenzie, Consultant

COALITION OF PENINSULA BUSINESSES P.O. BOX 223542 . CARMEL, CA 93922 . BOB MCKENZIE, CONSULTANT . JRBOBMCK@GWALCOM Page 1 of 1