

This meeting has been noticed according to the Brown Act rules. The Board of Directors meets regularly on the third Monday of each month, except in January, February. The meetings begin at 6:00 PM.



**AGENDA**  
**Regular Meeting**  
**Board of Directors**  
**Monterey Peninsula Water Management District**  
\*\*\*\*\*  
**Monday, July 20, 2020, 6:00 PM, Virtual Meeting**

Pursuant to Governor Newsom's Executive Orders N-29-20 and N-33-20, and to do all we can to help slow the spread of COVID-19 (coronavirus), meetings of the Monterey Peninsula Water Management District Board of Directors and committees will be conducted with virtual (electronic) participation only using WebEx.

Join the meeting at this link:

<https://mpwmd.webex.com/mpwmd/onstage/g.php?MTID=e45130dbe6200c9e7a5671943b1ab762b>

Or join at [mpwmd.webex.com](https://mpwmd.webex.com).

Event number: 126 937 8656

Meeting password: July2020

Participate by phone: 1-877-668-4493

**For detailed instructions on how to connect to the meeting, please see page 5 of this agenda.**

You may also view the live webcast on AMP <https://accessmediaproductions.org/>  
scroll down to the bottom of the page and select the Peninsula Channel

Staff notes will be available on the District web site at  
<http://www.mpwmd.net/who-we-are/board-of-directors/bod-meeting-agendas-calendar/>  
by 5 PM on Thursday, July 16, 2020

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**CALL TO ORDER/ROLL CALL**

**PLEDGE OF ALLEGIANCE**

**ADDITIONS AND CORRECTIONS TO AGENDA** - The Clerk of the Board will announce agenda corrections and proposed additions, which may be acted on by the Board as provided in Sections 54954.2 of the California Government Code.

**Board of Directors**

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

**General Manager**

David J. Stoldt

This agenda was posted at the District office at 5 Harris Court, Bldg. G Monterey on Thursday, July 16, 2020. Staff reports regarding these agenda items will be available for public review on Thursday at the District office and at the Carmel, Carmel Valley, Monterey, Pacific Grove and Seaside libraries. After staff reports have been distributed, if additional documents are produced by the District and provided to a majority of the Board regarding any item on the agenda, they will be available at the District office during normal business hours, and posted on the District website at [www.mpwmd.net/who-we-are/board-of-directors/bod-meeting-agendas-calendar/](http://www.mpwmd.net/who-we-are/board-of-directors/bod-meeting-agendas-calendar/). Documents distributed at the meeting will be made available in the same manner. The next Regular meeting of the Board is set for on August 17, 2020 at 6 pm.

**ORAL COMMUNICATIONS** - Anyone wishing to address the Board on Consent Calendar, Information Items, Closed Session items, or matters not listed on the agenda may do so only during Oral Communications. Please limit your comment to three (3) minutes. The public may comment on all other items at the time they are presented to the Board.

**CONSENT CALENDAR** - The Consent Calendar consists of routine items for which staff has prepared a recommendation. Approval of the Consent Calendar ratifies the staff recommendation. Consent Calendar items may be pulled for separate consideration at the request of a member of the public, or a member of the Board. Following adoption of the remaining Consent Calendar items, staff will give a brief presentation on the pulled item. Members of the public are requested to limit individual comment on pulled Consent Items to three (3) minutes. Unless noted with double asterisks “\*\*”, Consent Calendar items do not constitute a project as defined by CEQA Guidelines section 15378.

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

**GENERAL MANAGER'S REPORT**

6. Status Report on California American Water Compliance with State Water Resources Control Board Order 2016-0016 and Seaside Groundwater Basin Adjudication Decision
7. Update on Development of Water Supply Projects
8. Report on Progress on Strategic Goals Adopted on May 20, 2019

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

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

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

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

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

*Action: The Board will consider the request for a variance from the separate water meter requirement for the proposed Seaside Ascent Broadway project.*

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

*Action: The Board will consider adoption of Resolution 2020-02 that would authorize the District to file an application with LAFCO for authorization to activate its latent powers for operation of the Monterey Water System, and to obtain a boundary adjustment.*

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

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

*Action: The Board will consider adoption of Resolution 2020-13 that would adopt Addendum 6 to the ASR EIR/EA.*

13. Consider Sending the State Water Resources Control Board Correspondence Addressing Timelines and Penalties Under the Cease and Desist Order WR2016-0016

*Action: The Board will consider initiating contact with the SWRCB regarding the reduction in diversions from the Carmel River that could be implemented should Cal-Am fail to meet the September 30, 2020 Milestone established by the CDO.*

**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.

14. Report on Activity/Progress on Contracts Over \$25,000
15. Status Report on Measure J/Rule 19.8 Phase II Spending
16. Monthly Progress Report – Santa Margarita Water Treatment Facility
17. Legislation Advocacy Committee’s State and Federal Bill Tracking
18. Letters Received Supplemental Letter Packet
19. Committee Reports
20. Monthly Allocation Report
21. Water Conservation Program Report
22. Quarterly Water Use Credit Transfer Status Report
23. Carmel River Fishery Report for July 2020
24. Quarterly Carmel River Riparian Corridor Management Program Report
25. Monthly Water Supply and California American Water Production Report
26. Draft Water Year 2019 Aquifer Storage and Recovery Project Summary of Operations Report

## ADJOURNMENT

Board Meeting Schedule			
Monday, August 17, 2020	Regular Board Meeting	6:00 pm	Conducted by WebEx
Thursday, September 10, 2020	Board Strategic Planning Session	9:00 am	Location to be Determined
Monday, September 21, 2020	Regular Board Meeting	6:00 pm	Location to be Determined
Monday, October 19, 2020	Regular Board Meeting	6:00 pm	Location to be Determined

Board Meeting Television and On-Line Broadcast Schedule View Live Webcast at <a href="https://accessmediaproductions.org/">https://accessmediaproductions.org/</a> scroll to the bottom of the page and select the Peninsula Channel	
Television Broadcast	Viewing Area
Comcast Ch. 25 (Monterey Channel), Mondays view live broadcast on meeting dates, and replays on Mondays, 7 pm through midnight	City of Monterey
Comcast Ch. 28, Mondays, replays 7 pm and Saturdays 9 am	Throughout the Monterey County Government Television viewing area.
For Xfinity subscribers, go to <a href="https://www.xfinity.com/support/local-channel-lineup/">https://www.xfinity.com/support/local-channel-lineup/</a> or <a href="https://www.xfinity.com/stream/listings">https://www.xfinity.com/stream/listings</a> - enter your address for the listings and channels specific to your city.	Pacific Grove, Pebble Beach, Sand City, Seaside, Monterey
Internet Broadcast	
Replays – Mondays, 4 pm to midnight at <a href="https://accessmediaproductions.org/">https://accessmediaproductions.org/</a> scroll to Peninsula Channel	
Replays – Mondays, 7 pm and Saturdays, 9 am <a href="http://www.mgtvonline.com">www.mgtvonline.com</a>	

On demand – three days following meeting date

[https://videoplayer.telvue.com/player/m\\_3HX6961GRMsvkqSCdwmGeJ8rwpRZrR/playlists/6023/media/514239?sequenceNumber=1&autostart=true&showtabssearch=true](https://videoplayer.telvue.com/player/m_3HX6961GRMsvkqSCdwmGeJ8rwpRZrR/playlists/6023/media/514239?sequenceNumber=1&autostart=true&showtabssearch=true)

YouTube – available five days following meeting date - <https://www.youtube.com/channel/UCg-2VgzLBmgV8AaSK67BBRg>

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



### Instructions for Connecting to the WebEx Meeting

Note: If you have not used WebEx previously, when you begin connecting to the meeting you may be asked to download the app. If you do not have a computer, you can participate by phone.

**Begin:** Within 10 minutes of the meeting start time from your computer click on this link <https://mpwmd.webex.com/mpwmd/onstage/g.php?MTID=e45130dbe6200c9e7a5671943b1ab762b> or past the link into your browser or go to: [mpwmd.webex.com](https://mpwmd.webex.com).

Under “Join a Meeting” enter the event number 126 937 8656, hit the enter key and when prompted enter the meeting password July2020 , click “Next” and see the dropdown menu at the bottom of the screen “Use computer for audio” and select the method you will use to hear the meeting – see below.

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

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

Click “Join Meeting”

Once in the meeting, mute your microphone.

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

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

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

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

Mute the microphone on your computer.

Disable computer speakers using the Settings menu.

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

### Protocol for Meetings Conducted by Teleconference

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

### Submit Oral or Written Comments

If you are unable to participate via telephone or computer to present oral comments, you may also submit your comments by e-mailing them to [comments@mpwmd.net](mailto:comments@mpwmd.net) with one of the following subject lines "PUBLIC COMMENT ITEM #" (insert the item number relevant to your comment) or "PUBLIC COMMENT – ORAL COMMUNICATIONS". Comments must be received by 12:00 p.m. on Monday, July 20, 2020. Comments submitted by noon will be provided to the Board of Directors and compiled as part of the record of the meeting.



**ITEM:     CONSENT CALENDAR**

**1.     CONSIDER ADOPTION OF MINUTES OF THE JUNE 15, 2020 REGULAR BOARD MEETING**

**Meeting Date:**   July 20, 2020

**Budgeted:**        N/A

**From:**            David J. Stoldt,  
                          General Manager

**Program/**         N/A  
**Line Item No.:**

**Prepared By:**    Arlene Tavani

**Cost Estimate:**   N/A

**General Counsel Review:** N/A

**Committee Recommendation:** N/A

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

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**SUMMARY:** Attached as **Exhibit 1-A** are draft minutes of the July 15, 2020 Regular meeting of the Board of Directors.

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

**EXHIBITS**

**1-A**     Draft Minutes of the June 15, 2020 Regular Meeting of the Board of Directors





### **EXHIBIT 1-A**

DRAFT MINUTES  
**Regular Meeting**  
**Board of Directors**  
**Monterey Peninsula Water Management District**  
*June 15, 2020*

The meeting was called to order at 6:05 pm. Pursuant to Governor Newsom's Executive Orders N-29-20 and N-33-20, the meeting was conducted with virtual participation via WebEx.

#### **CALL TO ORDER/ROLL CALL**

*Directors Present via WebEx:*

Alvin Edwards, – Chair, Division 1  
 Jeanne Byrne – Vice Chair, Division 4  
 George Riley, Division 2  
 Molly Evans, Division 3  
 Gary D. Hoffmann, P.E. – Division 5  
 Mary Adams – Monterey County Board of Supervisors Rep.  
 David Potter – Mayoral Representative (joined the meeting at 6:15 pm)

*Directors Absent: None*

*General Manager present: David J. Stoldt*

*District Counsel present: David Laredo*

The assembly recited the Pledge of Allegiance.

#### **PLEDGE OF ALLEGIANCE**

No action taken on this item.

#### **ADDITIONS AND CORRECTIONS TO AGENDA**

No comments

#### **ORAL COMMUNICATIONS**

On a motion by Byrne and second of Evans, the Consent Calendar was adopted except for agenda items 5, 10, 11 and 24 that were pulled for separate consideration. The motion was approved on a vote of 6 – 0 by Byrne, Evans, Adams, Edwards, Hoffmann, and Riley. Potter was absent for the vote.

#### **CONSENT CALENDAR**

Adopted.

1. Consider Adoption of Minutes of the May 13, 2020 Special Meeting/Budget Workshop and May 18, 2020 Regular Board Meeting

Adopted.

2. Consider Adoption of Resolution 2020-07 Calling an Election for Directors in Voter Divisions 3, 4 and 5 on November 3, 2020, and Approve Services Agreement with Election Department

Adopted – expenditure of \$66,000 of IRWM grant funds.

Approved – increase the budget for appraisal services to \$120,000 and set a 5% contingency for a total of \$126,000.

Approved – contract with Weston Solutions in the amount of \$426,378.70 with a 10% contingency for a total of \$29,016.57. Approved on a motion by Byrne and second of Evans on a vote of 6 – 0. Directors Byrne, Evans, Adams, Edwards, Hoffman, and Riley voted in favor of the motion. Director Potter was absent for the vote.

Approved – contract amendment in the amount of \$70,000.

Approved – contract with retired annuitant not to exceed \$85,000.

Approved - expenditure of \$43,500.

Approved – contract with Lynx Technologies in the amount of \$35,000.

On a motion by Riley and second of Adams, the Board approved an expenditure of \$91,620 on a unanimous vote of 7 – 0 by Riley, Adams, Byrne, Edwards, Evans, Hoffmann, and Potter.

On a motion of Evans and second by Potter, funding was approved in the fully reimbursable amount of \$21,000. The motion was approved on a vote of 7 - 0 by Evans, Potter, Adams, Edwards, Byrne, Hoffmann, and Riley.

Approved – expenditure of \$14,000 for Fiscal Year 2020-2021 to obtain Core Logic's RealQuest Professional.

Approved – expenditure of \$122,500.

Approved – expenditure of \$16,000 that will be partially reimbursed.

3. Consider Pursuing Retrofits at Rippling River Center Followed by Release of Unused Grant Funding to City of Monterey's Franklin Street Stormwater Project
4. Recommend the Board Consider an Increase in the Budget for Appraisal Services for Measure J Phase 2 Activities
5. Consider Authorizing the General Manager to Enter into Unexploded Ordnance Support Contractors for the Santa Margarita ASR Project
6. Consider Approval of Amendment No. 4 to Agreement with Regional Government Services Authority for Management and Administrative Services
7. Authorize Funds to Contract for District Engineer
8. Consider Expenditure for Temporary Agency Employee to Assist with Document Scanning for All District Divisions During FY 2020-2021
9. Consider Approval of Agreement with Lynx Technologies for Geographic Information System (GIS) Services
10. Authorize Funds to Contract for Limited-Term Field Positions during FY 2020-21
11. Consider Approval of Three Temporary Field Staff Positions Funded Through an Interagency Contract between MPWMD and NMFS to Provide for Cooperative Research and Monitoring Project
12. Consider Expenditure of Funds for CoreLogic Information Solutions, Inc.
13. Authorize Expenditure for Software Maintenance Agreements
14. Approve Expenditure to Corporation Service Company - Recording Fees

Approved – expenditure of \$35,000 to contract with JEA & Associates.

Approved – expenditure of \$99,500 to contract with the Ferguson Group.

Approved – renew contract in the amount of \$2,000.

Approved – contract with Pueblo Water Resources in the amount of \$75,000.

Approved – expenditure of \$40,000.

Approved – expenditure of \$10,000.

Approved – expenditure of \$195,000 that includes a 10% contingency to contract with DeVeera Inc.

Approved – expenditure of \$48,000 for 2020; \$49,500 for 2021; and \$51,000 for a total of \$148,500 plus additional fees for Comprehensive Annual Financial Report and GASB.

Adopted.

Refer to Item 35X  
On a motion by Evans and second by Edwards, the Board agreed that the item would be considered following adoption of item 32. The motion was approved unanimously by Evans, Edwards, Adams, Byrne, Hoffmann, Riley, and Potter. Chair Edwards directed that the item be identified as the new item 35.

Adopted.

Adopted.

15. Consider Renewal of Contract with JEA & Associates for Legislative and Administrative Services

16. Consider Renewal of Contract with Ferguson Group for Legislative and Administrative Services

17. Consider Expenditure to Amend Contract with Pueblo Water Resources to Provide Hydrogeologic Review for Water Distribution System Permits

18. Consider Contract with Pueblo Water Resources to Provide Aquifer Storage and Recovery Operational Support

19. Consider Authorizing Monterey Bay Analytical Services to Provide Laboratory Support for Aquifer Storage and Recovery Water Quality Monitoring

20. Consider Authoring Monterey Bay Analytical Services to Provide Laboratory Support for Watermaster Water Quality Monitoring

21. Consider Approving 3-Year Agreement with DeVeera, Inc. for Information Technology Services

22. Consider Authorization to Contract with Hayashi Wayland to Conduct Annual Financial Audit for Fiscal Years Ending 2020, 2021, and 2022

23. Consider Adoption of Resolution No. 2020-08 - Amending Fees and Charges Table – Rule 60

24. Consider Adoption of Resolution 2020-09 Certifying Compliance with State Law with Respect to the Levying of General and Special Taxes, Assessments, and Property-Related Fees and Charges

25. Consider Adoption of Resolution 2020-10 Establishing Article XIII(B) Fiscal Year 2020-21 Appropriations Limit

26. Consider Adoption of Resolution 2020-11 Update to Rule 24, Table 3, Capacity Fee History

Adopted.

A summary of General Manager Stoldt's report is available at the District office and can be viewed on the agency's website. He reported that for the period of October 1, 2019 through May 31, 2020 rainfall received was at 84% of long-term average, and unimpaired flow was at 66% of average; both of which could be categorized in the normal range.

A summary of General Manager Stoldt's report is on file at the District office and can be viewed on the agency's website. He presented a timeline indicating that the EIR on the Potential Acquisition of Monterey Water System and District Boundary Adjustment Project must be complete before LAFCO will conduct a hearing on the District's readiness to operate the Monterey Peninsula water system. The hearing may be conducted in January 2021.

No comments.

Evans offered a motion that was seconded by Edwards to adopt the July through September 2020 Quarterly Water Supply Strategy and Budget. The motion was approved on a unanimous vote of 7 – 0 by Evans, Edwards, Adams, Byrne, Hoffmann, Potter and Riley. No comments were directed to the Board during the public hearing on this item.

Riley offered a motion that was seconded by Evans to adopt Resolution 2020-06 adopting the FY 2020-2021 Fiscal Year Budget. The motion was approved on a vote of 6 – 1 by Riley, Evans, Adams, Byrne, Edwards, and Potter. Hoffmann was opposed.

Public Comment: Paul Bruno, a member of the Ordinance No. 152 Oversight Panel, encouraged the Board to control current expenditures in order to meet significant future financial obligations such as pension, benefits, and the Mechanics Bank loan.

Riley offered a motion that was seconded by Edwards to send Letter A that expressed support for the Pure Water Monterey Expansion Project. The motion was approved on a vote of 4 to 3 by Riley, Edwards, Adams, and Evans. Byrne, Potter and Hoffmann were opposed.

27. Consider Adoption of Treasurer's Report for April 2020

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

28. **Status Report on California-American Water Compliance with State Water Resources Control Board Order 2016-0016 and Seaside Groundwater Basin Adjudication Decision**
29. **Update on Progress re Phase 2 of Measure J Activities**

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

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

#### **PUBLIC HEARINGS**

31. **Consider Adoption of July through September 2020 Quarterly Water Supply Strategy and Budget**

#### **ACTION ITEMS**

32. **Consider Adoption of Proposed FY 2020-2021 MPWMD Budget and Resolution 2020-06**
33. **Consider Sending a Letter to the California Coastal Commission for Consideration of the Monterey Peninsula Water Supply Project**



Public comment: **(a) Carol Setinek** expressed support for Letter B, advocating for the Pure Water Monterey (PWM) Expansion project. **(b) Wayne Kelley** stated that Pure Water Monterey Expansion is the best option at this time. **(c) Melodie Chrislock**, representing Public Water Now, expressed support for Letter B, advocating for the PWM Expansion project. **(d) Anna Thompson**, resident of Carmel, urged the Board to send Letter B to the California Coastal Commission. **(e) Jeff Davi**, Co-Chair of the Coalition of Peninsula Businesses, urged the Board to send a letter to the CCC in support of the Monterey Peninsula Water Supply Project that includes California American Water Company's desalination project. **(f) Paul Bruno** expressed support for Letter A, advocating for approval of a permit to construct California American Water Company's desalination project. **(g) Amy Anderson** expressed support for Letter B that advocated for a water source other than desalination. **(h) Michael Baer** expressed support for Letter B and said the District should also advocate for additional water rights. **(i) Erik Tynan**, General Manager of the Castroville Community Services District, urged the Board to support development of the Monterey Peninsula Water Supply Project. **(j) Scott Dick** requested that the District send Letter A supporting development of the desalination project.

Potter offered a motion that the Board take no action on this item. The motion was seconded by Byrne and adopted on the following vote: Ayes: Byrne, Evans, and Potter; Noes: Edwards; Abstentions: Adams and Riley. Hoffmann did not cast a vote.

The following comments were directed to the Board **(a) Melodie Chrislock** stated that Director Hoffmann should be penalized for his defiance of an action taken by the Board. **(b) Michael Baer** stated that he was surprised that Director Hoffmann took a position against a decision made by the Board in his absence. **(c) Paul Bruno** expressed support for the motion that no action be taken. **(d) Jeff Davi**, lifetime resident of the Monterey Peninsula, spoke in support of the motion that no action be taken.

On a motion by Evans and second of Byrne the Board approved Resolution No. 2020-09 on a unanimous vote of 7 – 0 by Evans, Byrne, Adams, Edwards, Hoffmann, Potter and Riley. No comments were directed to the Board on this item.

There was no discussion of these items.

#### 34. Board Review and Action Related to Recent Correspondence Sent to Monterey One Water

#### 35X. Consider Adoption of Resolution 2020-09 Certifying Compliance with State Law with Respect to the Levying of General and Special Taxes, Assessments, and Property-Related Fees and Charges

#### INFORMATIONAL ITEMS/STAFF REPORTS

- 35. Report on Activity/Progress on Contracts Over \$25,000
- 36. Status Report on Measure J/Rule 19.8 Phase II Spending
- 37. Monthly Progress Report – Santa

- Margarita Water Treatment Facility**
- 38. Letters Received**
- 39. Committee Reports**
- 40. Monthly Allocation Report**
- 41. Water Conservation Program Report**
- 42. Carmel River Fishery Report for June 2020**
- 43. Monthly Water Supply and California American Water Production Report**

Paul Bruno asked when a report on the Closed Session would be provided. Counsel Laredo stated that the report would be published to the District's website.

**Public Comment**

The meeting was adjourned to Closed Session at 9:05 pm.

**ADJOURN TO CLOSED SESSION**

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

**ADJOURNMENT**

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Arlene M. Tavani, Deputy District Secretary

## CONSENT CALENDAR

### 2. CONSIDER AUTHORIZATION TO CONTRACT WITH RJA MANAGEMENT SERVICES FOR GENERAL MANAGER ANNUAL PERFORMANCE EVALUATION

<b>Meeting Date:</b>	<b>July 20, 2020</b>	<b>Budgeted:</b>	<b>No</b>
<b>From:</b>	<b>David J. Stoldt, General Manager</b>	<b>Program/ Line Item No.:</b>	<b>N/A</b>
<b>Prepared By:</b>	<b>Dave Stoldt</b>	<b>Cost Estimate:</b>	<b>\$11,000 including 10% contingency</b>

**General Counsel Approval:** N/A

**Committee Recommendation:** At its July 14, 2020 meeting Administrative Committee voted 3-0 to approve.

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

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**SUMMARY:** The Board has requested to set a foundation for evaluation of the performance of the General Manager and remove the obligation for the execution of coordinating the annual performance appraisal from the then-current-year Board Chair and develop an objective process for this year's and future year's evaluations.

The Board's subcommittee that developed the new performance evaluation tool for the General Manager recommended the District hire RJA Management Services which has provided similar services to the County of Monterey. Their proposal is attached as **Exhibit 2-A**.

The evaluation process is expected to be completed by the Board's September 21, 2020 regular meeting.

**RECOMMENDATION:** The Board should authorize the hiring of RJA Management Services to provide General Manager annual performance appraisal services and authorize the General Manager to enter into a contract not exceeding \$11,000 inclusive of out-of-pocket expenses and a 10% contingency.

## EXHIBIT

### 2-A Proposal of RJA Management Services



**RJA Management Services**

June 24, 2020

Mr. David Stoldt

General Manager

**MONTEREY PENINSULA WATER MANAGEMENT DISTRICT**

5 Harris Court Building G

Monterey, CA 93940

Dear Mr. Stoldt,

RJA Management Services would like to express interest in assisting the Monterey Peninsula Water Management District Board of Directors in conducting a *Performance Evaluation* of the General Manager.

Over the years, I have assisted elected and appointed officials in establishing goals and objectives for top management and have facilitated chief executive officer performance evaluations for the cities of Imperial Beach, Pasadena, Pittsburg, San Pablo, Soledad and Solana Beach, and the Burbank, Glendale, Pasadena Airport Authority and Monterey County. At Monterey County, I am currently assisting the Board of Supervisors in evaluating six direct reports: the County Administrative Officer, County Council, Civil Rights Officer, Public Defender, Natividad Medical Center Chief Executive Officer, and the Water Resources Agency General Manager. In addition, I have provided management consulting services to East Bay MUD, the Santa Clara Valley Water District, San Francisco PUD, MWD of Southern California, Upper San Gabriel Valley Municipal Water District and the San Luis Rey Indian Water Authority, among others. The evaluation of city managers at the cities of Pittsburg, San Pablo and Solana Beach involved gathering performance data from both the City Council and those who report directly to the city manager.

To begin with I will review and build upon past Board of Director's General Manager Performance Evaluation processes. I then will meet with the General Manager to discuss performance evaluation criteria the Directors want to utilize prior to revising the current Performance Evaluation Instrument or drafting a new Instrument. Although RJA has Performance Evaluation Instruments on file, oftentimes Instruments need to be modified to ensure that what is being measured is relevant and meaningful to each organization. Wherever possible, I recommend that job related factors already evaluated should continue to be evaluated as benchmarks for demonstrating progress and/or professional growth. The Board of Directors will have the opportunity to review, edit and approve the Performance Evaluation Form. The approved Evaluation Form will allow the Board of Directors to rate various job related performance factors/competencies and submit written comments to support ratings, suggest areas for improvement, and recommend performance goals and objectives. RJA will develop, distribute, collect completed forms, and analyze and report findings. All evaluators will have the opportunity to complete the Evaluation Form on line or email a hard copy directly to me for analysis and reporting.

A Confidential report will be prepared for the Board of Director's review, discussion and editing prior to presentation to the General Manager. The results will be aggregated to ensure confidentiality of the evaluators. Once the report is approved by the Board of Directors, I will facilitate a Closed Session discussion with the Board of Directors and the General Manager to review the report, discuss areas for improvement, and establish future goals and objectives. An assumption underpinning this process is that the Board of Directors clearly understand expectations and how both parties will work together to achieve the Board's ambitious goals. It has been our experience that, after discussing the Performance Evaluation Report with the employee, changes agreed upon by the evaluators and employee may need to be made to the Report. I will make whatever agreed upon revisions are required and submit a final Performance Evaluation Report for the District and employee's files.

The RJA proposal does not include individual meetings with each Board Member to gather performance information. However, it does include time to meet with the Board of Directors to present and discuss the final report. I may have to contact the Directors to clarify information submitted. Total cost for the engagement as proposed is \$9,847.50. This includes revising the currently used General Manager Evaluation MPWMD form but does not include travel and other expenses. Attached is a Performance Evaluation task, hours, and cost breakdown for your review. I do not anticipate the engagement exceeding 83.5 consultant and support staff hours. Tasks required beyond what is proposed would be billed at the hourly consulting rate of \$185. RJA is prepared to work with the Monterey Peninsula Water Management District in negotiating cost savings wherever possible.

I welcome the opportunity to be of assistance to the Board of Directors. My prior work facilitating performance evaluations, working knowledge of Monterey County, and recognized expertise in human resource management should be of value to the Board of Directors in this important endeavor. Please feel free to contact me if you have any questions or need additional information.

Sincerely,



Dr. Richard L. Garcia  
President

RLG:SB:jg

Attachment

**Monterey Peninsula Water Management District  
General Manager Performance Evaluation Development and Administration  
Revised Task/Hours/Costs**

<b>Task</b>	<b>Consultant Hours</b>	<b>Consultant Cost</b>	<b>Clerical Hours</b>	<b>Clerical Cost</b>
1. Review previous performance evaluation forms and process.	1.5	\$277.50		\$0.00
2. Meet with Board of Directors to revise performance evaluation form and District's Evaluation process.	2	\$370.00	2	\$90.00
3. Develop and administer evaluation hard copy and online forms, gather completed forms, enter responses, type written comments.	2	\$370.00	16	\$720.00
4. Synthesize written comments, analyze data, contact evaluators for clarification of the information, update information.	16	\$2,960.00	8	\$360.00
5. Develop draft report.	14	\$2,590.00	8	\$360.00
6. Meet with Board Members to discuss and revise report and recommendations.	4	\$740.00	4	\$180.00
7. Meet with Board Members and General Manager to review the evaluation and facilitate a discussion about future goals and objectives.	2	\$370.00		\$0.00
8. Finalize report for submittal to the Board of Directors and General Manager.	2	\$370.00	2	\$90.00
<b>Total Hours</b>	<b>43.5</b>		<b>40</b>	
<b>Total Cost for Consultant Hours (\$185.00 per hour) and Clerical Hours (\$45.00 per hour)</b>	<b>\$8,047.50</b>		<b>\$1,800.00</b>	
<b>Total Estimated Combined Performance Evaluation Development and Administration Cost*</b>	<b>\$9,847.50</b>			
<b>Task 2 assumes RJA will revise form.</b>				
<b>Total Estimated Combined Cost does not include travel costs and other expenses.</b>				





## CONSENT CALENDAR

### 3. CONSIDER APPROVAL OF CONTRACT WITH SHUTE, MIHALY & WEINBERGER LLP FOR STRATEGIC CEQA LEGAL SERVICES

**Meeting Date:** July 20, 2020                      **Budgeted:** N/A  
**From:** David J. Stoldt                      **Program/**  
    General Manager                      **Line Item No.:** N/A  
**Prepared By:** David J. Stoldt                      **Cost Estimate:** Not to exceed \$25,000

**General Counsel Approval:** N/A

**Committee Recommendation:** At its July 14, 2020 meeting Administrative Committee voted 3-0 to approve.

**CEQA Compliance:** Not a project under CEQA.

---

**SUMMARY:** During its closed session on June 15, 2020 the Board directed staff to, among other things and regarding potential litigation, investigate the District's options related to lack of certification by Monterey One Water of the Final Supplemental Environmental Impact Report (FSEIR) for the potential expansion of the Pure Water Monterey project. Potential financial implications were discussed at that time.

The General Manager has used his contracting authority and financial authorization limit to secure the services of Shute, Mihaly & Weinberger LLP in order to advance such work in a timely fashion. The engagement letter is attached as **Exhibit 3-A**. The General Manager and District Counsel have met with the firm's attorney team twice and communicated via email several additional times and believe that exceptional legal counsel and good direction is being provided.

This agenda item is intended to certify the budgetary impacts of the General Manager's prior decision and to add a contingency of \$10,000 if, in the opinion of District Counsel, additional work up to the budget limit is warranted. Future actions beyond this budget would be brought in a separate request if deemed needed.

**RECOMMENDATION:** The Board should consider a recommendation of the Administrative Committee to ratify the engagement of Shute, Mihaly & Weinberger LLP by the General Manager, and authorize up to an additional \$10,000 if, in the opinion of District Counsel, additional work up to a \$25,000 limit is warranted.

## EXHIBIT

### 3-A Engagement Letter with Shute, Mihaly & Weinberger LLP





396 HAYES STREET, SAN FRANCISCO, CA 94102  
T: (415) 552-7272 F: (415) 552-5816  
www.smwlaw.com

GABRIEL M.B. ROSS  
Attorney  
Ross@smwlaw.com

June 22, 2020

**Via E-Mail**

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

Re: Legal Retainer Agreement

Dear Dave:

This letter sets forth the terms under which Shute, Mihaly & Weinberger LLP ("Firm") will provide legal services to the Monterey Peninsula Water Management District ("Client") in connection with Pure Water Monterey. If you agree to the terms of this retainer agreement ("Agreement"), please sign one copy of this letter and return it to me at your earliest convenience. The second copy of this letter is for your files.

**1. Legal Services to Be Provided**

The Firm is retained to provide Client the following legal services: develop and implement strategy for completing and certifying the environmental review of the expansion of the Pure Water Monterey groundwater replenishment project.

**2. Legal Fees, Costs and Billing Practices**

The Firm's hourly billing rates for these services will be as follows:

Dave Stoldt, MPWMD

June 22, 2020

Page 2

Partner	\$390
Associate III	\$345
Associate II	\$325
Associate I	\$280
Planner	\$250
Paralegal	\$150
Law Clerk	\$100

Fees will be charged in increments of one-tenth of an hour. The Firm will annually increase these billing rates consistent with any annual increase in the Consumer Price Index (October over October time period) for All Urban Consumers (not seasonally adjusted) San Francisco-Oakland-Hayward area (1982-1984 = 100) as published by the Bureau of Labor Statistics, U.S. Department of Labor, rounded to the nearest whole \$1. The Firm will implement the increase each year on January 1<sup>st</sup>, or as soon thereafter as the CPI information is published. If Client declines to pay for the Firm's services at any increased rates, the Firm will have the right to withdraw as Client's attorneys. The Firm has errors and omissions insurance coverage applicable to the services being provided under this Agreement.

Client will also reimburse Firm for costs incurred in the course of representation, including fees fixed by law or assessed by public agencies, long-distance telephone, facsimile, messenger services, postage, photocopying, and charges for electronic legal research time. In the event of out of town travel, Client agrees to pay all transportation costs, lodging, parking, and meals, as well as the hourly rates for attorney travel time. The Firm will provide detailed monthly billing statements for fees and costs incurred. Client agrees to pay the Firm's billed costs and fees within thirty (30) days following billing.

Firm will inform Client when cumulative billing approaches \$15,000, and will not bill more than that amount without Client's consent.

### **3. Authorized Representative of Client**

Client designates Dave Stoldt as the authorized representative to direct the Firm and to be the primary person to communicate with the Firm regarding the subject matter of this Agreement. This designation is intended to establish a clear line of authority and to minimize potential uncertainty, but not to preclude communication

Dave Stoldt, MPWMD  
June 22, 2020  
Page 3

between the Firm and other representative of Client. Unless directed otherwise by Client, all correspondence and bills will be directed to the designated authorized representative.

#### **4. Discharge and Withdrawal**

Client may discharge the Firm at any time by providing written notice to the Firm, which is effective upon receipt by the Firm. In the event of such discharge, if the Firm is Client's attorney of record in any proceeding, the Firm will promptly provide Client with a substitution of attorney form. Client will execute and return the substitution of attorney form immediately upon receipt from the Firm.

The Firm may withdraw at any time as permitted under the Rules of Professional Conduct of the State Bar of California. A valid reason for withdrawal by the Firm would include, but not be limited to, Client's consent, Client's breach of this Agreement, Client's failure to pay fees and costs as provided in this Agreement, Client's conduct renders it unreasonably difficult for the Firm to carry out the representation effectively, or any fact or circumstances that would render the Firm's continuing representation unlawful or unethical. At such time as the Firm's services conclude, all unpaid fees for legal and related services and costs and expenses will immediately become due and payable.

#### **5. Case File**

After the Firm's services conclude, the Firm will, upon Client's request, deliver the file for this matter to Client. If Client does not request the file for this matter, the Firm will retain it for a period of five years after the matter is closed. If Client does not request delivery of the file for this matter before the end of the five-year period, the Firm will have no further obligation to retain the file and may, at the Firm's discretion, destroy it without further notice to Client. At any point during the five-year period, Client may request delivery of the file. If Client so requests, paper copies of original documents (or the originals themselves) will be provided free of charge. Client agrees to pay for any additional fees or costs incurred to produce electronic files, if Client requests those files.

Dave Stoldt, MPWMD  
June 22, 2020  
Page 4

**6. No Guarantee**

Nothing in this Agreement and nothing in the Firm's statements to Client will be construed as a promise or guarantee about the outcome of this matter. The Firm makes no such promises or guarantees.

**7. Conflicts Waiver**

Please be advised that our Firm represents public agencies and private organizations in land use and environmental matters throughout California. Accordingly, it is agreed, and you hereby consent, that our attorney-client relationship with you in this matter will not serve as a basis for the Firm's disqualification from representing other clients or parties in any legal proceedings, cases, controversies, or matters, other than those in which we represent you, except if and to the extent absolutely and non-waivably required by the Rules of Professional Conduct.

This Agreement will be effective when it is signed by you. However, this Agreement will apply to any services we may provide in connection with the engagement before the effective date.

We look forward to working with you on this matter. If this Agreement is satisfactory, please execute one of the enclosed copies and return it to me. The other copy is for your records.

Very truly yours,

SHUTE, MIHALY & WEINBERGER LLP



Gabriel M.B. Ross

**ATTORNEY-CLIENT COMMUNICATION  
PRIVILEGED AND CONFIDENTIAL**

Dave Stoldt, MPWMD

June 22, 2020

Page 5

**ACCEPTED AND AGREED:**

David Stoldt, Monterey Peninsula Water  
Management District

Name David Stoldt

Title General Manager

Date 6-23-20

1256592.3





## CONSENT CALENDAR

### 4. CONSIDER ADOPTION OF REVISIONS TO DISTRICT INVESTMENT POLICY

**Meeting Date:** July 20, 2020 **Budgeted:** N/A

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

**Prepared By:** David J. Stoldt **Cost Estimate:**

**General Counsel Approval:** N/A

**Committee Recommendation:** At its July 14, 2020 meeting Administrative Committee voted 3-0 to approve.

**CEQA Compliance:** Not a project under CEQA.

---

**SUMMARY:** The State of California Government Code requires the District Board to annually review and approve the 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 portfolio since adoption of the investment policy. At the May 15, 2020 Special Board meeting to discuss the District's preliminary budget, suggestions were made by staff to make minor revisions to the District Investment Policy (the Policy). At that time, the Board requested that the proposed revisions be brought back at a regular Board meeting with additional information about the relative risks and returns of the allowable investment vehicles.

Proposed deletions are shown in red on page of the Investment Policy in **Exhibit 4-A**, attached.

**RECOMMENDATION:** The Board should consider eliminating (a) Repurchase Agreements, (b) Securities Lending Agreements, and (c) Mortgage Pass-Through Securities from the District's permitted investments.

**BACKGROUND:** 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. Liquidity risk includes the inability to sell portfolio holdings at a competitive price, a penalty for early withdrawal,

capital losses if interest rates have gone up, or fire sale prices.

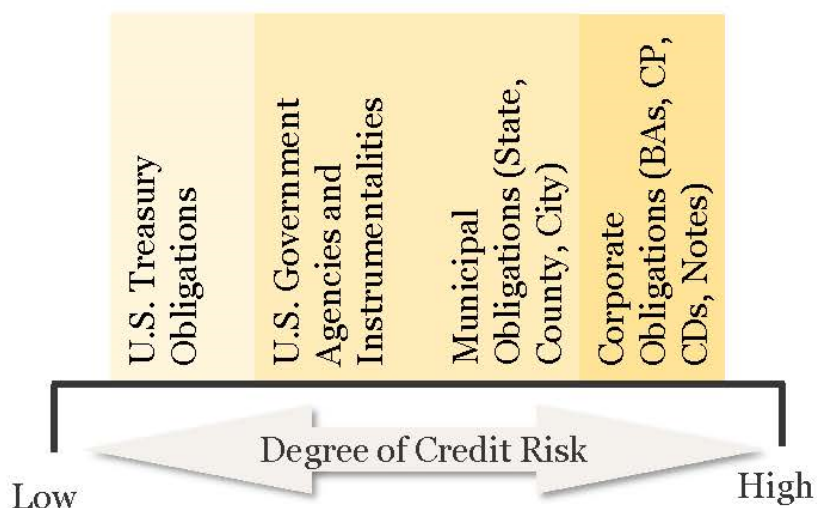
District funds may be placed in any instrument or medium approved by the State of California as enumerated in Government Code Section 53651 as shown in **Exhibit 4-A**. The allowable investments are summarized in the table below:

Securities	1 Day	180 Days	270 Days	1 Year	5 Years	Over 5 Years
U.S. Treasuries		✓ Permitted				Requires Approval
Federal Agencies		✓ Permitted				Requires Approval
Municipal Securities		✓ Permitted				Requires Approval
Negotiable Certificates of Deposit		✓ Permitted				Requires Approval
Commercial Paper		✓ Permitted			X Prohibited	
Bankers' Acceptances	✓ Permitted				X Prohibited	
Medium-Term Corporate Notes		✓ Permitted				X Prohibited
Asset-Backed Securities (ABS)		✓ Permitted				X Prohibited
Supranationals		✓ Permitted				X Prohibited
Repurchase Agreements		✓ Permitted				X Prohibited
Money Market Funds/Bond Mutual Funds	✓ Permitted				X Prohibited	
Local Government Investment Pools	✓ Permitted				X Prohibited	
Foreign Sovereign			X Prohibited			
Fixed-Income ETFs			X Prohibited			
High-Yield Bonds			X Prohibited			
Private Placements			X Prohibited			
Convertibles			X Prohibited			
Non-U.S. Dollar Investment Grade			X Prohibited			
Emerging Markets Debt			X Prohibited			
Bank Loans			X Prohibited			
Domestic Equities (Large, Mid, Small Cap)			X Prohibited			
International Equities (Large, Mid, Small Cap)			X Prohibited			
Emerging Markets			X Prohibited			
Preferred Stock			X Prohibited			
Equity Mutual Funds and ETFs			X Prohibited			
Commodities			X Prohibited			
Real Estate			X Prohibited			
Hedge Funds			X Prohibited			
Private Equity			X Prohibited			
Venture Capital			X Prohibited			
Tangible Assets			X Prohibited			
Complex Derivatives, Futures and Options			X Prohibited			

Source: CDIA/CMTA Advanced Public Funds Investing Workshop, PFM Asset Management LLC, Sarah Meacham, Managing Director, January 15, 2020

The proposed revisions are to prohibit 3 investment vehicles as shown in red in the table on page 6 of the Policy, included in **Exhibit 4-A**, but to also increase the proportion of the portfolio that may be invested in Negotiable Certificates of Deposit. The District already is 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 also include inverse floaters, range notes and interests only strips derived from a pool of mortgages.

**Credit Risk** – Credit risk is defined as an issuers ability and willingness to repay interest and principal. Credit risk shall be mitigated by diversifying the fund among issues and issuers so that the failure of any one issue or issuer would not result in a significant loss of income or principal to participants. Allowable investments can roughly be ranked as follows to show relative credit risk:

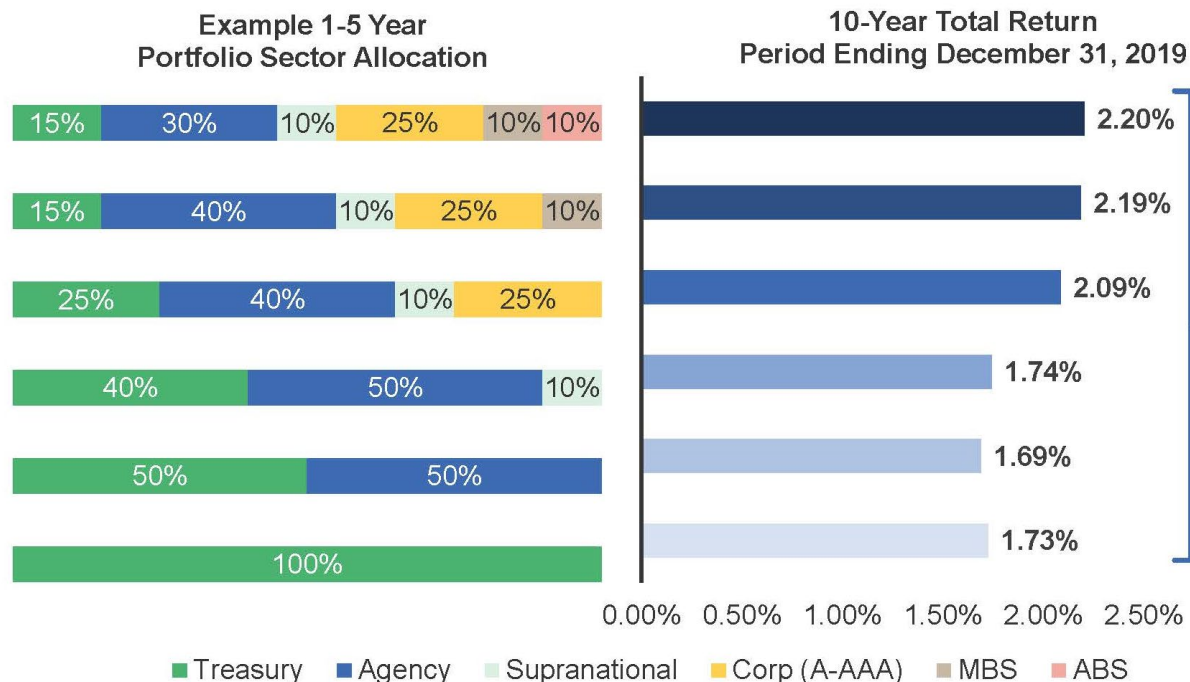


*Source: CDIA/CMTA Advanced Public Funds Investing Workshop, PFM Asset Management LLC, Sarah Meacham, Managing Director, January 15, 2020*

**Interest Rate Risk** – Interest rate risk (also known as “market risk”) is the risk that the market value of a security or of the portfolio will change as the general level of interest rates changes over time. Because “fixed income securities” (i.e., securities that provide scheduled interest payments on a periodic basis and return principal invested upon maturity) comprise a significant component of local agency portfolios and the value of these securities is directly affected by interest rate changes, local agencies must develop strategies for identifying and managing interest rate risk for their portfolios.

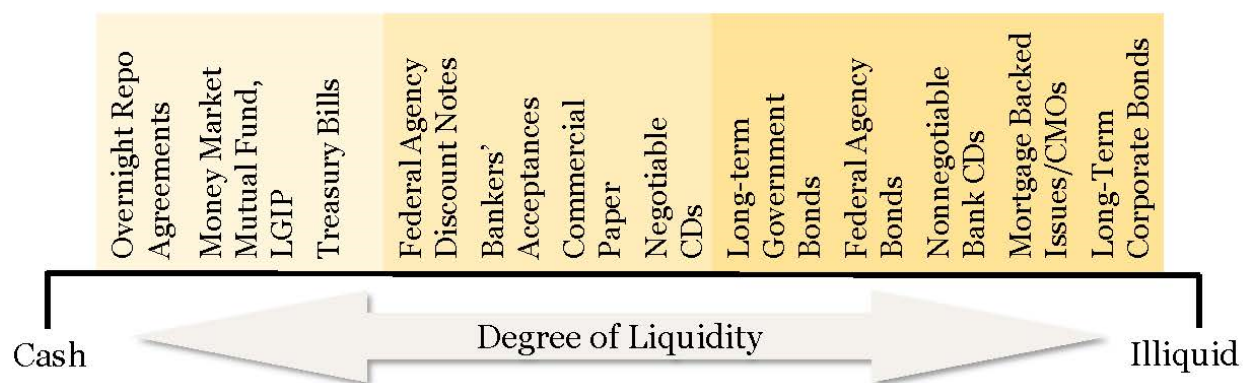
To date, the District has attempted to manage interest rate risk by eliminating the need to ever sell a security by laddering out the maturity of investments to mature prior to the need for the revenues. The “ladder” has typically been in Negotiable Certificates of Deposit maturing in 3-, 6-, 12-, 24-, or 36 months, ensuring each CD is below the federally insured \$250,000 amount. This approach can come at the expense of yield however, in that a large portion of the District portfolio is kept in the statewide pooled Local Agency Investment Fund or LAIF which has great liquidity, but low returns. Additional yield can be achieved by diversifying into higher-yielding securities, such as the addition of mortgage-backed securities as shown below, but to date the District has avoided such a strategy and is, in fact, recommending prohibiting such investments in this agenda item.

Trade-offs between diversification and yield can be demonstrated by the example below, where “MBS” indicates mortgage-backed securities and “ABS” indicates asset-backed securities:



Source: CDIA/CMTA Advanced Public Funds Investing Workshop, PFM Asset Management LLC, Sarah Meacham, Managing Director, January 15, 2020

**Liquidity Risk** – Allowable investments can roughly be ranked as follows to show relative liquidity risk:



Source: CDIA/CMTA Advanced Public Funds Investing Workshop, PFM Asset Management LLC, Sarah Meacham, Managing Director, January 15, 2020

## EXHIBIT

### 4-A District Investment Policy with Suggested Edits

**MONTEREY PENINSULA WATER MANAGEMENT DISTRICT  
INVESTMENT POLICY**

Approved by the MPWMD Board on January 23, 2020



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## **MONTEREY PENINSULA WATER MANAGEMENT DISTRICT**

### **INVESTMENT POLICY**

#### **1 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.

#### **3 Investment and Risk**

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.

#### 4 Types of Investments

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.

#### 10 Policy Review

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

11 Attachment I

**ALLOWABLE INVESTMENT INSTRUMENTS PER STATE GOVERNMENT CODE  
AS OF JANUARY 1, 2020**

**(RED TEXT DENOTES PROPOSED DELETIONS)**

<b>INVESTMENT TYPE</b>	<b>MAXIMUM SECURITY</b>	<b>MAXIMUM SPECIFIED % OF PORTFOLIO</b>	<b>MINIMUM QUALITY REQUIREMENTS</b>	<b>GOVERNMENT CODE SECTION</b>
Local Agency Bonds	5 years	None	None	53601(a)
U.S. Treasury Obligations	5 years	None	None	53601(b)
State Obligations – CA and Others	5 years	None	None	53601(d)
CA Local Agency Obligations	5 years	None	None	53601(e)
U.S. Agency Obligations	5 years	None	None	53601(f)
Bankers' Acceptances	180 days	40%	None	53601(g)
Commercial Paper – Pooled Funds	270 days	40% of the agency's money	Highest letter and number rating by an NRSRO	53635(a)(1)
Commercial Paper – Non-Pooled Funds	270 days	25% of the agency's money	Highest letter and number rating by an NRSRO	53601(h)(2)(C)
Negotiable Certificates of Deposits	5 years	30%	None	53601(i)
Non-negotiable Certificates of Deposits	5 years	None	None	53630 et seq.
Placement Service Deposits	5 years	30%	None	53601.8 and 53635.8
Placement Service Certificates of Deposits	5 years	30%	None	53601.8 and 53635.8
Repurchase Agreements	1 year	None	None	53601(j)
Reverse Repurchase Agreements and Securities Lending Agreements	92 days	20% of the base value of the portfolio	None	53601(j)
Medium-Term Notes	5 years	30%	"A" rating category or its equivalent or better	53601(k)
Mutual Funds and Money Market Mutual Funds	N/A	20%	Multiple	53601(l) and 53601.6(b)
Collateralized Bank Deposits	5 years	None	None	53630 et seq. and 53601(n)
Mortgage Pass-Through Securities	5 years	20%	"AA" rating category or its equivalent or better	53601(o)
County Pooled Investment Funds	N/A	None	None	27133
Joint Powers Authority Pool	N/A	None	Multiple	53601(p)
Local Agency Investment Fund (LAIF)	N/A	None	None	16429.1
Voluntary Investment Program Fund	N/A	None	None	16340
Supranational Obligations	5 years	30%	"AA" rating category or its equivalent or better	53601(q)

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**GOVERNMENT CODE - GOV****TITLE 5. LOCAL AGENCIES [50001 - 57607]** ( Title 5 added by Stats. 1949, Ch. 81. )**DIVISION 2. CITIES, COUNTIES, AND OTHER AGENCIES [53000 - 55821]** ( Division 2 added by Stats. 1949, Ch. 81. )**PART 1. POWERS AND DUTIES COMMON TO CITIES, COUNTIES, AND OTHER AGENCIES [53000 - 54999.7]** ( Part 1 added by Stats. 1949, Ch. 81. )**CHAPTER 4. Financial Affairs [53600 - 53997]** ( Chapter 4 added by Stats. 1949, Ch. 81. )**ARTICLE 1. Investment of Surplus [53600 - 53610]** ( Article 1 added by Stats. 1949, Ch. 81. )

**53600.** As used in this article, "local agency" means county, city, city and county, including a chartered city or county, school district, community college district, public district, county board of education, county superintendent of schools, or any public or municipal corporation.

(Amended by Stats. 1987, Ch. 887, Sec. 2.)

**53600.3.** Except as provided in subdivision (a) of Section 27000.3, all governing bodies of local agencies or persons authorized to make investment decisions on behalf of those local agencies investing public funds pursuant to this chapter are trustees and therefore fiduciaries subject to the prudent investor standard. When investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, a trustee shall act with care, skill, prudence, and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the agency, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency. Within the limitations of this section and considering individual investments as part of an overall strategy, investments may be acquired as authorized by law.

(Amended by Stats. 1996, Ch. 749, Sec. 4. Effective January 1, 1997.)

**53600.5.** When investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, the primary objective of a trustee shall be to safeguard the principal of the funds under its control. The secondary objective shall be to meet the liquidity needs of the depositor. The third objective shall be to achieve a return on the funds under its control.

(Amended by Stats. 1996, Ch. 749, Sec. 5. Effective January 1, 1997.)

**53600.6.** The Legislature hereby finds that the solvency and creditworthiness of each individual local agency can impact the solvency and creditworthiness of the state and other local agencies within the state. Therefore, to protect the solvency and creditworthiness of the state and all of its political subdivisions, the Legislature hereby declares that the deposit and investment of public funds by local officials and local agencies is an issue of statewide concern.

(Added by Stats. 1995, Ch. 784, Sec. 13. Effective January 1, 1996.)

**53601.** This section shall apply to a local agency that is a city, a district, or other local agency that does not pool money in deposits or investments with other local agencies, other than local agencies that have the same governing body. However, Section 53635 shall apply to all local agencies that pool money in deposits or investments with other local agencies that have separate governing bodies. The legislative body of a local agency having moneys in a sinking fund or moneys in its treasury not required for the immediate needs of the local agency may invest any portion of the moneys that it deems wise or expedient in those investments set forth below. A local agency purchasing or obtaining any securities prescribed in this section, in a negotiable, bearer, registered, or nonregistered format, shall require delivery of the securities to the local agency, including those purchased for the

agency by financial advisers, consultants, or managers using the agency's funds, by book entry, physical delivery, or by third-party custodial agreement. The transfer of securities to the counterparty bank's customer book entry account may be used for book entry delivery.

For purposes of this section, "counterparty" means the other party to the transaction. A counterparty bank's trust department or separate safekeeping department may be used for the physical delivery of the security if the security is held in the name of the local agency. Where this section specifies a percentage limitation for a particular category of investment, that percentage is applicable only at the date of purchase. Where this section does not specify a limitation on the term or remaining maturity at the time of the investment, no investment shall be made in any security, other than a security underlying a repurchase or reverse repurchase agreement or securities lending agreement authorized by this section, that at the time of the investment has a term remaining to maturity in excess of five years, unless the legislative body has granted express authority to make that investment either specifically or as a part of an investment program approved by the legislative body no less than three months prior to the investment:

- (a) Bonds issued by the local agency, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the local agency or by a department, board, agency, or authority of the local agency.
- (b) United States Treasury notes, bonds, bills, or certificates of indebtedness, or those for which the faith and credit of the United States are pledged for the payment of principal and interest.
- (c) Registered state warrants or treasury notes or bonds of this state, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the state or by a department, board, agency, or authority of the state.
- (d) Registered treasury notes or bonds of any of the other 49 states in addition to California, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by a state or by a department, board, agency, or authority of any of the other 49 states, in addition to California.
- (e) Bonds, notes, warrants, or other evidences of indebtedness of a local agency within this state, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the local agency, or by a department, board, agency, or authority of the local agency.
- (f) Federal agency or United States government-sponsored enterprise obligations, participations, or other instruments, including those issued by or fully guaranteed as to principal and interest by federal agencies or United States government-sponsored enterprises.
- (g) Bankers' acceptances otherwise known as bills of exchange or time drafts that are drawn on and accepted by a commercial bank. Purchases of bankers' acceptances shall not exceed 180 days' maturity or 40 percent of the agency's moneys that may be invested pursuant to this section. However, no more than 30 percent of the agency's moneys may be invested in the bankers' acceptances of any one commercial bank pursuant to this section.

This subdivision does not preclude a municipal utility district from investing moneys in its treasury in a manner authorized by the Municipal Utility District Act (Division 6 (commencing with Section 11501) of the Public Utilities Code).

(h) Commercial paper of "prime" quality of the highest ranking or of the highest letter and number rating as provided for by a nationally recognized statistical rating organization (NRSRO). The entity that issues the commercial paper shall meet all of the following conditions in either paragraph (1) or (2):

(1) The entity meets the following criteria:

- (A) Is organized and operating in the United States as a general corporation.
- (B) Has total assets in excess of five hundred million dollars (\$500,000,000).
- (C) Has debt other than commercial paper, if any, that is rated in a rating category of "A" or its equivalent or higher by an NRSRO.

(2) The entity meets the following criteria:

- (A) Is organized within the United States as a special purpose corporation, trust, or limited liability company.
- (B) Has programwide credit enhancements including, but not limited to, overcollateralization, letters of credit, or a surety bond.
- (C) Has commercial paper that is rated "A-1" or higher, or the equivalent, by an NRSRO.

Eligible commercial paper shall have a maximum maturity of 270 days or less. Local agencies, other than counties or a city and county, may invest no more than 25 percent of their moneys in eligible commercial paper. Local agencies, other than counties or a city and county, may purchase no more than 10 percent of the outstanding

commercial paper of any single issuer. Counties or a city and county may invest in commercial paper pursuant to the concentration limits in subdivision (a) of Section 53635.

(i) Negotiable certificates of deposit issued by a nationally or state-chartered bank, a savings association or a federal association (as defined by Section 5102 of the Financial Code), a state or federal credit union, or by a federally licensed or state-licensed branch of a foreign bank. Purchases of negotiable certificates of deposit shall not exceed 30 percent of the agency's moneys that may be invested pursuant to this section. For purposes of this section, negotiable certificates of deposit do not come within Article 2 (commencing with Section 53630), except that the amount so invested shall be subject to the limitations of Section 53638. The legislative body of a local agency and the treasurer or other official of the local agency having legal custody of the moneys are prohibited from investing local agency funds, or funds in the custody of the local agency, in negotiable certificates of deposit issued by a state or federal credit union if a member of the legislative body of the local agency, or a person with investment decisionmaking authority in the administrative office manager's office, budget office, auditor-controller's office, or treasurer's office of the local agency also serves on the board of directors, or any committee appointed by the board of directors, or the credit committee or the supervisory committee of the state or federal credit union issuing the negotiable certificates of deposit.

(j) (1) Investments in repurchase agreements or reverse repurchase agreements or securities lending agreements of securities authorized by this section, as long as the agreements are subject to this subdivision, including the delivery requirements specified in this section.

(2) Investments in repurchase agreements may be made, on an investment authorized in this section, when the term of the agreement does not exceed one year. The market value of securities that underlie a repurchase agreement shall be valued at 102 percent or greater of the funds borrowed against those securities and the value shall be adjusted no less than quarterly. Since the market value of the underlying securities is subject to daily market fluctuations, the investments in repurchase agreements shall be in compliance if the value of the underlying securities is brought back up to 102 percent no later than the next business day.

(3) Reverse repurchase agreements or securities lending agreements may be utilized only when all of the following conditions are met:

(A) The security to be sold using a reverse repurchase agreement or securities lending agreement has been owned and fully paid for by the local agency for a minimum of 30 days prior to sale.

(B) The total of all reverse repurchase agreements and securities lending agreements on investments owned by the local agency does not exceed 20 percent of the base value of the portfolio.

(C) The agreement does not exceed a term of 92 days, unless the agreement includes a written codicil guaranteeing a minimum earning or spread for the entire period between the sale of a security using a reverse repurchase agreement or securities lending agreement and the final maturity date of the same security.

(D) Funds obtained or funds within the pool of an equivalent amount to that obtained from selling a security to a counterparty using a reverse repurchase agreement or securities lending agreement shall not be used to purchase another security with a maturity longer than 92 days from the initial settlement date of the reverse repurchase agreement or securities lending agreement, unless the reverse repurchase agreement or securities lending agreement includes a written codicil guaranteeing a minimum earning or spread for the entire period between the sale of a security using a reverse repurchase agreement or securities lending agreement and the final maturity date of the same security.

(4) (A) Investments in reverse repurchase agreements, securities lending agreements, or similar investments in which the local agency sells securities prior to purchase with a simultaneous agreement to repurchase the security may be made only upon prior approval of the governing body of the local agency and shall be made only with primary dealers of the Federal Reserve Bank of New York or with a nationally or state-chartered bank that has or has had a significant banking relationship with a local agency.

(B) For purposes of this chapter, "significant banking relationship" means any of the following activities of a bank:

(i) Involvement in the creation, sale, purchase, or retirement of a local agency's bonds, warrants, notes, or other evidence of indebtedness.

(ii) Financing of a local agency's activities.

(iii) Acceptance of a local agency's securities or funds as deposits.

(5) (A) "Repurchase agreement" means a purchase of securities by the local agency pursuant to an agreement by which the counterparty seller will repurchase the securities on or before a specified date and for a specified amount and the counterparty will deliver the underlying securities to the local agency by book entry, physical delivery, or by third-party custodial agreement. The transfer of underlying securities to the counterparty bank's customer book-entry account may be used for book-entry delivery.

(B) "Securities," for purposes of repurchase under this subdivision, means securities of the same issuer, description, issue date, and maturity.

(C) "Reverse repurchase agreement" means a sale of securities by the local agency pursuant to an agreement by which the local agency will repurchase the securities on or before a specified date and includes other comparable agreements.

(D) "Securities lending agreement" means an agreement under which a local agency agrees to transfer securities to a borrower who, in turn, agrees to provide collateral to the local agency. During the term of the agreement, both the securities and the collateral are held by a third party. At the conclusion of the agreement, the securities are transferred back to the local agency in return for the collateral.

(E) For purposes of this section, the base value of the local agency's pool portfolio shall be that dollar amount obtained by totaling all cash balances placed in the pool by all pool participants, excluding any amounts obtained through selling securities by way of reverse repurchase agreements, securities lending agreements, or other similar borrowing methods.

(F) For purposes of this section, the spread is the difference between the cost of funds obtained using the reverse repurchase agreement and the earnings obtained on the reinvestment of the funds.

(k) Medium-term notes, defined as all corporate and depository institution debt securities with a maximum remaining maturity of five years or less, issued by corporations organized and operating within the United States or by depository institutions licensed by the United States or any state and operating within the United States. Notes eligible for investment under this subdivision shall be rated in a rating category of "A" or its equivalent or better by an NRSRO. Purchases of medium-term notes shall not include other instruments authorized by this section and shall not exceed 30 percent of the agency's moneys that may be invested pursuant to this section.

(l) (1) Shares of beneficial interest issued by diversified management companies that invest in the securities and obligations as authorized by subdivisions (a) to (k), inclusive, and subdivisions (m) to (q), inclusive, and that comply with the investment restrictions of this article and Article 2 (commencing with Section 53630). However, notwithstanding these restrictions, a counterparty to a reverse repurchase agreement or securities lending agreement is not required to be a primary dealer of the Federal Reserve Bank of New York if the company's board of directors finds that the counterparty presents a minimal risk of default, and the value of the securities underlying a repurchase agreement or securities lending agreement may be 100 percent of the sales price if the securities are marked to market daily.

(2) Shares of beneficial interest issued by diversified management companies that are money market funds registered with the Securities and Exchange Commission under the Investment Company Act of 1940 (15 U.S.C. Sec. 80a-1 et seq.).

(3) If investment is in shares issued pursuant to paragraph (1), the company shall have met either of the following criteria:

(A) Attained the highest ranking or the highest letter and numerical rating provided by not less than two NRSROs.

(B) Retained an investment adviser registered or exempt from registration with the Securities and Exchange Commission with not less than five years' experience investing in the securities and obligations authorized by subdivisions (a) to (k), inclusive, and subdivisions (m) to (q), inclusive, and with assets under management in excess of five hundred million dollars (\$500,000,000).

(4) If investment is in shares issued pursuant to paragraph (2), the company shall have met either of the following criteria:

(A) Attained the highest ranking or the highest letter and numerical rating provided by not less than two NRSROs.

(B) Retained an investment adviser registered or exempt from registration with the Securities and Exchange Commission with not less than five years' experience managing money market mutual funds with assets under management in excess of five hundred million dollars (\$500,000,000).

(5) The purchase price of shares of beneficial interest purchased pursuant to this subdivision shall not include commission that the companies may charge and shall not exceed 20 percent of the agency's moneys that may be invested pursuant to this section. However, no more than 10 percent of the agency's funds may be invested in shares of beneficial interest of any one mutual fund pursuant to paragraph (1).

(m) Moneys held by a trustee or fiscal agent and pledged to the payment or security of bonds or other indebtedness, or obligations under a lease, installment sale, or other agreement of a local agency, or certificates of participation in those bonds, indebtedness, or lease installment sale, or other agreements, may be invested in accordance with the statutory provisions governing the issuance of those bonds, indebtedness, or lease installment sale, or other agreement, or to the extent not inconsistent therewith or if there are no specific statutory provisions,

in accordance with the ordinance, resolution, indenture, or agreement of the local agency providing for the issuance.

(n) Notes, bonds, or other obligations that are at all times secured by a valid first priority security interest in securities of the types listed by Section 53651 as eligible securities for the purpose of securing local agency deposits having a market value at least equal to that required by Section 53652 for the purpose of securing local agency deposits. The securities serving as collateral shall be placed by delivery or book entry into the custody of a trust company or the trust department of a bank that is not affiliated with the issuer of the secured obligation, and the security interest shall be perfected in accordance with the requirements of the Uniform Commercial Code or federal regulations applicable to the types of securities in which the security interest is granted.

(o) A mortgage passthrough security, collateralized mortgage obligation, mortgage-backed or other pay-through bond, equipment lease-backed certificate, consumer receivable passthrough certificate, or consumer receivable-backed bond. Securities eligible for investment under this subdivision shall be rated in a rating category of "AA" or its equivalent or better by an NRSRO and have a maximum remaining maturity of five years or less. Purchase of securities authorized by this subdivision shall not exceed 20 percent of the agency's surplus moneys that may be invested pursuant to this section.

(p) Shares of beneficial interest issued by a joint powers authority organized pursuant to Section 6509.7 that invests in the securities and obligations authorized in subdivisions (a) to (r), inclusive. Each share shall represent an equal proportional interest in the underlying pool of securities owned by the joint powers authority. To be eligible under this section, the joint powers authority issuing the shares shall have retained an investment adviser that meets all of the following criteria:

(1) The adviser is registered or exempt from registration with the Securities and Exchange Commission.

(2) The adviser has not less than five years of experience investing in the securities and obligations authorized in subdivisions (a) to (q), inclusive.

(3) The adviser has assets under management in excess of five hundred million dollars (\$500,000,000).

(q) United States dollar denominated senior unsecured unsubordinated obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development, International Finance Corporation, or Inter-American Development Bank, with a maximum remaining maturity of five years or less, and eligible for purchase and sale within the United States. Investments under this subdivision shall be rated in a rating category of "AA" or its equivalent or better by an NRSRO and shall not exceed 30 percent of the agency's moneys that may be invested pursuant to this section.

(r) Commercial paper, debt securities, or other obligations of a public bank, as defined in Section 57600.

*(Amended by Stats. 2019, Ch. 442, Sec. 11. (AB 857) Effective January 1, 2020.)*

**53601.1.** The authority of a local agency to invest funds pursuant to Section 53601 includes, in addition thereto, authority to invest in financial futures or financial option contracts in any of the investment categories enumerated in that section.

*(Added by Stats. 1983, Ch. 534, Sec. 3.)*

**53601.2.** As used in this article, "corporation" includes a limited liability company.

*(Added by Stats. 2004, Ch. 118, Sec. 18. Effective January 1, 2005.)*

**53601.5.** The purchase by a local agency of any investment authorized pursuant to Section 53601 or 53601.1, not purchased directly from the issuer, shall be purchased either from an institution licensed by the state as a broker-dealer, as defined in Section 25004 of the Corporations Code, or from a member of a federally regulated securities exchange, from a national or state-chartered bank, from a savings association or federal association (as defined by Section 5102 of the Financial Code) or from a brokerage firm designated as a primary government dealer by the Federal Reserve bank.

*(Amended by Stats. 2001, Ch. 57, Sec. 2. Effective January 1, 2002.)*

**53601.6.** (a) A local agency shall not invest any funds pursuant to this article or pursuant to Article 2 (commencing with Section 53630) in inverse floaters, range notes, or mortgage-derived, interest-only strips.

(b) A local agency shall not invest any funds pursuant to this article or pursuant to Article 2 (commencing with Section 53630) in any security that could result in zero interest accrual if held to maturity. However, a local agency may hold prohibited instruments until their maturity dates. The limitation in this subdivision shall not apply to local agency investments in shares of beneficial interest issued by diversified management companies registered under

the Investment Company Act of 1940 (15 U.S.C. Sec. 80a-1 et seq.) that are authorized for investment pursuant to subdivision (l) of Section 53601.

*(Amended by Stats. 2009, Ch. 332, Sec. 68.1. (SB 113) Effective January 1, 2010.)*

**53601.8.** Notwithstanding any other provision of this code, a local agency that has the authority under law to invest funds, at its discretion, may invest a portion of its surplus funds in deposits at a commercial bank, savings bank, savings and loan association, or credit union that uses a private sector entity that assists in the placement of deposits. The following conditions shall apply:

(a) The local agency shall choose a nationally or state-chartered commercial bank, savings bank, savings and loan association, or credit union in this state to invest the funds, which shall be known as the "selected" depository institution.

(b) The selected depository institution may use a private sector entity to help place local agency deposits with one or more commercial banks, savings banks, savings and loan associations, or credit unions that are located in the United States and are within the network used by the private sector entity for this purpose.

(c) The selected depository institution shall request that the local agency inform it of depository institutions at which the local agency has other deposits, and the selected depository institution shall provide that information to the private sector entity.

(d) Any private sector entity used by a selected depository institution to help place its local agency deposits shall maintain policies and procedures requiring all of the following:

(1) The full amount of each deposit placed pursuant to subdivision (b) and the interest that may accrue on each such deposit shall at all times be insured by the Federal Deposit Insurance Corporation or the National Credit Union Administration.

(2) Every depository institution where funds are placed shall be capitalized at a level that is sufficient, and be otherwise eligible, to receive such deposits pursuant to regulations of the Federal Deposit Insurance Corporation or the National Credit Union Administration, as applicable.

(3) At the time of the local agency's investment with a selected depository institution and no less than monthly thereafter, the private sector entity shall ensure that the local agency is provided with an inventory of all depository institutions in which deposits have been placed on the local agency's behalf, that are within the private sector entity's network.

(4) Within its network, the private sector entity shall ensure that it does not place additional deposits from a particular local agency with any depository institution identified pursuant to subdivision (c) as holding that local agency's deposits if those additional deposits would result in that local agency's total amount on deposit at that depository institution exceeding the Federal Deposit Insurance Corporation or the National Credit Union Administration insurance limit.

(e) If a selected depository uses two or more private sector entities to assist in the placement of a local agency's deposits, the selected depository shall ensure that it does not place additional deposits from a particular local agency with a depository institution if those additional deposits would result in that local agency's total amount on deposit at that depository institution exceeding the Federal Deposit Insurance Corporation or the National Credit Union Administration insurance limit.

(f) The selected depository institution shall serve as a custodian for each such deposit.

(g) On the same date that the local agency's funds are placed pursuant to subdivision (b) by the private sector entity, the selected depository institution shall receive an amount of insured deposits from other financial institutions that, in total, are equal to, or greater than, the full amount of the principal that the local agency initially deposited through the selected depository institution pursuant to subdivision (b).

(h) Notwithstanding subdivisions (a) to (g), inclusive, a credit union shall not act as a selected depository institution under this section unless both of the following conditions are satisfied:

(1) The credit union offers federal depository insurance through the National Credit Union Administration.

(2) The credit union is in possession of written guidance or other written communication from the National Credit Union Administration authorizing participation of federally insured credit unions in one or more deposit placement services and affirming that the moneys held by those credit unions while participating in a deposit placement service will at all times be insured by the federal government.

(i) It is the intent of the Legislature that this section shall not restrict competition among private sector entities that provide placement services pursuant to this section.



(j) The deposits placed pursuant to this section shall be subject to Section 53638 and shall not, in total, exceed 50 percent of the agency's funds that may be invested for this purpose.

(k) This section shall remain in effect until January 1, 2026, and as of that date is repealed.

*(Amended (as amended by Stats. 2015, Ch. 181, Sec. 1) by Stats. 2019, Ch. 619, Sec. 1. (AB 945) Effective January 1, 2020. Repealed as of January 1, 2026, by its own provisions. See later operative version, as amended by Sec. 3 of Stats. 2019, Ch. 619.)*

**53601.8.** Notwithstanding any other provision of this code, a local agency that has the authority under law to invest funds, at its discretion, may invest a portion of its surplus funds in deposits at a commercial bank, savings bank, savings and loan association, or credit union that uses a private sector entity that assists in the placement of deposits. The following conditions shall apply:

(a) The local agency shall choose a nationally or state-chartered commercial bank, savings bank, savings and loan association, or credit union in this state to invest the funds, which shall be known as the "selected" depository institution.

(b) The selected depository institution may use a private sector entity to help place local agency deposits with one or more commercial banks, savings banks, savings and loan associations, or credit unions that are located in the United States and are within the network used by the private sector entity for this purpose.

(c) The selected depository institution shall request that the local agency inform it of depository institutions at which the local agency has other deposits, and the selected depository institution shall provide that information to the private sector entity.

(d) Any private sector entity used by a selected depository institution to help place its local agency deposits shall maintain policies and procedures requiring all of the following:

(1) The full amount of each deposit placed pursuant to subdivision (b) and the interest that may accrue on each such deposit shall at all times be insured by the Federal Deposit Insurance Corporation or the National Credit Union Administration.

(2) Every depository institution where funds are placed shall be capitalized at a level that is sufficient, and be otherwise eligible, to receive such deposits pursuant to regulations of the Federal Deposit Insurance Corporation or the National Credit Union Administration, as applicable.

(3) At the time of the local agency's investment with a selected depository institution and no less than monthly thereafter, the private sector entity shall ensure that the local agency is provided with an inventory of all depository institutions in which deposits have been placed on the local agency's behalf, that are within the private sector entity's network.

(4) Within its network, the private sector entity shall ensure that it does not place additional deposits from a particular local agency with any depository institution identified pursuant to subdivision (c) as holding that local agency's deposits if those additional deposits would result in that local agency's total amount on deposit at that depository institution exceeding the Federal Deposit Insurance Corporation or the National Credit Union Administration insurance limit.

(e) If a selected depository uses two or more private sector entities to assist in the placement of a local agency's deposits, the selected depository shall ensure that it does not place additional deposits from a particular local agency with a depository institution if those additional deposits would result in that local agency's total amount on deposit at that depository institution exceeding the Federal Deposit Insurance Corporation or the National Credit Union Administration insurance limit.

(f) The selected depository institution shall serve as a custodian for each such deposit.

(g) On the same date that the local agency's funds are placed pursuant to subdivision (b) by the private sector entity, the selected depository institution shall receive an amount of insured deposits from other financial institutions that, in total, are equal to, or greater than, the full amount of the principal that the local agency initially deposited through the selected depository institution pursuant to subdivision (b).

(h) Notwithstanding subdivisions (a) to (g), inclusive, a credit union shall not act as a selected depository institution under this section unless both of the following conditions are satisfied:

(1) The credit union offers federal depository insurance through the National Credit Union Administration.

(2) The credit union is in possession of written guidance or other written communication from the National Credit Union Administration authorizing participation of federally insured credit unions in one or more deposit placement services and affirming that the moneys held by those credit unions while participating in a deposit placement service will at all times be insured by the federal government.

(i) It is the intent of the Legislature that this section shall not restrict competition among private sector entities that provide placement services pursuant to this section.

(j) The deposits placed pursuant to this section shall be subject to Section 53638 and shall not, in total, exceed 30 percent of the agency's funds that may be invested for this purpose.

(k) This section shall become operative on January 1, 2026.

*(Repealed and added by Stats. 2019, Ch. 619, Sec. 3. (AB 945) Effective January 1, 2020. Section operative January 1, 2026, by its own provisions.)*

**53602.** The legislative body shall invest only in notes, bonds, bills, certificates of indebtedness, warrants, or registered warrants which are legal investments for savings banks in the State, provided, that the board of supervisors of a county may, by a four-fifths vote thereof, invest in notes, warrants or other evidences of indebtedness of public districts wholly or partly within the county, whether or not such notes, warrants, or other evidences of indebtedness are legal investments for savings banks.

*(Amended by Stats. 1954, 1st Ex. Sess., Ch. 10.)*

**53603.** The legislative body may make the investment by direct purchase of any issue of eligible securities at their original sale or after they have been issued.

*(Amended by Stats. 1953, Ch. 537.)*

**53604.** The legislative body may sell, or exchange for other eligible securities, and reinvest the proceeds of, the securities purchased.

*(Amended by Stats. 1953, Ch. 537.)*

**53605.** From time to time, the legislative body shall sell the securities so that the proceeds may be applied to the purposes for which the original purchase money was placed in the sinking fund or the treasury of the local agency.

*(Amended by Stats. 1953, Ch. 537.)*

**53606.** The bonds purchased, which were issued by the purchaser, may be canceled either in satisfaction or sinking fund obligations or otherwise. When canceled, they are no longer outstanding, unless in its discretion, the legislative body holds them uncanceled. While held uncanceled, the bonds may be resold.

*(Added by Stats. 1949, Ch. 81.)*

**53607.** The authority of the legislative body to invest or to reinvest funds of a local agency, or to sell or exchange securities so purchased, may be delegated for a one-year period by the legislative body to the treasurer of the local agency, who shall thereafter assume full responsibility for those transactions until the delegation of authority is revoked or expires, and shall make a monthly report of those transactions to the legislative body. Subject to review, the legislative body may renew the delegation of authority pursuant to this section each year.

*(Amended by Stats. 1996, Ch. 749, Sec. 6. Effective January 1, 1997.)*

**53608.** The legislative body of a local agency may deposit for safekeeping with a federal or state association (as defined by Section 5102 of the Financial Code), a trust company or a state or national bank located within this state or with the Federal Reserve Bank of San Francisco or any branch thereof within this state, or with any Federal Reserve bank or with any state or national bank located in any city designated as a reserve city by the Board of Governors of the Federal Reserve System, the bonds, notes, bills, debentures, obligations, certificates of indebtedness, warrants, or other evidences of indebtedness in which the money of the local agency is invested pursuant to this article or pursuant to other legislative authority. The local agency shall take from such financial institution a receipt for securities so deposited. The authority of the legislative body to deposit for safekeeping may be delegated by the legislative body to the treasurer of the local agency; the treasurer shall not be responsible for securities delivered to and receipted for by a financial institution until they are withdrawn from the financial institution by the treasurer.

*(Amended by Stats. 1985, Ch. 983, Sec. 17. Effective September 26, 1985.)*

**53609.** Notwithstanding the provisions of this chapter or any other provisions of this code, funds held by a local agency pursuant to a written agreement between the agency and employees of the agency to defer a portion of the compensation otherwise receivable by the agency's employees and pursuant to a plan for such deferral as adopted by the governing body of the agency, may be invested in the types of investments set forth in Sections 53601 and

53602 of this code, and may additionally be invested in corporate stocks, bonds, and securities, mutual funds, savings and loan accounts, credit union accounts, life insurance policies, annuities, mortgages, deeds of trust, or other security interests in real or personal property. Nothing herein shall be construed to permit any type of investment prohibited by the Constitution.

Deferred compensation funds are public pension or retirement funds for the purposes of Section 17 of Article XVI of the Constitution.

*(Amended by Stats. 1979, Ch. 373.)*

**53610.** (a) For purposes of this section, "Proposition 1A receivable" means the right to payment of moneys due or to become due to a local agency, pursuant to clause (iii) of subparagraph (B) of paragraph (1) of subdivision (a) of Section 25.5 of Article XIII of the California Constitution and Section 100.06 of the Revenue and Taxation Code.

(b) Notwithstanding any other law, a local agency may purchase, with its revenue, Proposition 1A receivables sold pursuant to Section 53999.

(c) A purchaser of Proposition 1A receivables pursuant to this section shall not offer them for sale pursuant to Section 6588.

*(Added by Stats. 2009, Ch. 634, Sec. 5. (SB 67) Effective October 19, 2009.)*



## CONSENT CALENDAR

### 5. CONSIDER ADOPTION OF TREASURER'S REPORT FOR MAY 2020

<b>Meeting Date:</b>	<b>July 20, 2020</b>	<b>Budgeted:</b>	<b>N/A</b>
<b>From:</b>	<b>David J. Stoldt, General Manager</b>	<b>Program/ Line Item No.:</b>	<b>N/A</b>
<b>Prepared By:</b>	<b>Suresh Prasad</b>	<b>Cost Estimate:</b>	<b>N/A</b>

**General Counsel Review:** N/A

**Committee Recommendation:** The Administrative Committee considered this item on July 14, 2020 and recommended and voted 3 – 0 to approve.

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

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**SUMMARY:** Exhibit 5-A comprises the Treasurer's Report for May 2020. Exhibit 5-B and Exhibit 5-C are listings of check disbursements for the period May 1-31, 2020. Check Nos. 37013 through 37278, the direct deposits of employee's paychecks, payroll tax deposits, and bank charges resulted in total disbursements for the period in the amount of \$996,873.31. This amount included \$54,724.00 for conservation rebates. Exhibit 5-D reflects the unaudited version of the financial statements for the month ending May 31, 2020.

**RECOMMENDATION:** The Administrative Committee recommends adoption of the May 2020 Treasurer's Report and financial statements, and ratification of the disbursements made during the month.

#### EXHIBITS

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



**MONTEREY PENINSULA WATER MANAGEMENT DISTRICT  
TREASURER'S REPORT FOR MAY 2020**

<u>Description</u>	<u>Checking</u>	<u>MPWMD Money Market</u>	<u>L.A.I.F.</u>	<u>Wells Fargo Investments</u>	<u>Multi-Bank Securities</u>	<u>MPWMD Total</u>	<u>PB Reclamation Money Market</u>
<b>Beginning Balance</b>	<b>\$145,796.67</b>	<b>\$2,501,869.64</b>	<b>\$13,412,881.73</b>	<b>\$1,012,355.30</b>	<b>\$2,825,536.20</b>	<b>\$19,898,439.54</b>	<b>\$435,084.42</b>
Fee Deposits		533,735.37				533,735.37	450,036.11
MoCo Tax & WS Chg Installment Pymt						0.00	
Interest Received				641.04	7,222.69	7,863.73	
Transfer - Money Market/LAIF						0.00	
Transfer - Money Market/Checking	1,000,000.00	(1,000,000.00)				0.00	
Transfer - Money Market/Multi-Bank						0.00	
Transfer - Money Market/Wells Fargo						0.00	
Transfer to CAWD						0.00	(400,000.00)
Voided Checks						0.00	
Bank Corrections/Reversals/Errors						0.00	
Bank Charges/Other	(390.16)					(390.16)	
Credit Card Fees	(362.41)					(362.41)	
Returned Deposits	-					0.00	
Payroll Tax/Benefit Deposits	(100,770.05)					(100,770.05)	
Payroll Checks/Direct Deposits	(126,143.97)					(126,143.97)	
General Checks	(769,206.72)					(769,206.72)	
Bank Draft Payments	-					0.00	
<b>Ending Balance</b>	<b>\$148,923.36</b>	<b>\$2,035,605.01</b>	<b>\$13,412,881.73</b>	<b>\$1,012,996.34</b>	<b>\$2,832,758.89</b>	<b>\$19,443,165.33</b>	<b>\$485,120.53</b>





## Check Report

By Check Number

Date Range: 05/01/2020 - 05/31/2020



Monterey Peninsula Water Management Dist

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
Bank Code: APBNK	-Bank of America Checking					
Payment Type: Regular						
16237	California Water Efficiency Partnership	05/22/2020	Regular	0.00	-875.00	36902
00249	A.G. Davi, LTD	05/01/2020	Regular	0.00	395.00	37071
00230	Cisco Systems, Inc.	05/01/2020	Regular	0.00	713.60	37072
04041	Cynthia Schmidlin	05/01/2020	Regular	0.00	868.03	37073
10966	DocuWare Corporation	05/01/2020	Regular	0.00	9,000.00	37074
12655	Graphicsmiths	05/01/2020	Regular	0.00	88.80	37075
00235	Green Rubber- Kennedy AG	05/01/2020	Regular	0.00	52.17	37076
00993	Harris Court Business Park	05/01/2020	Regular	0.00	721.26	37077
04717	Inder Osahan	05/01/2020	Regular	0.00	1,255.54	37078
01012	Mark Dudley	05/01/2020	Regular	0.00	540.00	37079
00078	Michael Hutnak	05/01/2020	Regular	0.00	8,140.00	37080
00282	PG&E	05/01/2020	Regular	0.00	1,639.39	37081
00251	Rick Dickhaut	05/01/2020	Regular	0.00	543.40	37082
04359	The Carmel Pine Cone	05/01/2020	Regular	0.00	726.00	37083
18737	U.S. Bank Equipment Finance	05/01/2020	Regular	0.00	867.83	37084
00221	Verizon Wireless	05/01/2020	Regular	0.00	-1,171.39	37085
00221	Verizon Wireless	05/01/2020	Regular	0.00	1,171.39	37085
18163	Wex Bank	05/01/2020	Regular	0.00	70.11	37086
00767	AFLAC	05/08/2020	Regular	0.00	907.16	37087
01001	CDW Government	05/08/2020	Regular	0.00	10,738.18	37088
18734	DeVeera Inc.	05/08/2020	Regular	0.00	6,808.00	37089
00277	Home Depot Credit Services	05/08/2020	Regular	0.00	32.65	37090
00094	John Arriaga	05/08/2020	Regular	0.00	2,500.00	37091
05830	Larry Hampson	05/08/2020	Regular	0.00	1,094.00	37092
00259	Marina Coast Water District	05/08/2020	Regular	0.00	445.38	37093
00259	Marina Coast Water District	05/08/2020	Regular	0.00	232.63	37094
00118	Monterey Bay Carpet & Janitorial Svc	05/08/2020	Regular	0.00	1,260.00	37095
13396	Navia Benefit Solutions, Inc.	05/08/2020	Regular	0.00	808.32	37096
00154	Peninsula Messenger Service	05/08/2020	Regular	0.00	589.00	37097
00282	PG&E	05/08/2020	Regular	0.00	48.29	37098
00282	PG&E	05/08/2020	Regular	0.00	9.86	37099
00262	Pure H2O	05/08/2020	Regular	0.00	65.24	37100
04709	Sherron Forsgren	05/08/2020	Regular	0.00	869.02	37101
09989	Star Sanitation Services	05/08/2020	Regular	0.00	90.86	37102
04719	Telit Io T Platforms, LLC	05/08/2020	Regular	0.00	232.67	37103
09425	The Ferguson Group LLC	05/08/2020	Regular	0.00	8,000.00	37104
17965	The Maynard Group	05/08/2020	Regular	0.00	1,515.15	37105
00203	ThyssenKrup Elevator	05/08/2020	Regular	0.00	643.71	37106
00269	U.S. Bank	05/08/2020	Regular	0.00	3,701.20	37107
00271	UPEC, Local 792	05/08/2020	Regular	0.00	997.50	37108
00221	Verizon Wireless	05/08/2020	Regular	0.00	1,209.40	37109
18163	Wex Bank	05/08/2020	Regular	0.00	303.03	37110
01188	Alhambra	05/15/2020	Regular	0.00	23.98	37114
12601	Carmel Valley Ace Hardware	05/15/2020	Regular	0.00	39.86	37115
00024	Central Coast Exterminator	05/15/2020	Regular	0.00	104.00	37116
06268	Comcast	05/15/2020	Regular	0.00	195.09	37117
00046	De Lay & Laredo	05/15/2020	Regular	0.00	12,481.50	37118
00986	Henrietta Stern	05/15/2020	Regular	0.00	1,255.54	37119
03857	Joe Oliver	05/15/2020	Regular	0.00	1,255.54	37120
00036	Parham Living Trust	05/15/2020	Regular	0.00	850.00	37121
00755	Peninsula Welding Supply, Inc.	05/15/2020	Regular	0.00	195.25	37122
00282	PG&E	05/15/2020	Regular	0.00	14.24	37123
00282	PG&E	05/15/2020	Regular	0.00	25.46	37124

**EXHIBIT 5-B**

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**Check Report****Date Range: 05/01/2020 - 05/31/2020**

<b>Vendor Number</b>	<b>Vendor Name</b>	<b>Payment Date</b>	<b>Payment Type</b>	<b>Discount Amount</b>	<b>Payment Amount</b>	<b>Number</b>
00159	Pueblo Water Resources, Inc.	05/15/2020	Regular	0.00	977.06	37125
17968	Rutan & Tucker, LLP	05/15/2020	Regular	0.00	34,087.50	37126
07769	University Corporation at Ryan Ranch	05/15/2020	Regular	0.00	5,263.90	37127
00760	Andy Bell	05/22/2020	Regular	0.00	711.00	37227
16237	California Water Efficiency Partnership	05/22/2020	Regular	0.00	875.00	37228
00281	CoreLogic Information Solutions, Inc.	05/22/2020	Regular	0.00	890.96	37229
19448	David Frank Stone	05/22/2020	Regular	0.00	30.40	37230
00046	De Lay & Laredo	05/22/2020	Regular	0.00	57,224.85	37231
00192	Extra Space Storage	05/22/2020	Regular	0.00	885.00	37232
00277	Home Depot Credit Services	05/22/2020	Regular	0.00	247.25	37233
03969	Jonathan Lear	05/22/2020	Regular	0.00	371.25	37234
05371	June Silva	05/22/2020	Regular	0.00	554.50	37235
13431	Lynx Technologies, Inc	05/22/2020	Regular	0.00	75.00	37236
00222	M.J. Murphy	05/22/2020	Regular	0.00	27.48	37237
05829	Mark Bekker	05/22/2020	Regular	0.00	915.00	37238
00242	MBAS	05/22/2020	Regular	0.00	10,360.00	37239
16182	Monterey County Weekly	05/22/2020	Regular	0.00	2,187.50	37240
13396	Navia Benefit Solutions, Inc.	05/22/2020	Regular	0.00	808.32	37241
00282	PG&E	05/22/2020	Regular	0.00	194.20	37242
00282	PG&E	05/22/2020	Regular	0.00	6,890.53	37243
13430	Premiere Global Services	05/22/2020	Regular	0.00	1,025.69	37244
18544	Psomas	05/22/2020	Regular	0.00	8,694.94	37245
00159	Pueblo Water Resources, Inc.	05/22/2020	Regular	0.00	11,643.79	37246
07627	Purchase Power	05/22/2020	Regular	0.00	500.00	37247
13394	Regional Government Services	05/22/2020	Regular	0.00	1,849.00	37248
00251	Rick Dickhaut	05/22/2020	Regular	0.00	543.40	37249
00176	Sentry Alarm Systems	05/22/2020	Regular	0.00	215.50	37250
09989	Star Sanitation Services	05/22/2020	Regular	0.00	90.71	37251
09425	The Ferguson Group LLC	05/22/2020	Regular	0.00	149.13	37252
00225	Trowbridge Enterprises Inc.	05/22/2020	Regular	0.00	469.60	37253
11622	United States Geologic Survey	05/22/2020	Regular	0.00	19,772.50	37254
08105	Yolanda Munoz	05/22/2020	Regular	0.00	540.00	37255
00010	Access Monterey Peninsula	05/29/2020	Regular	0.00	2,625.00	37256
00763	ACWA-JPIA	05/29/2020	Regular	0.00	717.08	37257
00230	Cisco Systems, Inc.	05/29/2020	Regular	0.00	290.00	37258
04041	Cynthia Schmidlin	05/29/2020	Regular	0.00	868.03	37259
00993	Harris Court Business Park	05/29/2020	Regular	0.00	721.26	37260
18723	Hopkins Technical Products, Inc.	05/29/2020	Regular	0.00	81,716.16	37261
04717	Inder Osahan	05/29/2020	Regular	0.00	1,255.54	37262
00100	J M Electric	05/29/2020	Regular	0.00	3,502.24	37263
06999	KBA Docusys	05/29/2020	Regular	0.00	1,415.71	37264
00222	M.J. Murphy	05/29/2020	Regular	0.00	156.95	37265
01012	Mark Dudley	05/29/2020	Regular	0.00	540.00	37266
12597	Maureen Hamilton	05/29/2020	Regular	0.00	241.00	37267
00274	Monterey One Water	05/29/2020	Regular	0.00	96,687.20	37268
00282	PG&E	05/29/2020	Regular	0.00	1,468.61	37269
08925	Quinn Company	05/29/2020	Regular	0.00	899.06	37270
16734	Rural Community Assistance Corporation	05/29/2020	Regular	0.00	7,390.35	37271
17968	Rutan & Tucker, LLP	05/29/2020	Regular	0.00	11,362.50	37272
02838	Solinst Canada Ltd	05/29/2020	Regular	0.00	376.76	37273
19098	Specialty Construction, Inc.	05/29/2020	Regular	0.00	244,684.91	37274
00766	Standard Insurance Company	05/29/2020	Regular	0.00	1,823.13	37275
18737	U.S. Bank Equipment Finance	05/29/2020	Regular	0.00	867.83	37276
00221	Verizon Wireless	05/29/2020	Regular	0.00	1,449.14	37277
18163	Wex Bank	05/29/2020	Regular	0.00	65.46	37278
<b>Total Regular:</b>				<b>0.00</b>	<b>714,482.72</b>	

**EXHIBIT 5-B**

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**Check Report****Date Range: 05/01/2020 - 05/31/2020**

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
<b>Payment Type: Bank Draft</b>						
00266	I.R.S.	05/08/2020	Bank Draft	0.00	11,632.92	DFT0001624
00266	I.R.S.	05/08/2020	Bank Draft	0.00	2,451.96	DFT0001625
00267	Employment Development Dept.	05/08/2020	Bank Draft	0.00	4,362.49	DFT0001626
00266	I.R.S.	05/08/2020	Bank Draft	0.00	198.36	DFT0001627
00266	I.R.S.	05/08/2020	Bank Draft	0.00	68.82	DFT0001629
00266	I.R.S.	05/08/2020	Bank Draft	0.00	90.08	DFT0001630
00266	I.R.S.	05/08/2020	Bank Draft	0.00	385.02	DFT0001631
00266	I.R.S.	05/22/2020	Bank Draft	0.00	11,763.81	DFT0001634
00266	I.R.S.	05/22/2020	Bank Draft	0.00	2,479.12	DFT0001635
00267	Employment Development Dept.	05/22/2020	Bank Draft	0.00	4,439.50	DFT0001636
00266	I.R.S.	05/22/2020	Bank Draft	0.00	314.46	DFT0001637
00769	Laborers Trust Fund of Northern CA	05/12/2020	Bank Draft	0.00	28,094.00	DFT0001638
00768	ICMA	05/08/2020	Bank Draft	0.00	2,520.09	DFT0001639
00256	PERS Retirement	05/08/2020	Bank Draft	0.00	14,724.66	DFT0001640
00768	ICMA	05/22/2020	Bank Draft	0.00	2,520.09	DFT0001641
00256	PERS Retirement	05/22/2020	Bank Draft	0.00	14,724.67	DFT0001651
<b>Total Bank Draft:</b>				<b>0.00</b>	<b>100,770.05</b>	

	Bank Code APBNK	Summary		
Payment Type	Payable Count	Payment Count	Discount	Payment
Regular Checks	139	106	0.00	716,529.11
Manual Checks	0	0	0.00	0.00
Voided Checks	0	2	0.00	-2,046.39
Bank Drafts	24	16	0.00	100,770.05
EFT's	0	0	0.00	0.00
	163	124	0.00	815,252.77

**EXHIBIT 5-B**

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**Check Report****Date Range: 05/01/2020 - 05/31/2020**

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
<b>Bank Code: REBATES-02-Rebates: Use Only For Rebates</b>						
<b>Payment Type: Regular</b>						
19493	Anita Jones	05/01/2020	Regular	0.00	200.00	37013
19459	Anna Sardina	05/01/2020	Regular	0.00	125.00	37014
19489	Anne Banta	05/01/2020	Regular	0.00	500.00	37015
19495	Anuradha Tummala	05/01/2020	Regular	0.00	1,725.00	37016
19471	Ashlee Gustafson & Chris Locke	05/01/2020	Regular	0.00	500.00	37017
19491	Brad Alexander	05/01/2020	Regular	0.00	140.00	37018
19496	Buena Vista Land Company	05/01/2020	Regular	0.00	75.00	37019
19500	Caroline MacDonald	05/01/2020	Regular	0.00	500.00	37020
19483	Craig Hirt	05/01/2020	Regular	0.00	500.00	37021
19467	Daniel Clauss	05/01/2020	Regular	0.00	125.00	37022
19481	Debbie Anastasia	05/01/2020	Regular	0.00	500.00	37023
19472	Dennis Eichner	05/01/2020	Regular	0.00	500.00	37024
19466	Diane Bogart	05/01/2020	Regular	0.00	125.00	37025
19464	Eddie Wright	05/01/2020	Regular	0.00	125.00	37026
19461	Edward & Irena Wodecki	05/01/2020	Regular	0.00	125.00	37027
19488	Frances Gaver	05/01/2020	Regular	0.00	500.00	37028
19501	Gary Baley	05/01/2020	Regular	0.00	500.00	37029
19458	Glenn Tozier	05/01/2020	Regular	0.00	125.00	37030
19470	Hilary Heieck	05/01/2020	Regular	0.00	500.00	37031
19497	Hiroaki Hayashi	05/01/2020	Regular	0.00	75.00	37032
19490	James A. Russo, Jr.	05/01/2020	Regular	0.00	109.00	37033
19451	James Fremgen	05/01/2020	Regular	0.00	75.00	37034
19487	James Holt	05/01/2020	Regular	0.00	500.00	37035
19463	James Ortiz	05/01/2020	Regular	0.00	125.00	37036
19452	James R. Krehbiel	05/01/2020	Regular	0.00	75.00	37037
19468	Jan Clayton Buhl	05/01/2020	Regular	0.00	500.00	37038
18140	JEAN DI MANTO	05/01/2020	Regular	0.00	500.00	37039
19456	Jeanette Rogge	05/01/2020	Regular	0.00	75.00	37040
19462	John Shella	05/01/2020	Regular	0.00	625.00	37041
09921	JOHN SMITH	05/01/2020	Regular	0.00	125.00	37042
19441	Kari Brown	05/01/2020	Regular	0.00	150.00	37043
19498	Kevin E. Lee	05/01/2020	Regular	0.00	500.00	37044
19478	Kimberly Moscato	05/01/2020	Regular	0.00	500.00	37045
19484	Laura Stanco	05/01/2020	Regular	0.00	500.00	37046
19457	Linda Christensen	05/01/2020	Regular	0.00	125.00	37047
19449	Loren Steck	05/01/2020	Regular	0.00	75.00	37048
19479	Marilyn J. Schultz	05/01/2020	Regular	0.00	500.00	37049
19480	Matthew Binder	05/01/2020	Regular	0.00	500.00	37050
19453	Michael Gomez	05/01/2020	Regular	0.00	125.00	37051
19492	Michael Kennedy	05/01/2020	Regular	0.00	200.00	37052
19485	Miles Lundquist	05/01/2020	Regular	0.00	500.00	37053
19469	Nancy Bowen	05/01/2020	Regular	0.00	500.00	37054
19494	Nancy Zimmerman	05/01/2020	Regular	0.00	100.00	37055
19460	Patricia Adura-Miranda	05/01/2020	Regular	0.00	125.00	37056
19477	Peter L. Andersen	05/01/2020	Regular	0.00	500.00	37057
19499	Peter Misyak	05/01/2020	Regular	0.00	500.00	37058
19474	Peter O'Harrow	05/01/2020	Regular	0.00	500.00	37059
19475	Rachel Kehoe	05/01/2020	Regular	0.00	500.00	37060
19450	Rafael Mejia	05/01/2020	Regular	0.00	75.00	37061
19455	Raymond Chudy	05/01/2020	Regular	0.00	75.00	37062
19482	Richard Siquig	05/01/2020	Regular	0.00	500.00	37063
19476	Royah Rogomentick	05/01/2020	Regular	0.00	500.00	37064
19473	Sara Ruffner	05/01/2020	Regular	0.00	500.00	37065
18998	Stephanie Pastor	05/01/2020	Regular	0.00	125.00	37066
19454	Todd Porteous	05/01/2020	Regular	0.00	225.00	37067
19486	Valerie Loeb	05/01/2020	Regular	0.00	500.00	37068
16641	Vincent Torrente	05/01/2020	Regular	0.00	2,025.00	37069
19465	William Hopkins	05/01/2020	Regular	0.00	125.00	37070
19516	Alexandra Collard	05/15/2020	Regular	0.00	75.00	37128

**EXHIBIT 5-B**

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**Check Report****Date Range: 05/01/2020 - 05/31/2020**

<b>Vendor Number</b>	<b>Vendor Name</b>	<b>Payment Date</b>	<b>Payment Type</b>	<b>Discount Amount</b>	<b>Payment Amount</b>	<b>Number</b>
19568	Alison Patton	05/15/2020	Regular	0.00	500.00	37129
19545	Andrea Kay Clum	05/15/2020	Regular	0.00	500.00	37130
19566	Andrew Walker	05/15/2020	Regular	0.00	500.00	37131
19539	Angelica Arroyo	05/15/2020	Regular	0.00	500.00	37132
19559	Anne Miller	05/15/2020	Regular	0.00	500.00	37133
19564	Anne Ross	05/15/2020	Regular	0.00	125.00	37134
19593	Annette Thomas	05/15/2020	Regular	0.00	500.00	37135
19602	Becky Craft	05/15/2020	Regular	0.00	500.00	37136
19528	Becky Payton	05/15/2020	Regular	0.00	125.00	37137
19514	Betka Guilford	05/15/2020	Regular	0.00	75.00	37138
19588	Bobbie Russo	05/15/2020	Regular	0.00	125.00	37139
19540	Bravlio Lopez	05/15/2020	Regular	0.00	500.00	37140
19519	Carolyn Koenig	05/15/2020	Regular	0.00	150.00	37141
19589	Carolynn Schaut	05/15/2020	Regular	0.00	125.00	37142
19521	Cathleen Rosen	05/15/2020	Regular	0.00	75.00	37143
19596	Clayton C. Larson	05/15/2020	Regular	0.00	500.00	37144
19532	Danielle Shillcock	05/15/2020	Regular	0.00	500.00	37145
19571	Diego Rangel	05/15/2020	Regular	0.00	500.00	37146
19517	Don Quigley	05/15/2020	Regular	0.00	75.00	37147
19580	Donald Wallich	05/15/2020	Regular	0.00	150.00	37148
19518	Edmond Intrator	05/15/2020	Regular	0.00	150.00	37149
19577	Edward Chiorazzi	05/15/2020	Regular	0.00	150.00	37150
19567	Edward J. Chiorazzi	05/15/2020	Regular	0.00	500.00	37151
19608	Elias Nadaf	05/15/2020	Regular	0.00	500.00	37152
19543	Farrell Jackson	05/15/2020	Regular	0.00	500.00	37153
19584	Francesca Randazzo	05/15/2020	Regular	0.00	125.00	37154
19594	Gayle Smith	05/15/2020	Regular	0.00	500.00	37155
19551	George Hodgins	05/15/2020	Regular	0.00	500.00	37156
19604	Hortensia Gresham	05/15/2020	Regular	0.00	500.00	37157
19548	Jack Chestnut	05/15/2020	Regular	0.00	500.00	37158
19550	Jacolene M. Burns	05/15/2020	Regular	0.00	500.00	37159
19592	James Boutcher	05/15/2020	Regular	0.00	500.00	37160
19530	James David Myers	05/15/2020	Regular	0.00	125.00	37161
19511	James E. Frayer	05/15/2020	Regular	0.00	75.00	37162
19529	Janet Berry	05/15/2020	Regular	0.00	625.00	37163
19569	Janet Heym	05/15/2020	Regular	0.00	500.00	37164
16744	Jennifer Watson	05/15/2020	Regular	0.00	125.00	37165
19591	Jerald Heisel	05/15/2020	Regular	0.00	500.00	37166
19507	John Blatnik	05/15/2020	Regular	0.00	75.00	37167
19600	John Mann	05/15/2020	Regular	0.00	500.00	37168
19506	John Moore	05/15/2020	Regular	0.00	75.00	37169
19607	Jonathan Wood	05/15/2020	Regular	0.00	500.00	37170
19595	Joseph David Novak	05/15/2020	Regular	0.00	500.00	37171
19525	Joy Smith	05/15/2020	Regular	0.00	125.00	37172
19533	Judy Anderson	05/15/2020	Regular	0.00	500.00	37173
19515	Judy White	05/15/2020	Regular	0.00	150.00	37174
19598	Juli Alexander	05/15/2020	Regular	0.00	500.00	37175
19546	Julie Hansen	05/15/2020	Regular	0.00	500.00	37176
19570	K. Lynn Debbink-Potter	05/15/2020	Regular	0.00	500.00	37177
19585	Karin Sandberg	05/15/2020	Regular	0.00	125.00	37178
19552	Kathryn Hodges	05/15/2020	Regular	0.00	500.00	37179
19542	Kenneth Brown	05/15/2020	Regular	0.00	500.00	37180
19541	Kristin Minnich	05/15/2020	Regular	0.00	500.00	37181
19535	Kristine Johnson	05/15/2020	Regular	0.00	500.00	37182
19549	Laurence Berbessou	05/15/2020	Regular	0.00	500.00	37183
19520	Laurence Cram	05/15/2020	Regular	0.00	225.00	37184
19527	Lindsay Lynch	05/15/2020	Regular	0.00	125.00	37185
19513	Louise Ventresca	05/15/2020	Regular	0.00	150.00	37186
19558	Maria Dawson	05/15/2020	Regular	0.00	500.00	37187
19547	Marie Gilmore	05/15/2020	Regular	0.00	500.00	37188
19556	Mark & Kristi Hedberg	05/15/2020	Regular	0.00	500.00	37189

**EXHIBIT 5-B**

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**Check Report****Date Range: 05/01/2020 - 05/31/2020**

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
19601	Mark Capito	05/15/2020	Regular	0.00	500.00	37190
19578	Martine Scott	05/15/2020	Regular	0.00	225.00	37191
19553	Matthew Cosgrove	05/15/2020	Regular	0.00	500.00	37192
19561	Meredith Contreras	05/15/2020	Regular	0.00	275.00	37193
19557	Michael Orfini	05/15/2020	Regular	0.00	500.00	37194
19555	Michael Pekin	05/15/2020	Regular	0.00	500.00	37195
19554	Michele A. Condit	05/15/2020	Regular	0.00	500.00	37196
19536	Miroslava Gojnic-Todorov	05/15/2020	Regular	0.00	500.00	37197
19582	Mona Ramnathkar	05/15/2020	Regular	0.00	75.00	37198
19560	Monterey Bay Boatworks Co.	05/15/2020	Regular	0.00	75.00	37199
19583	Nancy Padgett	05/15/2020	Regular	0.00	75.00	37200
19597	Navid Ghazi	05/15/2020	Regular	0.00	500.00	37201
19605	Nicholas Machado	05/15/2020	Regular	0.00	500.00	37202
19524	Patricia Dealey	05/15/2020	Regular	0.00	125.00	37203
19534	Perilyn Gertz	05/15/2020	Regular	0.00	500.00	37204
19537	Raymond Jones	05/15/2020	Regular	0.00	500.00	37205
19587	Robert E. Sherlock	05/15/2020	Regular	0.00	375.00	37206
19523	Ronald McCormack	05/15/2020	Regular	0.00	125.00	37207
19544	Ruth T Merilos Johnson	05/15/2020	Regular	0.00	500.00	37208
19599	Sarah Wurtz-Huseby	05/15/2020	Regular	0.00	500.00	37209
19590	Sean Gayman	05/15/2020	Regular	0.00	500.00	37210
19606	Sizhe Sun	05/15/2020	Regular	0.00	500.00	37211
19581	Stanley Rogalsky	05/15/2020	Regular	0.00	75.00	37212
19586	Stephen Medina	05/15/2020	Regular	0.00	125.00	37213
19579	Steve Burton	05/15/2020	Regular	0.00	75.00	37214
19510	Steven Rubin	05/15/2020	Regular	0.00	150.00	37215
19531	Susan Abrahams	05/15/2020	Regular	0.00	500.00	37216
19562	Susan Dutton	05/15/2020	Regular	0.00	75.00	37217
19508	Susan S. Rosen	05/15/2020	Regular	0.00	75.00	37218
19565	Theodore Moon	05/15/2020	Regular	0.00	500.00	37219
19603	Tricia Jakic	05/15/2020	Regular	0.00	500.00	37220
19538	Vincent Torrente	05/15/2020	Regular	0.00	500.00	37221
19563	Virginia Lucido	05/15/2020	Regular	0.00	75.00	37222
19526	Wendy Banks	05/15/2020	Regular	0.00	125.00	37223
19522	Wenqian Guo	05/15/2020	Regular	0.00	125.00	37224
19512	William Range	05/15/2020	Regular	0.00	150.00	37225
19509	William Russo	05/15/2020	Regular	0.00	75.00	37226
<b>Total Regular:</b>				<b>0.00</b>	<b>54,724.00</b>	

**Bank Code REBATES-02 Summary**

Payment Type	Payable Count	Payment Count	Discount	Payment
Regular Checks	161	157	0.00	54,724.00
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
	<b>161</b>	<b>157</b>	<b>0.00</b>	<b>54,724.00</b>

**All Bank Codes Check Summary**

<b>Payment Type</b>	<b>Payable Count</b>	<b>Payment Count</b>	<b>Discount</b>	<b>Payment</b>
Regular Checks	300	263	0.00	771,253.11
Manual Checks	0	0	0.00	0.00
Voided Checks	0	2	0.00	-2,046.39
Bank Drafts	24	16	0.00	100,770.05
EFT's	0	0	0.00	0.00
	<b>324</b>	<b>281</b>	<b>0.00</b>	<b>869,976.77</b>

**Fund Summary**

<b>Fund</b>	<b>Name</b>	<b>Period</b>	<b>Amount</b>
99	POOL CASH FUND	5/2020	869,976.77
			<b>869,976.77</b>





**EXHIBIT 5-C**

Monterey Peninsula Water Management Dist

**Payroll Bank Transaction Report**

By Payment Number

Date: 5/1/2020 - 5/31/2020

Payroll Set: 01 - Monterey Peninsula Water Management District

Payment Number	Payment Date	Payment Type	Employee Number	Employee Name	Check Amount	Direct Deposit Amount	Total Payment
5076	05/08/2020	Regular	1024	Stoldt, David J	0.00	5,742.47	5,742.47
5077	05/08/2020	Regular	1025	Tavani, Arlene M	0.00	2,170.62	2,170.62
5078	05/08/2020	Regular	1044	Bennett, Corryn D	0.00	2,035.35	2,035.35
5079	05/08/2020	Regular	1018	Prasad, Suresh	0.00	4,019.48	4,019.48
5080	05/08/2020	Regular	1019	Reyes, Sara C	0.00	1,832.09	1,832.09
5081	05/08/2020	Regular	1075	Valencia, Mariel C	0.00	1,540.71	1,540.71
5082	05/08/2020	Regular	1042	Hamilton, Maureen C.	0.00	3,375.03	3,375.03
5083	05/08/2020	Regular	6063	Hampson, Larry M	0.00	1,346.13	1,346.13
5084	05/08/2020	Regular	1009	James, Gregory W	0.00	3,189.33	3,189.33
5085	05/08/2020	Regular	1011	Lear, Jonathan P	0.00	4,121.61	4,121.61
5086	05/08/2020	Regular	1012	Lindberg, Thomas L	0.00	2,605.04	2,605.04
5087	05/08/2020	Regular	1043	Suwada, Joseph	0.00	1,961.37	1,961.37
5088	05/08/2020	Regular	1045	Atkins, Daniel N	0.00	1,917.30	1,917.30
5089	05/08/2020	Regular	1004	Chaney, Beverly M	0.00	2,621.32	2,621.32
5090	05/08/2020	Regular	1005	Christensen, Thomas T	0.00	3,591.08	3,591.08
5091	05/08/2020	Regular	1007	Hamilton, Cory R	0.00	2,306.54	2,306.54
5092	05/08/2020	Regular	1048	Lumas, Eric M	0.00	1,765.97	1,765.97
5093	05/08/2020	Regular	1001	Bravo, Gabriela D	0.00	2,528.83	2,528.83
5094	05/08/2020	Regular	1076	Jakic, Tricia	0.00	2,288.30	2,288.30
5095	05/08/2020	Regular	1010	Kister, Stephanie L	0.00	2,621.28	2,621.28
5096	05/08/2020	Regular	1017	Locke, Stephanie L	0.00	3,397.95	3,397.95
5097	05/08/2020	Regular	1040	Smith, Kyle	0.00	2,231.12	2,231.12
5098	05/08/2020	Regular	1047	Timmer, Christopher	0.00	2,135.21	2,135.21
5099	05/08/2020	Regular	7015	Adams, Mary L	0.00	236.96	236.96
5100	05/08/2020	Regular	7014	Evans, Molly F	0.00	490.46	490.46
5101	05/08/2020	Regular	7017	Hoffmann, Gary D	0.00	249.34	249.34
5102	05/08/2020	Regular	7018	Riley, George T	0.00	498.69	498.69
5103	05/22/2020	Regular	1024	Stoldt, David J	0.00	5,742.48	5,742.48
5104	05/22/2020	Regular	1025	Tavani, Arlene M	0.00	2,170.64	2,170.64
5105	05/22/2020	Regular	1044	Bennett, Corryn D	0.00	2,035.36	2,035.36
5106	05/22/2020	Regular	1018	Prasad, Suresh	0.00	4,019.49	4,019.49
5107	05/22/2020	Regular	1019	Reyes, Sara C	0.00	1,832.11	1,832.11
5108	05/22/2020	Regular	1075	Valencia, Mariel C	0.00	1,540.71	1,540.71
5109	05/22/2020	Regular	1042	Hamilton, Maureen C.	0.00	3,375.04	3,375.04
5110	05/22/2020	Regular	6063	Hampson, Larry M	0.00	2,003.00	2,003.00
5111	05/22/2020	Regular	1009	James, Gregory W	0.00	3,189.33	3,189.33
5112	05/22/2020	Regular	1011	Lear, Jonathan P	0.00	4,121.62	4,121.62
5113	05/22/2020	Regular	1012	Lindberg, Thomas L	0.00	2,605.04	2,605.04
5114	05/22/2020	Regular	1043	Suwada, Joseph	0.00	1,961.38	1,961.38
5115	05/22/2020	Regular	1045	Atkins, Daniel N	0.00	1,917.30	1,917.30
5116	05/22/2020	Regular	1004	Chaney, Beverly M	0.00	2,621.33	2,621.33
5117	05/22/2020	Regular	1005	Christensen, Thomas T	0.00	3,591.09	3,591.09
5118	05/22/2020	Regular	1007	Hamilton, Cory R	0.00	2,306.55	2,306.55
5119	05/22/2020	Regular	1048	Lumas, Eric M	0.00	1,765.98	1,765.98
5120	05/22/2020	Regular	1001	Bravo, Gabriela D	0.00	2,528.84	2,528.84
5121	05/22/2020	Regular	1076	Jakic, Tricia	0.00	2,288.31	2,288.31
5122	05/22/2020	Regular	1010	Kister, Stephanie L	0.00	2,621.30	2,621.30
5123	05/22/2020	Regular	1017	Locke, Stephanie L	0.00	3,397.96	3,397.96
5124	05/22/2020	Regular	1040	Smith, Kyle	0.00	2,231.13	2,231.13
5125	05/22/2020	Regular	1047	Timmer, Christopher	0.00	2,135.22	2,135.22
37111	05/08/2020	Regular	7007	Byrne, Jeanne	498.69	0.00	498.69
37112	05/08/2020	Regular	7009	Edwards, Alvin	587.53	0.00	587.53
37113	05/08/2020	Regular	7004	Potter, David L	236.96	0.00	236.96
<b>Total:</b>					<b>1,323.18</b>	<b>124,820.79</b>	<b>126,143.97</b>





**MONTEREY PENINSULA WATER MANAGEMENT DISTRICT**  
**STATEMENT OF REVENUES AND EXPENDITURES**  
**FOR THE MONTH DECEMBER 31, 2019**

	Mitigation	Conservation	Water Supply	Current Period Activity	FY 2019/2020 Year-to-Date Actual	FY 2019/2020 Annual Budget	Prior FY Year-to-Date Actual
<b>REVENUES</b>							
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ 2,114,512	\$ 2,050,000	\$ 1,969,406
Water supply charge	-	-	-	-	3,305,647	3,400,000	3,337,566
User fees	258,010	99,602	59,310	416,921	4,181,656	5,000,000	3,734,833
Mitigation revenue	-	-	-	-	-	-	-
Capacity fees	-	-	50,072	50,072	527,250	400,000	535,228
Permit fees	-	15,195	-	15,195	180,415	231,000	229,080
Investment income	5,450	637	1,777	7,864	248,752	180,000	212,811
Miscellaneous	20	12	16	48	6,269	15,000	1,665
<b>Sub-total district revenues</b>	<b>263,479</b>	<b>115,446</b>	<b>111,174</b>	<b>490,099</b>	<b>10,564,500</b>	<b>11,276,000</b>	<b>10,020,589</b>
Project reimbursements	-	8,562	-	8,562	1,598,600	1,411,000	326,034
Legal fee reimbursements	-	-	-	-	1,650	16,000	3,600
Grants	-	-	-	-	263,701	468,000	1,370,008
Recording fees	-	2,750	-	2,750	32,730	6,000	4,123
<b>Sub-total reimbursements</b>	<b>-</b>	<b>11,312</b>	<b>-</b>	<b>11,312</b>	<b>1,896,682</b>	<b>1,901,000</b>	<b>1,703,764</b>
Reserves	-	-	-	-	-	4,862,350	-
<b>Total revenues</b>	<b>263,479</b>	<b>126,758</b>	<b>111,174</b>	<b>501,411</b>	<b>12,461,182</b>	<b>18,039,350</b>	<b>11,724,353</b>
<b>EXPENDITURES</b>							
<b>Personnel:</b>							
Salaries	64,139	40,311	76,153	180,603	2,258,959	2,754,600	2,281,522
Retirement	5,647	3,528	6,814	15,990	541,131	593,500	486,990
Unemployment Compensation	-	-	-	-	3,417	3,000	2,649
Auto Allowance	92	92	277	462	5,308	6,000	5,308
Deferred Compensation	143	143	429	714	8,214	9,400	8,153
Temporary Personnel	-	-	-	-	58,961	55,100	67,425
Workers Comp. Ins.	1,778	153	1,320	3,250	43,036	71,300	46,568
Employee Insurance	14,946	9,549	14,281	38,776	411,400	479,100	394,000
Medicare & FICA Taxes	1,040	572	1,111	2,722	41,879	49,100	38,619
Personnel Recruitment	-	-	-	-	649	3,000	912
Other benefits	123	78	99	300	1,577	1,500	1,046
Staff Development	-	-	669	669	9,695	28,500	14,485
<b>Sub-total personnel costs</b>	<b>87,907</b>	<b>54,426</b>	<b>101,153</b>	<b>243,486</b>	<b>3,384,227</b>	<b>4,054,100</b>	<b>3,347,678</b>
<b>Services &amp; Supplies:</b>							
Board Member Comp	-	-	-	-	29,025	33,900	26,595
Board Expenses	1,780	1,129	1,433	4,342	13,492	5,100	6,682
Rent	985	230	915	2,130	23,680	23,200	20,087
Utilities	876	538	711	2,124	27,404	33,200	27,517
Telephone	978	612	881	2,470	38,146	50,700	62,343
Facility Maintenance	2,339	1,483	1,883	5,705	65,998	41,200	34,281
Bank Charges	309	196	248	753	15,400	3,900	5,279
Office Supplies	460	292	370	1,122	14,830	17,400	12,640
Courier Expense	146	93	117	356	5,656	6,100	3,715
Postage & Shipping	205	130	165	500	3,728	6,800	3,731
Equipment Lease	356	226	286	868	11,300	13,900	11,959
Equip. Repairs & Maintenance	580	368	467	1,416	7,239	7,000	4,849
Photocopy Expense	-	-	-	-	-	-	-
Printing/Duplicating/Binding	-	-	-	-	-	500	472
IT Supplies/Services	6,449	4,089	5,190	15,728	205,055	150,000	125,931
Operating Supplies	123	963	-	1,087	14,119	16,900	12,831
Legal Services	-	-	-	-	178,246	400,000	282,478
Professional Fees	6,209	3,938	4,998	15,145	265,570	360,600	285,066



**MONTEREY PENINSULA WATER MANAGEMENT DISTRICT**  
**STATEMENT OF REVENUES AND EXPENDITURES**  
**FOR THE MONTH DECEMBER 31, 2019**

	<u>Mitigation</u>	<u>Conservation</u>	<u>Water Supply</u>	<u>Current Period Activity</u>	<u>FY 2019/2020 Year-to-Date Actual</u>	<u>FY 2019/2020 Annual Budget</u>	<u>Prior FY Year-to-Date Actual</u>
Transportation	304	-	64	368	25,284	35,000	23,365
Travel	-	-	-	-	12,907	31,100	23,323
Meeting Expenses	1,076	683	866	2,625	11,321	6,100	3,148
Insurance	2,397	1,520	1,930	5,847	64,418	65,100	55,004
Legal Notices	-	-	-	-	158	3,100	163
Membership Dues	1,260	799	1,014	3,074	35,868	33,400	31,821
Public Outreach	-	-	-	-	3,040	2,500	2,024
Assessors Administration Fee	-	-	-	-	28,562	20,000	19,947
Miscellaneous	-	-	-	-	379	3,000	17,071
<b>Sub-total services &amp; supplies costs</b>	<b>26,834</b>	<b>17,289</b>	<b>21,538</b>	<b>65,661</b>	<b>1,100,824</b>	<b>1,369,700</b>	<b>1,102,322</b>
Project expenditures	53,517	47,250	632,777	733,544	5,206,061	11,550,000	4,497,057
Fixed assets	625	397	503	1,525	42,916	213,900	346,267
Contingencies	-	-	-	-	-	70,000	-
Election costs	-	-	-	-	-	-	221,004
Debt service: Principal	-	-	-	-	-	-	-
Debt service: Interest	-	-	62,231	62,231	125,979	230,000	128,961
Flood drought reserve	-	-	-	-	-	-	-
Capital equipment reserve	-	-	-	-	-	49,500	-
General fund balance	-	-	-	-	-	302,150	-
Pension reserve	-	-	-	-	-	100,000	-
OPEB reserve	-	-	-	-	-	100,000	-
Other	-	-	-	-	-	-	-
<b>Total expenditures</b>	<b>168,884</b>	<b>119,361</b>	<b>818,202</b>	<b>1,106,446</b>	<b>9,860,007</b>	<b>18,039,350</b>	<b>9,643,289</b>
<b>Excess (Deficiency) of revenues over expenditures</b>	<b>\$ 94,595</b>	<b>\$ 7,397</b>	<b>\$ (707,028)</b>	<b>\$ (605,035)</b>	<b>\$ 2,601,175</b>	<b>\$ -</b>	<b>\$ 2,081,065</b>

**ITEM: GENERAL MANAGERS REPORT****8. REPORT OF PROGRESS ON STRATEGIC GOALS ADOPTED MAY 20, 2019**

**Meeting Date:** July 20, 2020 **Budgeted:**

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

**Prepared By:** David J. Stoldt **Cost Estimate:**

**General Counsel Approval:** N/A**Committee Recommendation:** N/A

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

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**SUMMARY:** At its May 20, 2019 meeting the Board adopted 1-year and 3-year strategic planning goals. For the past 10 years the Board has used this biennial process to set goals and monitor progress. Typically, the strategic planning process has been conducted in odd-numbered years as follows:

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

This schedule is consistent with the budget cycle in order to ensure any new initiatives that require funding can be included in the budget draft in May and final in June. This year the Board asked for an update on the goals at the close of the fiscal year because of the close relationship of the General Manager's performance review and the District's goals. The District has also embarked on a facilitated strategic planning process to develop future goals, but the in-person strategic planning session has been deferred due to Covid-19 concerns.

**RECOMMENDATION:** The General Manager recommends that the Board of Directors receive and review the summary attached as **Exhibit 8-A**.

**EXHIBIT****8-A Summary of Status of 2019 District Strategic Goals**



**EXHIBIT 8-A**  
**Summary of Status of 2019 District Strategic Goals**

***Adopted Strategic 1-Year Goals***

Goal Area	Status
<p><b>1. Continue to Advance Water Supply Projects</b></p> <p>The District has made progress over the past year to secure contracts and funding for water supply projects. Continued progress would entail the following:</p> <ul style="list-style-type: none"> <li>• With completion of construction of Pure Water Monterey; the District needs to incorporate sales to Cal-Am in its billing system, develop a water accounting process, pay for establishment of reserves, work with Monterey One Water on annual water rate setting, and monitor operations.</li> <li>• Support commencement of the Cal-Am desalination project; Further develop Financing Order and timing for the “Ratepayer Relief Bonds” public contribution.</li> <li>• Advance “back-up” plan in the event the desalination project is delayed – Environmental, design, and permitting for Pure Water Monterey expansion.</li> <li>• Complete Santa Margarita ASR Site; Identify ASR operational issues and vulnerabilities to help optimize performance</li> <li>• Address rule changes to create additional supplies in short term (reestablish District Reserve, expand use of water entitlements, ease transfers, identify unused credits, etc)</li> </ul> <p><b>2. Complete Measure J/Rule 19.8 Feasibility Analysis</b></p> <p>Coordinate the efforts of the District’s eminent domain attorneys, valuation and cost of service consultant, investor-owned utility consultant, investment banker and other professional to yield meaningful work product for General Manager to draft plan for compliance with Rule 19.8.</p> <p><b>3. Continue to Raise Profile of District at Local, Regional, State, and Federal Level</b></p> <ul style="list-style-type: none"> <li>• Provide leadership on water issues locally and regionally</li> <li>• More interaction with local NGOs</li> <li>• Continue speaking and sponsorship opportunities</li> <li>• Enhance State and Federal regulators’ understanding of District role</li> <li>• Pursue State and Federal funding opportunities</li> <li>• Continue to track bills and provide guidance at State and Federal level</li> <li>• Maintain public outreach and visibility, locally and within the industry</li> </ul>	<ul style="list-style-type: none"> <li>• ✓ Accomplished</li> <li>• ✓ Accomplished; was decided to use SRF loan</li> <li>• In progress</li> <li>• In progress</li> <li>• ✓ Accomplished</li> <li>• ✓ Accomplished and Ongoing</li> <li>• ✓ Accomplished</li> <li>• ✓ Accomplished</li> <li>• Partially done; Covid-19</li> <li>• ✓ Accomplished</li> <li>• ✓ Accomplished</li> <li>• ✓ Accomplished</li> <li>• ✓ Accomplished</li> </ul>

#### 4. Establish Clear Requirements for Water Distribution Systems within the District

The District could benefit by more clearly stating or codifying in its Rules and Regulations its expectations and requirements from large Water Distribution Systems (WDS) within its boundaries with respect to the following:

- Reporting production and consumption and other reporting requirements
- Posting current rates and charges
- Posting other consumer-oriented information
- Rules on annexations
- Ensure District revenues appropriately collected (e.g. User Fee in Canada Woods territory; Water Supply Charge in satellite systems; Revisit Capacity Fee discount for non-Main territory)
- Summarize key conditions of existing WDS and monitor compliance; Look at methods of establishing administrative record regarding compliance; Clarify remedies/penalties for non-compliance;
- Examine compliance with water pressure requirements
- Consider aligning District Boundaries more closely to underlying systems (LAFCO process)
- Other

- √ Accomplished
- √ Accomplished
- incomplete
- incomplete
- √ Accomplished
- In progress; Ongoing
- Examined; incomplete
- In progress; Ongoing

#### 5. Develop Comprehensive Strategy for Permit 20808-B

The District has successfully reassigned portions of the original New Los Padres Reservoir permit 20808 to Phases 1 and 2 of ASR (20808-A and 20808-C.) However, permit conditions for each are different. The remainder permit 20808-B, without an approved extension, could be revoked by the SWRCB if water is not planned to be beneficially used by the year 2020. ASR operations are constrained by the season of diversion, points of injection and extraction, and out-of-date instream flow requirements. A strategy for the remainder permit will include:

- Identification of two to three potential new injection and recovery sites, both in the Seaside Basin and the Carmel Valley
- Possible source well rehabilitation and/or expansion in Carmel Valley; Potential treatment capacity expansion. May require EIR.
- Develop strategy for direct diversion component of water right.
- Amend existing permits and conform all permits to same standards; Working with Cal-Am and DDW, attempt to create greater operating flexibility such that any injection well can inject any water and wells can be used for both recovery and production.
- Complete a water availability analysis and an IFIM study to revise permit conditions.

- √ Accomplished
- √ Accomplished
- Unnecessary
- Longer term
- In progress; Ongoing



## 6. Fiscal Sustainability and Long-Term Financial Planning

The District should examine its requirements for long-term fiscal strength, including:

- Plan for Measure J/Rule 19.8 costs and exposure
- Reserves and investments
- Strategies for funding PERS and OPEB liabilities
- Ongoing maintenance and replacement of District assets
- Discuss rebate funding if Cal-Am reduces program
- Water Supply Charge plan for sunset/suspension/reduction.
- Plan for retirement of Rabobank Loan
- Study fiscal impact of realignment of District boundaries

- ✓ Accomplished
- ✓ Accomplished
- ✓ Accomplished
- ✓ Accomplished
- ✓ Accomplished
- In progress; Ongoing
- ✓ Accomplished
- Deferred

## 7. Organizational Issues

The Board may seek to direct staff to review its essential services and staffing levels, as well as succession plans. This review may include actions related to the following:

- Addition of new staff to meet changing District priorities
- Examine succession planning
- Identify needs if Measure J/Rule 19.8 feasibility is indicated
- Consider adoption of a “Sustainability Policy” for all District activities
- Tour District assets for Board members and staff
- Consider employee team-building or morale-building events each year
- Ensure appropriate staff training (customer service, CPR, confined space, etc)
- Implement revised file retention policy and email retention policy; Reduce physical files; establish searchable electronic file repository.
- Annual update of District website
- Obtain CSDA “Transparency Certificate”; Continue to achieve Government Finance Officer Association award for Comprehensive Annual Financial Report (CAFR)

- Placed on hold; Economy
- ✓ Accomplished
- ✓ Accomplished
- In progress; Ongoing
- Incomplete; Covid-19
- ✓ Accomplished
- ✓ Accomplished
- ✓ Accomplished
- ✓ Accomplished
- Applied for

### Adopted Strategic 3-Year Goals

Goal Area	Status
<p><b>8. Measure J/Rule 19.8 Next Steps</b></p> <p>If feasibility is indicated, prepare for bench trial on public necessity: (a) identify costs, funding plan, and risks, (b) develop clear plan of operations, (c) perform formal appraisal, (d) build findings of public necessity, and (e) diagram legal strategy.</p> <p>If feasibility is not indicated, resolve remaining issues in Rule 19.8 such as: should the District revisit the issue again in the future? Or, what to do about other water distribution systems within the District? Also develop a plan to replenish reserves for costs associated with the process.</p>	<ul style="list-style-type: none"> <li>• In progress</li> </ul>
<p><b>9. Establish a Long-Term Strategy for Los Padres Dam</b></p> <p>The District is coordinating a team of consultants to look at long-term alternatives for the Los Padres Dam. Cal-Am is participating in the funding. The National Marine Fisheries Service (NMFS) and California Department of Fish and Wildlife (CDFW) are involved in technical review. Work to date has included development of Instream Flow Incremental Method (IFIM) study to evaluate habitat from dam removal, expanded reservoir capacity, and/or changed operations, as well as creation and calibration of the Carmel River Basin Hydrologic Model to evaluate water availability under various alternatives. The team has looked at upstream fish passage feasibility and sediment management under various alternatives. NMFS has indicated a series of additional studies are desired, which may result in 2- to 3- years of additional work.</p> <ul style="list-style-type: none"> <li>• In addition to additional scenarios of the Carmel River Basin Hydrologic Model (CRBHM), additional studies might include: (a) Comprehensive water quality monitoring and modeling, (b) Additional hydrologic simulations (e.g., historical simulations), (c) Fisheries Monitoring &amp; Life Cycle Model Development, (d) Historical Ecology &amp; Hydrology Assessment, (e) Upper Carmel River Habitat Assessment, and (f) Conduct a Carmel River Flood Risk Assessment</li> <li>• The District will also want to review overall feasibility and cost considerations, and liability and management issues</li> <li>• Is there a role for hydroelectric generation in the long-term strategy?</li> </ul>	<ul style="list-style-type: none"> <li>• In progress</li> <li>• In progress</li> <li>• Incomplete</li> </ul>
<p><b>10. Prepare for Allocation of “New Water”</b></p> <p>The 1990 Allocation EIR resulted in the District developing a process for the allocation of water to the jurisdictions. The process was very interactive with jurisdiction participation. The District will need to be proactive to develop fair and equitable mechanisms for allocation of new water from the Monterey Peninsula Water Supply Project to the jurisdictions.</p> <ul style="list-style-type: none"> <li>• Meet with jurisdictions to agree on future parameters</li> </ul>	<ul style="list-style-type: none"> <li>• Too soon</li> </ul>

<ul style="list-style-type: none"> <li>• Update and evaluation of each jurisdiction's general plan needs; Consider allocations for special entities (e.g. Department of Defense, Montage, etc)</li> <li>• Develop policy for allocation of new water; Determine CEQA requirements</li> <li>• Perform initial allocation</li> <li>• Clean up the District rules regarding Water Credit transfers, sales, and categories.</li> </ul>	<ul style="list-style-type: none"> <li>• Partial progress</li> <li>• Incomplete</li> <li>• Incomplete</li> <li>• Incomplete</li> </ul>
<p><b>11. Continue to Examine Revising or Streamlining Rules and Regulations</b></p> <p>A broad examination of what policies, rules, and regulations can be revised without an intensification of water use while the CDO remains in effect, as well as what direction policy should take for the future when the CDO is lifted.</p> <ul style="list-style-type: none"> <li>• Changes that can support affordable housing and/or auxiliary dwelling units</li> <li>• Consider change to second-bathroom protocol</li> <li>• Develop credit for innovative technologies</li> <li>• Options for reducing disposables/trash in Group II setting</li> <li>• Examine conservation off-set program</li> <li>• General clean-up</li> </ul>	<ul style="list-style-type: none"> <li>• √ Accomplished</li> <li>• √ Accomplished</li> <li>• √ Accomplished</li> <li>• Incomplete</li> <li>• Incomplete</li> </ul>
<p><b>12. Carmel River Mitigation Program</b></p> <p>Determine direction for the District's Carmel River mitigation activities as a result of removal of San Clemente Dam and the assumption that a new water supply comes on line.</p> <ul style="list-style-type: none"> <li>• Invest in data collection to support future actions (PIT tagging, construction and staffing of a weir for fish counts, etc)</li> <li>• Promote strategies for addressing the striped bass issue</li> <li>• Assess Carmel Valley changes in use over time</li> <li>• Secure outside funding for habitat restoration</li> <li>• Develop Mitigation Program "Endgame" Plan</li> <li>• What will be future Cal-Am operations?</li> <li>• What will be role of Cal-Am, NMFS, CDFW, non-Cal-Am pumpers?</li> <li>• How will a baseline be established?</li> <li>• What data will be needed? How will it be collected? For how long?</li> </ul>	<ul style="list-style-type: none"> <li>• √ Accomplished</li> <li>• √ Accomplished</li> <li>• Incomplete</li> <li>• Incomplete</li> <li>• Incomplete</li> <li>• Incomplete</li> <li>• Incomplete</li> <li>• Incomplete</li> <li>• Incomplete</li> </ul>



**ITEM: PUBLIC HEARING****10. CONSIDER APPLICATION FOR VARIANCE FROM SEPARATE WATER METER REQUIREMENT FOR MULTI-FAMILY HOUSING PROJECT AT 1193 BROADWAY, SEASIDE (APNS: 012-191-001, 002, 003, 004, 013, 016, 017, 021, 022, 023, 024, 025, 028, and 029)**

<b>Meeting Date:</b>	<b>July 20, 2020</b>	<b>Budgeted:</b>	<b>N/A</b>
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<b>From:</b>	<b>David J. Stoldt</b>	<b>Program/ Line Item No.:</b>	<b>N/A</b>
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<b>Prepared By:</b>	<b>Stephanie Locke</b>	<b>Cost Estimate:</b>	<b>N/A</b>
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**General Counsel Approval: N/A****Committee Recommendation: N/A****CEQA Compliance: This action does not constitute a project as defined by the California Environmental Quality Act Guidelines section 15378.**

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**SUMMARY:** West End Partners, LLC is requesting Board approval of a variance to Rule 23 to allow permanent submetering in place of individual Cal-Am water meters at an apartment project to be constructed at parcels owned by the City of Seaside bordered by Broadway Avenue, Terrace Street, Olympia Avenue, and San Lucas Street in Seaside (**Exhibit 10-A**). Rule 23-A-1-i (**Exhibit 10-B**) requires water meters maintained by the water distribution system operator for each residential and non-residential water user<sup>1</sup>. The project will include 106 residential units located in ten buildings with a small amount of commercial space. Installation of approximately 110 water meters (and boxes) along the perimeter of the project site is not feasible and would conflict with other utilities. The Board has previously granted variances for similar situations conditioned on submeters being installed for accountability of individual water use.

District Rule 23-A-1-i-(5) allows the Board to consider variances to the rule when the installation of separate water meters is not feasible due to “Special Circumstances.” Special circumstances are defined in Rule 11 as “unusual, uncommon, peculiar, unique or rare situations that require Board consideration.” In considering a variance, the rule states that the Board shall determine if another type of Water Measuring Device is appropriate (e.g., submeters) and shall make reporting of consumption a condition of approval.

Individual water meters encourage efficient water use by making each water user accountable for their consumption. The American Water Works Association (AWWA) recommends that every water utility accurately meter all water taken into its system and all water distributed from its system at its customers’ points of service. Meters should be read at sufficiently frequent intervals appropriate to support the utility’s understanding of volume of production, rate structures and to provide accurate bills and feedback to its customers. Additionally, state legislation passed in 2016

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<sup>1</sup> District Rule 11 defines a water “user”: “each Dwelling Unit, each Non-Residential enterprise, and each Dedicated Irrigation Meter shall be deemed a separate and distinct User.”

(California Water Code, Div. 1, Ch.8, Article 5) requires multi-family residential dwelling units to either have a utility meter or a submeter for each individual residential unit. Individual Water Meters also facilitate compliance with water use reductions during rationing periods.

Public notice of this hearing was posted on the project Site for ten (10) days prior to the public hearing.

**RECOMMENDATION:** Staff recommends the Board approve the variance and adopt the Conditions of Approval (**Exhibit 10-C**) and Findings of Approval (**Exhibit 10-D**).

The proposed action to submeter the Ascent Broadway project supports the District's goal to make water users accountable for their water use. Staff supports submetering as an alternative to requiring an unreasonably large number of water meters located in the right-of-way for multi-family housing.

## **EXHIBITS**

- 10-A**      Application for Variance
- 10-B**      Rule 23-A-1-i-(4)
- 10-C**      Draft Conditions of Approval
- 10-D**      Draft Findings of Approval
- 10-E**      MPWMD Indemnification Agreement

## MPWMD APPLICATION FOR VARIANCE

Variances to the District's Rules and Regulations may be granted when: a) Special Circumstances exist, as defined in the Rule 11; and b) when strict interpretation and enforcement of any Rule would cause Undue Hardship; and c) when the granting of such a variance will not tend to defeat the purpose of the Rules and Regulations. Applicants must submit a completed application with payment of a non-refundable processing fee \$900.00, (plus \$90.00 an hour for more than 10 hours of staff time), along with any other information necessary to evaluate the case. Upon hearing the variance, the Board has the discretion in unusual matters to reduce and return (in full or in part) the fee for variance otherwise set by Rule 60.

Applications must be received at least four weeks in advance of the next scheduled Board meeting for placement on that agenda, if feasible. All applicants are required to provide the information requested on this form, and that information will be used as the basis for the Board findings to support or deny the variance request. Incomplete applications may constitute grounds for denial or continuation.

## PART 1: APPLICANT INFORMATION

Applicant's Full Name: WEST END PARTNERS, LLC ATTN: PATRIK OROSCO  
 Mailing Address: 10 HARRIS COURT, SUITE B-1  
 City: MONTEREY State: CA Zip: 93940  
 Phone Number(s): Primary (831) 649-0220 Secondary ( → )  
 E-Mail: POROSCO@OROSCOGRP.COM  
 Name of Agent(s) to Represent Applicant: OROSCO GRAP ATTN: MATT NOHR  
 Mailing Address: 10 HARRIS COURT, SUITE B-1  
 City: MONTEREY State: CA Zip: 93940  
 Phone Number(s): Work (831) 649-0220 Home ( → )  
 E-Mail: MNOHR@OROSCOGRP.COM

## PROPERTY INFORMATION

Full Name of Property Owner: CITY OF SEASIDE REDEVELOPMENT AGENCY (ATTN: KURT OVERMEYER)  
 Mailing Address: 440 HARCOURT AVE  
 City: SEASIDE State: CA Zip: 93955  
 Phone Number(s): Work ( 831 ) 899-6839 Home ( — )  
 E-Mail: KOVERMEYER@CI.SEASIDE.CA.US  
 Property Address: 1193, 1173, 1125, 1199 BROADWAY City SEASIDE  
1014 TERRACE & 1104 OLYMPIA  
 Assessor's Parcel Number: SEE SEPARATE SHEET FOR APNS  
 Property Area: Acres: ±1-2.83 ACRES SITE (OVERALL) Square Feet: \_\_\_\_\_ Other: \_\_\_\_\_  
 Past Land Use: COMMERCIAL  
 Present Land Use: COMMERCIAL  
 Proposed Land Use: MIXED-USE (100 MULTI-FAMILY APARTMENTS AND ± 4,000 SF COMMERCIAL)  
 Existing buildings? (Yes) TWO (RECENTLY DEMOLISHED)  
 Types of uses and square footage: 1137 BROADWAY (GRAP 3 - BEAUTY SHOP W/ 22 STALLS) 3,240 SF.  
1173 BROADWAY (GRAP 1 - GYM) 5,760 SF.

Page 2 of 4

**PART 2: STATEMENT OF VARIANCE REQUEST**

*\* If additional space is needed for response to any questions, please use a separate piece of paper and attach it to the back of this application.*

From which rule(s) are you requesting a variance?

**RULE 23-A-1 METERING REQUIREMENT**

Please state the Special Circumstances<sup>1</sup> which distinguish your application from all others which are subject to enforcement of this process.

**HIGH DENSITY OF MULTI-FAMILY RESIDENTIAL UNITS**

What difficulties or Undue Hardship(s) would result if your variance request is denied?

**IF VARIANCE IS DENIED, MAJOR CONSTRUCTABILITY ISSUES WOULD BE ENCOUNTERED - IT IS NOT FEASIBLE TO HAVE FOR EXAMPLE 25 INDIVIDUAL WATER METERS AT THE PROPERTY LINE THEN HAVE A TRENCH WIDE ENOUGH FOR THOSE LINES TO NOT CONFLICT WITH OTHER GUYOTE UTILITIES. THIS IN THE BUILDING STRUCTURAL & FIRE RATING CONFLICTS OCCUR WITH THAT MANY WATER LINE PENETRATIONS AND ROSTING CONFLICTS.**

What specific action are you requesting that the Board take?

**REQUESTING THE DISTRICT ALLOW FOR ONE (1) MAIN DOMESTIC WATER METER FOR EACH MULTI-FAMILY RESIDENTIAL BUILDING WITH EACH RESIDENTIAL UNIT SUB-METERED. THE COMMERCIAL AND LANDSCAPE WOULD STILL BE SEPARATELY METERED**

Please indicate if you intend to make a statement at the variance hearing, and list the names of any other individuals who may speak on your behalf at the hearing.

**YES. OTHER INDIVIDUALS THAT MAY SPEAK ON MY BEHALF INCLUDE,**

**PATRICK ORSLO**

**CHRIS ORSLO**

**SHERRY FEVERINI**

**WHITSON ENGINEERS**

**OUR LEGAL COUNCIL**

<sup>1</sup> Capitalized terms are defined in MPWMD Rule 11, Definitions

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Page 3 of 4

**PART 3: PROJECT INFORMATION**

*\*If additional space is needed for response to any questions, please use a separate piece of paper and attach it to the back of this application.*

Type of Project: ✓ New Construction \_\_\_\_\_ Remodel/Addition

Residential: \_\_\_\_\_ Non-Residential: \_\_\_\_\_ Mixed Use: ✓

Describe the Project, particularly as it relates to water use:

PLEASE SEE ATTACHED SHEETS FOR PROJECT DESCRIPTION AS IT RELATES TO WATER USE. IN GENERAL THERE ARE 100 RESIDENTIAL UNITS, 14,000 SF OF COMMERCIAL AREA, LANDSCAPING IRRIGATION FOR EACH PARCEL AND R.O.W. AREA.

Current Zoning Classification: CITY OF SEASIDE 'CMX' ZONE

Name of water company which services the property: CAL AM

Has this project been approved by the local jurisdiction? If so, please list or attach a copy of all conditions which have been imposed on the project. (Attach copies of all findings, conditions and approvals received)

YES. CATEGORICAL EXEMPTION, CLASS 32 INFILL DEVELOPMENT DETERMINED ON OCT. 14, 2019. BAR-19-17 CITY APPROVAL ON Nov. 20, 2019. MINOR USE PERMIT MUR-19-13 APPROVED ON Nov 18, 2019 & DENSITY BONUS & INFLUENTIARY PLACING APPROVED BY CITY COUNCIL ON MARCH 9, 2020

Does the applicant intend to obtain a municipal or county building permit for the project within ninety (90) days following the issuance of a Water Permit? If not, when will water be needed at the site?

APPLICANT INTENDS TO OBTAIN THE APPROPRIATE BUILDING PERMITS TO SET THE WATER METERS AND WATER LINE STUBS TO EACH BUILDING WITHIN (180) DAYS OF ISSUANCE OF WATER PERMIT BASED ON CURRENT SCHEDULE.

\*\*\*\*\*

I declare under penalty of perjury that the information in the application and on accompanying attachments is correct to the best of my knowledge and belief.

[Signature]  
Signature of Applicant

6/19/20 Monterey, CA  
Date/Location

NOTE TO APPLICANT: You may attach written findings and other evidence for the Board to review and consider in support of the action you have requested.

Fee Paid \_\_\_\_\_ Receipt No. \_\_\_\_\_ Staff Initials \_\_\_\_\_

**PART 4: EX PARTE COMMUNICATIONS DISCLOSURE STATEMENT**Name or description of project, action, etc.: SEASIDE AGENT BOARDWATNames and addresses of all persons authorized to communicate with the Board of Directors on this matter (if more space is needed, please add a new page):

Name	Address
<u>PATRICK OROSCO</u>	<u>10 HARRIS COURT, SUITE B-1 MONTEREY, CA 93940</u>
<u>CHRIS OROSCO</u>	<u>" "</u>
<u>SHERRY PEVERINI</u>	<u>" "</u>
<u>MATT NOHR</u>	<u>" "</u>

This *Disclosure Statement* is completed in my capacity as ☐ the Applicant for matter referenced in the first line, or as ☒ an authorized Agent of the Applicant. My signature evidences I am duly authorized to act on behalf of all individuals and/or entities that have an ownership interest in this matter (exceptions shall be noted by checking this box ☐ and providing a complete explanation as an attachment to this *Disclosure Statement*).

I understand this *Disclosure Statement* is required to list the names and addresses of **all persons authorized to communicate with the Directors of the Water Management District on this matter**. I further understand and agree to revise and amend this *Disclosure Statement* whenever any other person is authorized to communicate regarding this matter. Oral disclosure of agents shall not satisfy this requirement.

I understand and agree that failure to disclose the name of individuals who shall communicate with the District Board Members on behalf of the applicant shall subject the matter referenced above to immediate review and denial. Further, I understand that if denial is based on failure of either the applicant or of an authorized agent of the applicant to comply with these disclosure requirements, no request for approval of an identical or similar matter shall be granted for a period of twenty-four (24) months from the date this matter is denied.

I declare the foregoing to be true and correct of my own personal knowledge. I have signed this form this 19 day of JUNE, 2020. This form is signed in the City of MONTEREY, State of CALIFORNIA.

Applicant/Agent's Name (print): MATT NOHRSignature: [Signature] Date: 6/19/20



DISCLOSURE STATEMENT  
(EX PARTE COMMUNICATIONS)

Name or description of project, action, etc.: SEASIDE ACUNT BRADWAY

Names and addresses of all persons authorized to communicate with the Board of Directors on this matter:

<u>Name</u>	<u>Address</u>
<u>PATRICK OROSO</u>	<u>10 HARBIS COURT, SUITE B1 MONTEREY, CA 93940</u>
<u>CHRIS OROSO</u>	<u>" "</u>
<u>SHERRY PEVERINI</u>	<u>" "</u>
<u>MATT NOHR</u>	<u>" "</u>

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I declare the foregoing to be true and correct of my own personal knowledge. I have signed this form this 19 day of JUNE, 2020. This form is signed in the City of MONTEREY, State of CALIFORNIA.

MATT NOHR  
Name (print)  
[Signature]  
Signature

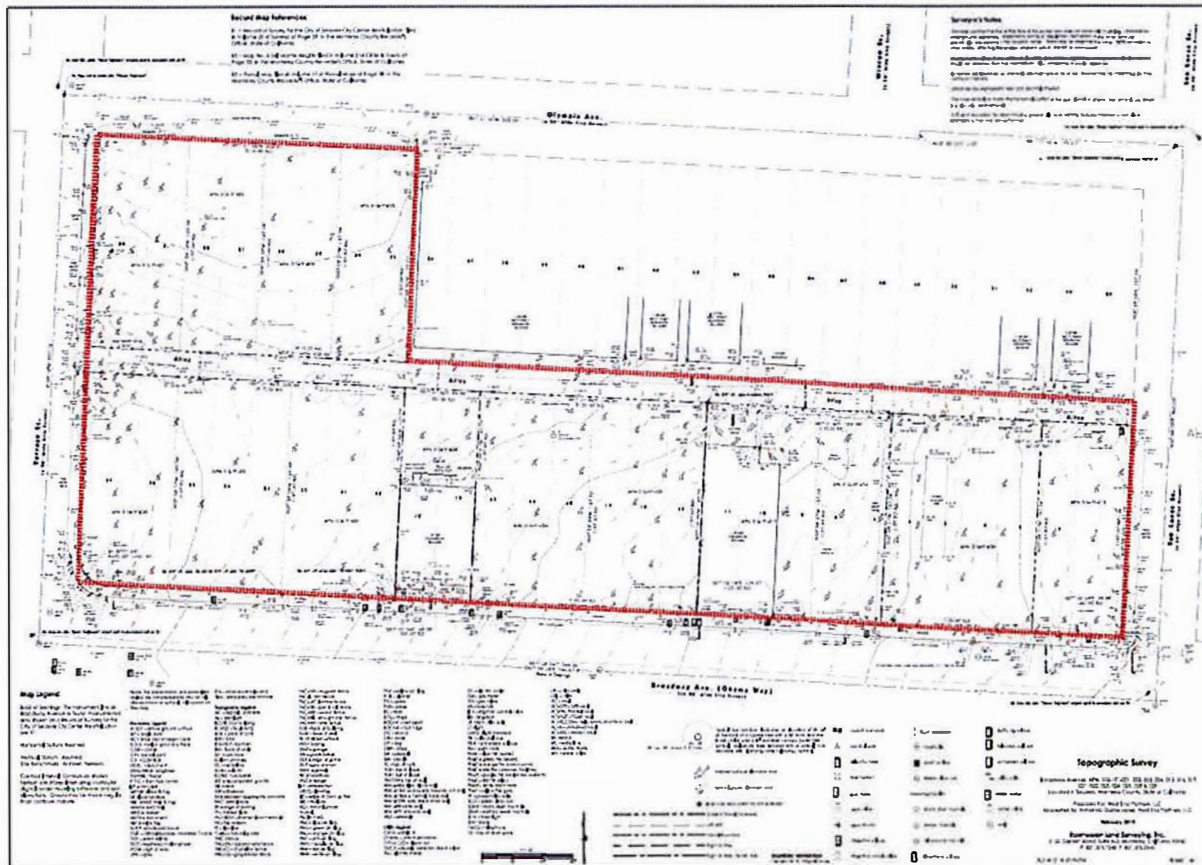


# Part 1: Property Information (APNs & Addresses)

## Ascent Broadway, Seaside, CA Project:

APNs: 012-191-001, 002, 003, 004, 013, 016, 017, 021, 022, 023, 024, 025, 028 and 029

Street Addresses: 1125, 1137, 1173, 1193, & 1199 Broadway, 1104, 1116, & 1128 Olympia, & 1614 Terrace Street

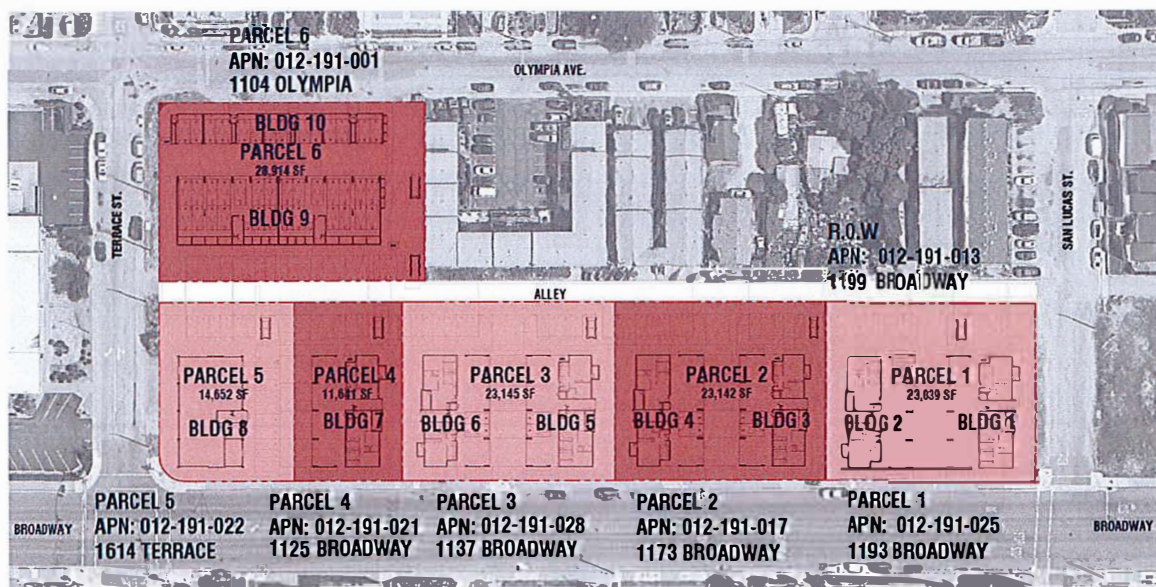




# OROSCO

West End Partners, LLC submitted eight (8) water permit applications to the Water District for the Ascent Broadway mixed use redevelopment project corresponding the parcels and use (residential or non-residential). A summary of the applications is outlined below along with a reference map:

App No.	Parcel	Bldgs Nos.	APN	Address
1	Parcel 1	Residential Bldgs #1 & 2	012-191-025	1193 Broadway Ave, Seaside, CA 93955
2	Parcel 2	Residential Bldgs #3 & 4	012-191-017	1173 Broadway Ave, Seaside, CA 93955
3	Parcel 3	Residential Bldgs #5 & 6	012-191-028	1137 Broadway Ave, Seaside, CA 93955
4	Parcel 4	Residential Bldgs #7	012-191-021	1125 Broadway Ave, Seaside, CA 93955
5	Parcel 5	Mixed-use Bldg #8 (residential area)	012-191-022	1614 Terrace Ave, Seaside, CA 93955
6	Parcel 5	Mixed-use Bldg #8 (commercial area)	012-191-022	1614 Terrace Ave, Seaside, CA 93955
7	Parcel 6	Residential Bldgs #9 & 10	012-191-001	1104 Olympia Ave, Seaside, CA 93955
8	Public R.O.W.	Public Right of Way Irrigation	012-191-013	1199 Broadway Ave, Seaside, CA 93955



Please note this reference map shows proposed new improvements and parcel configurations. The APN's and addresses referenced are based on existing site configuration/information and subject to change per Lot Line Adjustment application concurrently being processed.

**Exhibit A – Existing Water Credits Summary:**

Location	Existing Group Classification	Area	Factor	Use/AF of Water Credit Available
1137 Broadway Ave (APN 012-191-028)	Group 3 – Beauty Shop	3,240 s.f. (13 stations)	0.0567 per station	0.7371 AFY
1173 Broadway Ave (APN 012-191-017)	Group 1 – Gym	5,760 s.f.	0.00007	0.4032 AFY
Total Existing Water Credit Available:				1.1402 AFY

EXHIBIT 10-A

ASCENT  
BROADWAY TERRACE  
Broadway Ave & Terrace St  
Seaside, California 95555

PRELIMINARY UTILITY PLAN

10/8/19  
ADDENDUM No. 1

11/13/19  
ADDENDUM No. 2

4/30/20  
WATER METERS

SUBMITTAL / REVISION

C2.1  
OF  
SHEET

SCALE: 1" = 30'

DATE: 11/13/19

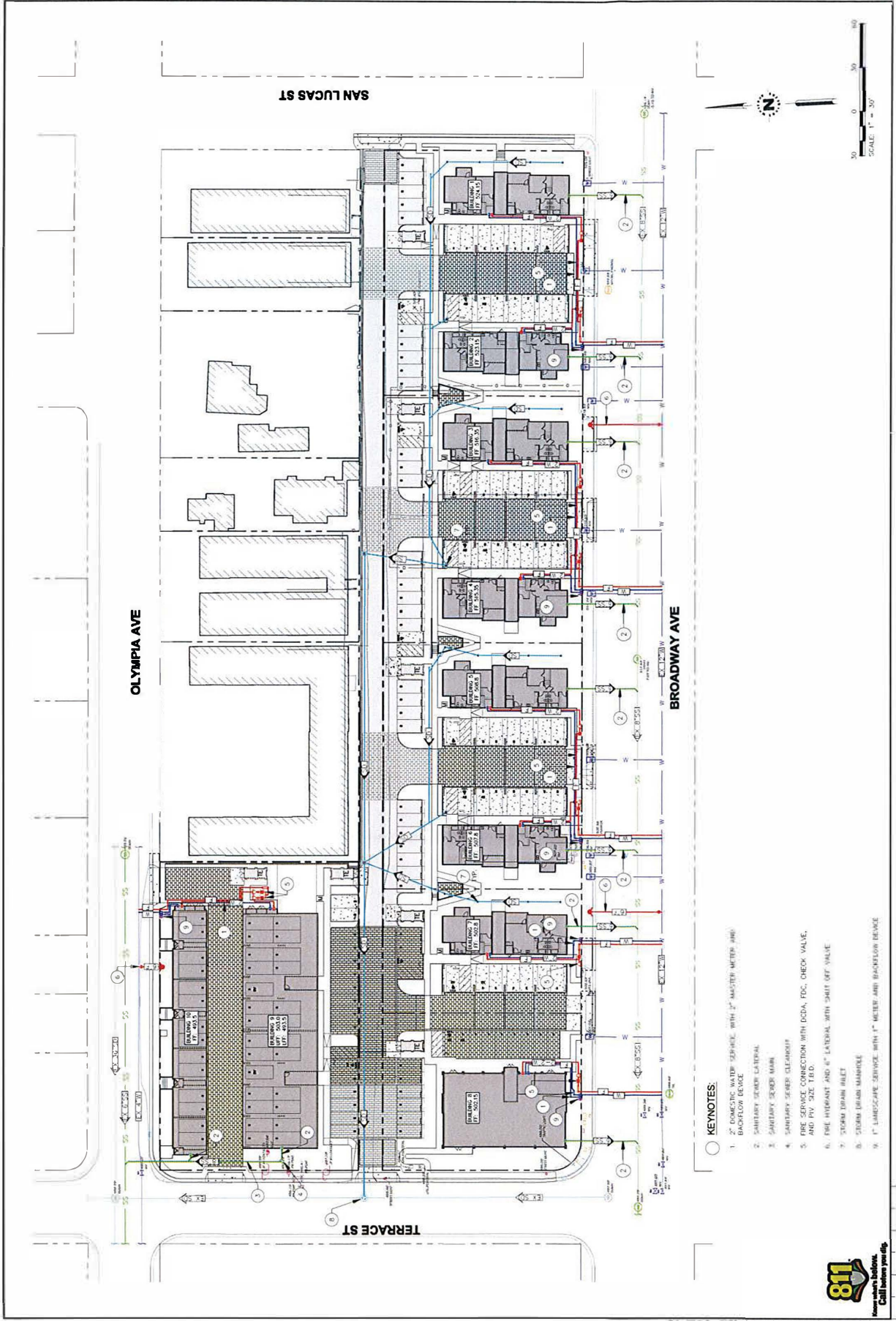
DRAWN: GJ

JOB NO.: 6044.00

Whitson  
ENGINEERS

Civil Engineering  
Land Surveying  
8000 Highway 101  
Seaside, CA 95576  
www.whitsoneng.com

REGISTERED PROFESSIONAL  
ENGINEER  
No. 55218  
STATE OF CALIFORNIA



- KEYNOTES:
- 1. 2" DOMESTIC WATER SERVICE, WITH 2" MASTER METER AND BACKFLOW DEVICE.
  - 2. SANITARY SEWER LATERAL.
  - 3. SANITARY SEWER MAIN.
  - 4. SANITARY SEWER CLEANOUT.
  - 5. FIRE SERVICE CONNECTION WITH DDA, FDC, CHECK VALVE, AND FTY JAIL TIED.
  - 6. FIRE HYDRANT AND 6" LATERAL WITH SHUT OFF VALVE.
  - 7. STORM DRAIN INLET.
  - 8. STORM DRAIN MANHOLE.
  - 9. 1" LANDSCAPE SERVICE WITH 1" METER AND BACKFLOW DEVICE.







**EXHIBIT 10-B****MPWMD Rule 23-A-1-i**

- i. Water Meters maintained by the Water Distribution System Operator shall be installed for each Residential and Non-Residential water User except as allowed in 23-A-1-i-(3), (4), (5), and (6).
- (1) A Non-Residential User may extend water use to another Non-Residential User within an existing structure unless the Remodel or Addition requires a Water Permit for a Change of Use (as defined in Rule 11).
  - (2) A Change of Use as defined in Rule 11 shall trigger the requirement for a separate Water Meter.
  - (3) Users of multiple structures on a Site occupied by one Non-Residential User may apply for a variance of this Rule.
  - (4) The General Manager shall allow sub-metering for each Multi-Family Dwelling (including condominiums and Common Interest Developments), Mixed Use, or Non-Residential User when the installation of separate Water Meters is not feasible and the User is utilizing Water Credits or an Entitlement on a Site that has a Connection. Applications for sub-metering of Single Family Dwellings will be considered by the General Manager when the Jurisdiction confirms there is no potential that the sub-metered User could be located on a separate Site through subdivision or transfer of ownership of a portion of the Site. Approval of a Water Permit allowing sub-metering under this provision shall require recordation of a deed restriction on the title of the property that shall encumber current and future Site owners to comply with the following conditions:
    - a. Site's owner shall have Water Meters installed for each sub-metered User by the Water Distribution System Operator within ninety (90) days of the conclusion of a Connection moratorium. Once Water Meters maintained by the Water Distribution System Operator have been installed, the deed restriction shall be removed;
    - b. Annually at the conclusion of the Water Year, and within 30 days of change in tenancy, the Site's owner shall provide the General Manager with individual monthly consumption for each User in a format acceptable to the District. Information shall identify the User of the sub-meter (e.g. apartment number or lease space number) and

the number of residents in each Residential Dwelling Unit or the type of use according to Rule 24, Table 2, for each Non-Residential User;

- c. During Stages of *The 2016 Monterey Peninsula Water Conservation and Rationing Plan* (Regulation XV), sub-metered consumption shall be provided to the District monthly or more frequently if requested by the General Manager;

(5) The Board shall consider variances to this Rule when the installation of separate Water Measuring Devices is not feasible due to Special Circumstances. In considering a variance, the Board shall determine if another type of Water Measuring Device is appropriate and shall make reporting of consumption a condition of approval.

- (6) The General Manager shall allow permanent sub-metering of all water use into one Accessory Dwelling Unit. An Accessory Dwelling Unit contained within the existing space of a single-family residence or accessory structure (e.g., studio, pool house or other similar structure) shall be exempt from the sub-metering requirement. Sub-metering is, however, encouraged as a conservation tool that promotes the efficient use of water. The sub-metering requirement or sub-metering exemption will be considered by the General Manager when the Jurisdiction confirms there is no potential that the sub-metered User could be located on a separate Site through subdivision or transfer of ownership of a portion of the Site.

**EXHIBIT 10-C**

**DRAFT**

**CONDITIONS OF APPROVAL**

**CONSIDER APPLICATION FOR VARIANCE FROM SEPARATE WATER METER  
REQUIREMENT FOR MULTI-FAMILY HOUSING PROJECT AT A SITE BORDERED BY  
BROADWAY AVENUE, TERRACE STREET, OLYMPIA AVENUE, AND SAN LUCAS  
STREET IN THE CITY OF SEASIDE (APNS: 012-191-001, 002, 003, 004, 013, 016, 017, 021, 022,  
023, 024, 025, 028, and 029)**

**July 20, 2020**

1. Approval of this application shall allow submetering of a Mixed Use Project consisting of ten (10) buildings on a City of Seaside owned Site bordered by Broadway Avenue, Terrace Street, Olympia Avenue, and San Lucas Street (APNs: 012-191-001, 002, 003, 004, 013, 016, 017, 021, 022, 023, 024, 025, 028, and 029).
2. The City of Seaside, a Municipal Corporation, as successor agency to the Redevelopment Agency of the City of Seaside, shall enter into an Indemnification Agreement with the Monterey Peninsula Water Management District.
3. This approval is for the permanent water system submetering of the Project such that each Dwelling Unit, each Non-Residential User, landscape irrigation supply, and any common area must be separately metered.
4. In-line meters (submeters) recording consumption of all water consumption for each Dwelling Unit must be installed and maintained and consumption information should be given to each tenant.
5. Submetering shall be consistent with [California Water Code, Div. 1, Ch.8, Article 5](#).
6. The Site owner or any successors in interest shall provide the District with Water Meter and submeter consumption data by meter upon request.
7. Water use associated with landscaping and common areas must be separately metered.
8. The conditions of this variance shall be recorded on the property title and shall run concurrently with the land. Current and future Site owners/managers shall comply with the conditions of this approval.
9. The following deed restrictions shall be recorded to ensure compliance: Limitation on Use of Water on a Property, Provide Public Access to Water Use Data, and an Indemnification Agreement.
10. Property owner shall amend all Water Permits and deed restrictions to reflect the correct Assessor's Parcel Numbers within 30 days of assignment of new numbers.
11. Project Site shall maintain compliance with all MPWMD Rules and Regulations.

12. The variance shall be null and void if the project has not commenced within two (2) years of the date of this approval, unless a time extension has been granted, or work has commenced and substantial progress made and the work is continuing under a valid building permit. Extension of this approval may be granted by the General Manager for due cause. Extensions shall be requested in writing by the applicant or authorized agent prior to expiration of the approval.

**EXHIBIT 10-D**

**DRAFT**

**FINDINGS OF APPROVAL**

**CONSIDER APPLICATION FOR VARIANCE FROM SEPARATE WATER METER REQUIREMENT FOR MULTI-FAMILY HOUSING PROJECT AT A SITE BORDERED BY BROADWAY AVENUE, TERRACE STREET, OLYMPIA AVENUE, AND SAN LUCAS STREET IN THE CITY OF SEASIDE (APNS: 012-191-001, 002, 003, 004, 013, 016, 017, 021, 022, 023, 024, 025, 028, and 029)**

**July 20, 2020**

1. **FINDING:** West End Partners, LLC is requesting Board approval of a variance to Rule 23 to allow permanent submetering in place of individual Cal-Am Water Meters at a Mixed Use project at a Site owned by the City of Seaside that is bordered by Broadway Avenue, Terrace Street, Olympia Avenue, and San Lucas Street in Seaside (APNs 012-191-001, 002, 003, 004, 013, 016, 017, 021, 022, 023, 024, 025, 028, and 029).  
  
**EVIDENCE:** Application for Variance attached as **Exhibit 10-A**.
2. **FINDING:** District Rule 23-A-1-i requires Water Measuring Devices maintained by the Water Distribution System Operator be installed for each Residential and Non-Residential water User except as allowed in 23-A-1-i-(4).  
  
**EVIDENCE:** Rule 23-A-1-i-(4) attached as **Exhibit 10-B**.
3. **FINDING:** Installation of approximately 110+ Water Meters (and boxes) along the perimeter of the Project Site is not feasible and would conflict with other utilities.  
  
**EVIDENCE:** Application for Variance attached as **Exhibit 10-A**.
4. **FINDING:** District Rule 23-A-1-i-(5) allows the Board to consider variances to the rule when the installation of separate Water Meters is not feasible due to “Special Circumstances.” Special Circumstances are defined in Rule 11 as “unusual, uncommon, peculiar, unique or rare situations that require Board consideration.” In considering a variance, the rule states that the Board shall determine if another type of Water Measuring Device is appropriate (e.g., submeters) and shall make reporting of consumption a condition of approval.  
  
**EVIDENCE:** District Rule 23-A-1-i-(5) attached as **Exhibit 10-B**.
5. **FINDING:** Individual Water Measuring Devices encourage efficient water use by making each water User accountable for their consumption. The American

Water Works Association (AWWA) recommends that every water utility accurately meter all water taken into its system and all water distributed from its system at its customers' points of service. Meters should be read at sufficiently frequent intervals appropriate to support the utility's understanding of volume of production, rate structures and to provide accurate bills and feedback to its customers. Additionally, state legislation passed in 2016 (California Water Code, Div. 1, Ch.8, Article 5) requires Multi-Family Residential Dwelling Units to either have a utility meter or a submeter for each individual Residential unit. Individual Water Meters also facilitate compliance with water use reductions during rationing periods.

**EVIDENCE:** [AWWA Policy Statement on Metering and Accountability](#), [California Water Code, Div. 1, Ch.8, Article 5](#), and [MPWMD Rules and Regulations](#).

6. **FINDING:** Special Circumstances exist in this case because it is not feasible to have 110+ individual Water Meters at the property line and have a trench wide enough for those lines to not conflict with other utilities.

**EVIDENCE:** Application for Variance attached as **Exhibit 10-A**.

7. **FINDING:** Special Circumstances exist in this case because the plumbing design is optimized for water conservation, energy efficiency, and cost of construction. Installing individual Water Meters for each unit would increase the project construction costs and would result in reduced energy efficiency.

**EVIDENCE:** Application for Variance attached as **Exhibit 10-A**.

8. **FINDING:** The project will be built with in-line Water Meters installed to monitor water use for each User, providing a method for individual accountability of water use and encouraging conservation.

**EVIDENCE:** Conditions of Approval (**Exhibit 10-C**).

9. **FINDING:** There have been similar variances were granted for permanent submeters at housing projects in the MPWMD: MidPen Housing Corporation for 19 low-income senior housing units in Monterey; Pacific Meadows low-income senior housing project in Carmel Valley; Osio Plaza Apartments with 30 low to moderate housing units in the City of Monterey; Vista Point Apartments (South County Housing) with 49 low-income senior housing units in the City of Pacific Grove; Park Lane for 40 unit senior housing project; and the Independent apartments in Sand City.

**EVIDENCE:** Records of variance proceedings on file in District office.

10. **FINDING:** Exterior water use will be tracked with a separate Water Meter or submeter.

**EVIDENCE:** Conditions of Approval (**Exhibit 10-C**).

- 11. FINDING:** Granting a variance from the separate Water Meter requirement for the proposed housing project will not defeat the purpose of Rule 23-A, which is to encourage individual accountability for water use. Granting this variance will not compromise water efficiency in the City of Seaside.

**EVIDENCE:** The above stated facts.

- 12. FINDING:** In granting this variance, the Board has adopted the attached Conditions of Approval (**Exhibit 10-C**), including a requirement for an Indemnification Agreement (**Exhibit 10-E**).

**EVIDENCE:** Minutes of the July 20, 2020, regular Board meeting.





**EXHIBIT 10-E****MONTEREY PENINSULA WATER MANAGEMENT DISTRICT  
INDEMNIFICATION AGREEMENT**

On **Date**, an application was submitted to the Monterey Peninsula Water Management District ("MPWMD"), on behalf of **Name** (the "Applicant"). The project, which is the subject of the application, is described as a **Type of use** located at **Property address** (the "Project").

1. The Applicant agrees, as part of the application, to defend, indemnify, and hold harmless MPWMD and its agents, officers, attorneys and employees from any claim, action, or proceeding (collectively referred to as "proceeding") brought against MPWMD or its agents, officers, attorneys or employees to attack, set aside, void, or annul:
  - a. Any approval of the above described application by MPWMD; and/or
  - b. An action taken to provide related environmental clearance under the California Environmental Quality Act (CEQA).

The indemnification is intended to include but not be limited to damages, fees and/or costs awarded against MPWMD, if any, and the cost of suit, attorney's fees, and other costs, liabilities and expenses incurred in connection with any proceeding whether incurred by the Applicant, the **Jurisdiction**, and/or the parties initiating or bringing such proceeding.

2. The Applicant agrees to indemnify MPWMD for all of MPWMD's costs, fees, and damages incurred in enforcing the indemnification provisions of this Agreement.
3. The Applicant agrees to defend, indemnify and hold harmless MPWMD, its agents, officers, employees and attorneys for all costs incurred in additional investigation or study of, or for supplementing, redrafting, revising, or amending any document (such as an EIR or negative declaration) if made necessary by said proceeding and if the Applicant desires to pursue such approvals and/or clearances, after initiation of the proceeding, which are conditioned on the approval of these documents.
4. In the event that the Applicant is required to defend MPWMD in connection with such proceeding, MPWMD shall retain the right to approve:
  - a. The counsel to so defend MPWMD;
  - b. All significant decisions concerning the timely manner in which the defense is conducted; and
  - c. Any and all settlements, which approval shall not be unreasonably withheld.

MPWMD shall not be required to participate in the defense of any proceeding. If MPWMD chooses to have counsel of its own where the Applicant has already retained counsel, the fees and expenses of the counsel selected by MPWMD shall be paid by the Applicant.

5. The defense and indemnification of MWPMD set forth herein shall remain in full force and effect throughout all stages of litigation including appeals of any lower court judgments rendered in the proceeding.

*(Signatures must be notarized)*

By: \_\_\_\_\_ Dated: \_\_\_\_\_  
Property Owner

By: \_\_\_\_\_ Dated: \_\_\_\_\_  
Dave J. Stoldt, General Manager



**ITEM: PUBLIC HEARING****11. CONSIDER ADOPTION OF RESOLUTION 2020-12, A RESOLUTION OF THE BOARD OF DIRECTORS OF THE MONTEREY PENINSULA WATER MANAGEMENT DISTRICT SEEKING AUTHORIZATION TO ACTIVATE LATENT DISTRICT POWERS AND TO ADOPT A SPHERE OF INFLUENCE AMENDMENT AND ANNEXATION****Meeting Date: July 20, 2020****Budgeted:****From: David J. Stoldt,  
General Manager****Program/  
Line Item No.:****Prepared By: David J. Stoldt****Cost Estimate:****General Counsel Approval: N/A****Committee Recommendation: None****CEQA Compliance: This action does not constitute a project as defined by the California Environmental Quality Act Guidelines Section 15378.**

---

**SUMMARY:** In order to prepare the Board to consider in the future a Resolution of Public Necessity for the potential acquisition of California American Water (Cal-Am) Company's Monterey Water System the Monterey County Local Agency Formation Commission (LAFCO) must allow the District to activate certain latent powers authorized by its legislation, as well as consider annexation of approximately 56 parcels to the District. Resolution 2020-12 attached as **Exhibit 11-A** authorizes the District to file an application with LAFCO.

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

**EXHIBIT****11-A Proposed Resolution 2020-12**



**EXHIBIT 11-A****RESOLUTION 2020-12**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**NOW, THEREFORE, BE IT RESOLVED**, as follows:

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

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

On motion of Director \_\_\_\_\_, and second by Director \_\_\_\_\_, the foregoing resolution is duly adopted this 20<sup>th</sup> day of July 2020 by the following votes:

AYES:

NAYS:

ABSENT:

I, David J. Stoldt, Secretary to the Board of Directors of the Monterey Peninsula Water Management District, hereby certify that the foregoing is a resolution duly adopted on the 20<sup>th</sup> day of July 2020.

Witness my hand and seal of the Board of Directors this \_\_\_\_ day of July 2020.

---

David J. Stoldt,  
Secretary to the Board



**ITEM: ACTION ITEM****12. CONSIDER ADOPTION OF AN ADDENDUM TO THE DISTRICT'S PRIOR ASR ENVIRONMENTAL IMPACT REPORT FOR CONSTRUCTION OF A BYPASS PIPELINE TO ALLOW SIMULTANEOUS PURE WATER MONTEREY RECOVERY AND ASR INJECTION (Subject to CEQA Review per CEQA Guideline Sections 15162 and 15164)**

<b>Meeting Date:</b>	<b>July 20, 2020</b>	<b>Budgeted:</b>	<b>N/A</b>
<b>From:</b>	<b>David J. Stoldt, General Manager</b>	<b>Program/ Line Item:</b>	<b>Water Supply Projects N/A</b>
<b>Prepared By:</b>	<b>Jonathan Lear</b>	<b>Cost Estimate:</b>	<b>N/A</b>

**General Counsel Review: Yes****Committee Recommendation: On July 6, 2020 Water Supply Planning Committee approved this recommendation 3-0****CEQA Compliance: Addendum to EIR under CEQA Guidelines Sections 15162 and 15164**

**SUMMARY:** In June, staff reported to the Board that a bottleneck in simultaneous operation of ASR injection and Pure Water Monterey recovery had been identified due to the existing piping configuration in General Jim Moore Blvd. A bypass pipeline around the bottleneck was identified as a solution that would allow simultaneous operation of both projects. The proposed pipeline is above the length and diameter to be exempt from the CEQA process. In order to facilitate this solution in an expedited manner, Cal-Am asked the District to act at the Lead Agency under CEQA for the project. At the Board Meeting on June 22, 2020, MPWMD Board directed the General Manager enter into a reimbursement agreement with Cal-Am for the CEQA work to construct to bypass pipeline necessary to allow simultaneous PWM recovery and ASR injection. The appropriate agreements were executed and the environmental work has been completed.

At the July 6, 2020 Water Supply Planning Committee staff presented the EIR Addendum to the Committee. The introduction to the Addendum is attached to this staff note as **Exhibit 12-A**.

The entire document can be downloaded from this link: <https://www.mpwmd.net/water-supply/aquifer-storage-recovery/technical-aspects/>.

The Committee recommended that the Addendum be brought before the full Board for consideration of adoption. MPWMS staff worked with Denise Duffy and Associates to prepare the findings that will need to be made in order to adopt the Addendum. These findings are included in this staff note as **Exhibit 12-B**. If the MPWMD Board adopts this Addendum at its July meeting, construction on the pipeline would begin in August 2020.

**RECOMMENDATION:** Staff recommends that the Board adopt Resolution No. 2020-13 (**Exhibit 12-B**) adopting the Construction of a Bypass Pipeline Modification Addendum as Addendum 6 to the ASR EIR/EA.

**DISCUSSION:** The Pure Water Monterey (PWM) Project began injecting water into the Seaside Groundwater Basin in March 2020 and building up the 1,000 Acre Foot Operating Reserve. After the Operating Reserve has been injected, PWM water is available as a source to the water supply portfolio and will become a component of the Quarterly Water Budget and used to shift production away from the Carmel River and comply with the Cease and Desist Order (CDO). In meetings between District Staff and Cal-Am for planning the recovery schedule for PWM, it was identified that in order to recover all PWM and Native Seaside Groundwater, the Seaside well field would need to operate for more months of the year than previous operational protocols. Additionally, only the ASR wells are connected to the pipeline in General Jim Moore Blvd. that is attached to the transfer (Monterey) pipeline that can move water to the Forest Lake Tanks. The Forest Lake Tanks supply water to meet water demand in New Monterey, Pacific Grove, and the Del Monte Forest. The rest of the wells in Seaside provide water to meet demand in Seaside and Old Monterey as far as the Naval Post Graduate School and are isolated from the demands met by the Forest Lake Tanks. The demand on the Seaside system is between 10 to 12 Acre Feet per day and is not enough to consume all of the recovered PWM water, so water must be recovered by the ASR wells and moved through the transfer pipeline to the Forest Lake Tanks to ensure all of the PWM water can be consumed.

### **Project Description**

Cal-Am proposes to construct a new 36-inch-diameter, 7,000 LF, potable water transmission pipeline (Bypass Pipeline) in located General Jim Moore Blvd (GJM) between Hilby Avenue and approximately 750 feet south of Coe Avenue in Seaside, CA. The proposed Bypass Pipeline would connect to an existing 36-inch pipeline at each end.

The Bypass Pipeline would be located in the Former Fort Ord within the Seaside Munitions Response Area (MRA).

The project would also include a new dechlorination facility and a new 16-inch diameter connection to the Cal-Am Aquifer Storage and Recovery (ASR) well sites 3 and 4 located at the Seaside Middle School.

### **Purpose**

The proposed Bypass Pipeline would improve the existing ASR system and allow Cal-Am to perform simultaneous ASR injection and extraction operations in order to meet customer demand as a result of reduced Carmel River diversions. The Bypass Pipeline would be used to convey water from Crest Tank to ASR Wells 3 and 4 for injection. Extraction operations would be performed at ASR Wells 1 and 2 and would be conveyed through existing infrastructure to Forest Lake Reservoir in Pacific Grove.

Under current Cal-Am permit requirements, a 30-day retention period is required between ASR injection and extraction operations. Due to reduced Carmel River diversions, Cal-Am would not be able to meet customer demand during the 30-day retention period when extraction operations are not allowed. The proposed dechlorination facility would dechlorinate water prior to injection into ASR Wells 3 and 4 which would remove the 30-day retention period requirement and allowing Cal-Am to meet customer demand.

**Construction**

The Bypass Pipeline would be constructed by open trench within the paved roadway of the northbound lanes of GJM. The typical trench width would be approximately 6-feet wide and 6.5-feet deep. Excess soil would be handled and disposed of per requirements of City of Seaside Programmatic On-Call Construction Support Plan – Roadways and Utilities – Seaside Munitions Response Area. Pavement and striping would be restored per City of Seaside requirements. Traffic control plans would be developed and submitted to the City of Seaside for review and approval.

The pipeline would include blow off and air vent appurtenances installed in either the sidewalk or median of GJM. Blow offs would be pump out style, located within utility boxes that are flush with the surrounding ground. Air vents would be installed above grade in locked cages. The locations of the appurtenances would be per approval of the City of Seaside.

**EXHIBITS**

**12-A** Introduction to the Addendum

**12-B** Resolution No. 2020-13



# **ADDENDUM No. 6**

*TO THE*

## **AQUIFER STORAGE AND RECOVERY PROJECT ENVIRONMENTAL IMPACT REPORT/ENVIRONMENTAL ASSESSMENT**

*FOR THE*

## **BYPASS PIPELINE & DE-CHLORINATION FACILITY MODIFICATION**

**July 2020**

**Prepared for  
Monterey Peninsula Water Management District**

**Prepared by  
Denise Duffy and Associates, Inc.**



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Addendum No. 6 to the ASR EIR/EA  
Bypass Pipeline and De-Chlorination Facility Modification

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## LIST OF ATTACHMENTS

1. Initial Study Checklist for the Proposed Modification to Support Addendum No. 6 to the ASR EIR/EA
2. Air Quality and GHG Calculations Spreadsheets dated June 19, 2020
3. ASR Bypass Pipeline & De-Chlorination Facility Modification – Botanical Survey Results (June 24, 2020)
4. Approved MMRP for the Aquifer Storage and Recovery Project

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Addendum No.6 to the ASR EIR/EA  
Bypass Pipeline and De-Chlorination Facility Modification

## I. INTRODUCTION

Pursuant to the California Environmental Quality Act, California Public Resources Code Sections 21000 et seq. (CEQA) and the California Environmental Quality Act Guidelines, Title 14, Chapter 3 of the California Code of Regulations (CEQA Guidelines), and in cooperation with other affected agencies and entities, the Monterey Peninsula Water Management District (MPWMD) has prepared this Addendum to the Final Environmental Impact Report/Environmental Assessment for the Monterey Peninsula Water Management District Phase 1 Aquifer Storage and Recovery (ASR) Project (EIR/EA), certified by MPWMD's Board of Directors on August 21, 2006, as modified by:

- Addendum No. 1 to the ASR EIR/EA, which addressed full implementation of ASR Phase 2 and was adopted by MPWMD's Board of Directors on April 16, 2012;
- Addendum No. 2 to the ASR EIR/EA, which addressed the addition of the Hilby Pump Station and was adopted by MPWMD's Board of Directors on June 20, 2016;
- Addendum No. 3 to the ASR EIR/EA, which addressed the Monterey Pipeline and was adopted by MPWMD's Board of Directors on February 22, 2017;
- Addendum No. 4 to the ASR EIR/EA, which addressed the Backflush Basin Expansion and was adopted by MPWMD's Board of Directors on July 16, 2018; and,
- Addendum No. 5 to the ASR EIR/EA, which addressed the Water Treatment Facility Modification and was adopted by MPWMD's Board of Directors on July 15, 2019.

MPWMD prepared this Addendum to the ASR EIR/EA to address the effects of constructing and operating the proposed Bypass Pipeline and De-Chlorination Facility Modification (Proposed Modification), which would constitute a minor modification to the ASR Project. This Addendum evaluates the potential environmental effects associated with the Proposed Modification, which consists of a 36-inch potable water transmission pipeline, located in General Jim Moore Boulevard between Hilby Avenue and Coe Avenue, and a proposed de-chlorination facility to serve the ASR project.

The ASR Project entails diversion of "excess" Carmel River winter flows, as allowed under water rights permits issued by the State Water Resources Control Board, which is then treated and transmitted via the California American Water (CalAm) distribution system to specially-constructed injection/recovery wells, known as ASR wells, in the Seaside Groundwater Basin and injected under an authorization from the Environmental Protection Agency (EPA). The excess water is diverted by CalAm wells only during periods when flows in the Carmel River exceed fisheries bypass flow requirements. After treatment to potable drinking water standards, water is then conveyed through CalAm's distribution system to ASR facilities (injection wells) to recharge the over-pumped Seaside Groundwater Basin. Available storage capacity in the Seaside Groundwater Basin serves as an underground reservoir for the diverted water. Water is then pumped back out from the Seaside Groundwater Basin in dry periods to help reduce pumping-related impacts on the Carmel River. This "conjunctive use" more efficiently utilizes local water resources to improve the reliability of the community's water supply while reducing the environmental impacts to the Carmel River and Seaside Groundwater Basins.

This Addendum evaluates whether construction and operation of the proposed Bypass Pipeline and De-Chlorination Facility would result in a new significant impact, or an impact that is substantially more severe than the impacts disclosed in the ASR EIR/EA as amended. This Addendum is supported by **Attachment 1, Initial Study Checklist for the Bypass Pipeline Modification**, which conclusively determines the following in accordance with CEQA Guidelines Section 15464:

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- No new or previously unidentified adverse significant impacts would result from the construction and operation of the Proposed Modification.
- The Proposed Modification would not result in a substantial increase in the severity of the impacts identified in the ASR EIR/EA and Addenda.

MPWMD's Board of Directors will consider this Addendum, along with the certified ASR EIR/EA and its Addenda, prior to making a decision on any approvals pertaining to the Proposed Modification.

## **II. PROJECT LOCATION**

The Proposed Modification is located in the City of Seaside. More specifically, the Proposed Modification includes the construction of the Bypass Pipeline, which is located within the existing paved area of the General Jim Moore Boulevard roadway between Hilby Avenue and approximately 750 feet south of Coe Avenue and the Paralta well site (see **Figure 1. Regional Map**). The Bypass Pipeline is primarily located in the northbound lane of General Jim Moore Boulevard and will tie into an existing pipeline at the intersection of Hilby Avenue and General Jim Moore Boulevard.

The Proposed Modification also includes the construction and operation of a de-chlorination facility located within the Paralta well site, which is a previously developed site that includes existing water distribution system infrastructure. The existing water distribution system improvements includes a well and associated infrastructure (see **Figure 2. Site Photos**). The de-chlorination facility would tie into an existing ASR pipeline along the southbound lane of General Jim Moore Boulevard. This existing pipeline would transfer de-chlorinated water to ASR Wells 3 and 4 to be injected into the Seaside Groundwater Basin. The de-chlorination facility would also connect to an existing water transfer pipeline, which would transfer water supplies from the proposed Bypass Pipeline to the de-chlorination facility, as more thoroughly described below. The Proposed Modification also includes the construction and operation of a de-chlorination facility at the existing Santa Margarita Treatment facility, located at 1910 General Jim Moore Boulevard. The de-chlorination facility at the Santa Margarita site would occur entirely within the existing footprint of the treatment facility.

The Proposed Modification also includes the use of an existing soil deposition site along the west side of General Jim Moore Boulevard. More specifically, the soil deposition site is along Mescal Street between Plumas Avenue and Kimball Avenue and has been used historically for soil deposition purposes (see **Figure 2. Site Photos**).

As previously mentioned, the Proposed Modification is located in the City of Seaside. Per the Seaside General Plan, the modification site is designated as Low-Density Single Family Residential. The surrounding land uses include existing residential uses to the north, habitat management and low-density single family residential to the south and east, and existing residential uses to the west (see **Figure 3. Surrounding Land Use**).

## **III. PROJECT DESCRIPTION**

The Proposed Modification would improve the existing ASR system and allow CalAm to perform simultaneous ASR injection and extraction operations to meet customer demand as a result of reduced Carmel River diversions, as well as ensure the simultaneous recovery of Pure Water Monterey water and the injection of Carmel River water as part of the ASR program. The Proposed Modification would be used

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to convey water from the existing Crest Water Tank to ASR Wells 3 and 4 for injection. Extraction operations would be performed at ASR Wells 1 and 2 and would be conveyed through existing infrastructure to Forest Lake Reservoir in Pacific Grove. Under current CalAm permit requirements, a 30-day retention period is required between ASR injection and extraction operations. Due to reduced Carmel River diversions, CalAm would not be able to meet customer demand during the 30-day retention period when extraction operations are not allowed.

The Proposed Modification consists of several distinct sub-components, including the construction and operation of the proposed Bypass Pipeline, de-chlorination facility, and the use of an existing soil deposition site. These components are collectively referred to as the “Proposed Modification” in this Addendum. The following includes a description of each of the separate sub-components of the Proposed Modification.

### **BYPASS PIPELINE MODIFICATION**

The proposed Bypass Pipeline Modification is necessary to allow the simultaneous recovery of Pure Water Monterey water and the operation of the existing ASR system. Under existing operations, the simultaneous recovery of Pure Water Monterey water and the operation of the existing ASR system is not possible due to existing system limitations. As a result, an additional pipeline (i.e., the proposed Bypass Pipeline) is necessary to allow recovery of Pure Water Monterey water and injection of Carmel River water at the same time. If the proposed Bypass Pipeline Modification is not constructed, even if flows in the Carmel River are above permit conditions allowing injection, ASR injection would need to be stopped to recover all Pure Water Monterey water via the existing transfer pipeline. The proposed Bypass Pipeline Modification would allow both Pure Water Monterey and ASR water resources projects to function simultaneously.

In the absence of the proposed Bypass Pipeline Modification, ASR injection would be limited to certain months. This would substantially reduce the injection capacity of the ASR system. And it would further reduce the amount of available “ASR bank.” Without the Bypass Pipeline Modification, Seaside Basin and Carmel River source water may have a 200 acre-feet (AF) buffer or less. Whereas with the proposed Bypass Pipeline Modification, would increase the “ASR bank” and would result in an approximately 1,000 AF buffer. As a result, the proposed Bypass Pipeline Modification would improve existing system operation, provide additional system redundancy, and ensure the simultaneous operation of both the Pure Water Monterey and ASR projects.

The Bypass Pipeline consists of the construction and operation of a new 36-inch-diameter, 7,000 linear foot (LF), potable water transmission pipeline located in General Jim Moore Boulevard between Hilby Avenue and approximately 750 feet south of Coe Avenue in Seaside, CA (see **Figure 2. Site Photos**). The Bypass Pipeline would connect to an existing 36-inch pipeline at each end. The Bypass Pipeline would be constructed using open trench technology within the paved roadway of the northbound lanes of General Jim Moore Boulevard (see **Figures 4a. and 4b. Site Plan**). The typical trench width would be approximately 6-feet wide and 6.5-feet deep. Excess soil would be handled and disposed of per requirements of the Fort Ord Reuse Authority (FORA) and City of Seaside Programmatic On-Call Construction Support Plan – Roadways and Utilities – Seaside Munitions Response Area. Pavement and striping would be restored per City of Seaside requirements. Traffic control plans would be developed and submitted to the City of Seaside for review and approval. The pipeline would include blow off and air vent appurtenances installed in either the sidewalk or median of General Jim Moore Boulevard. Blow offs would be pump out style, located within utility boxes that are flush with the surrounding ground. Air vents would be installed above grade in locked cages. The locations of the appurtenances would be per approval of the City of Seaside.

**DE-CHLORINATION FACILITY MODIFICATION**

The Proposed Modification would include the construction and operation of the de-chlorination facility, which would be located at the Paralta well site on southwest corner of General Jim Moore Boulevard and Coe Avenue (see **Figure 4a. Site Plan**). The proposed de-chlorination facility modification would dechlorinate water prior to injection into ASR Wells 3 and 4 which would remove the 30-day retention period requirement discussed above thereby allowing CalAm to meet customer demand. The de-chlorination facility would include two connections at General Jim Moore Boulevard and Coe Avenue. One connection would be to an existing transfer pipeline that would bring water supplies in through the proposed Bypass Pipeline and the other connection would be to an existing ASR pipeline in order to inject the de-chlorinated water into ASR Wells 3 and 4 .

The de-chlorination facility would be housed in an approximately 268 square foot building and would include a skid pump, chemical tank, and associated piping. The energy use associated with the electrical components of de-chlorination facility include the building and the interior lighting, sodium bisulfite metering pumps, exhaust fan, sodium bisulfite analyzer system and chlorine residual analyzer systems, and instrumentation. These electrical components would require an additional load of approximately 20 Amps. The de-chlorination facility would connect to a new 16-inch diameter connection to existing ASR Wells 3 and 4 located at the Seaside Middle School.

The Proposed Modification would include the construction and operation of the de-chlorination facility at the existing Santa Margarita Treatment Facility, located at 1910 General Jim Moore Boulevard. This modification would occur entirely within the existing treatment facility footprint. The proposed de-chlorination facility modification would dechlorinate water prior to injection into ASR Wells 1 and 2 which would remove the 30-day retention period requirement discussed above thereby allowing CalAm to meet customer demand.

**SOIL DEPOSITION MODIFICATION**

The Proposed Modification also includes the use of a soil deposition site along the west side of General Jim Moore Boulevard, known as the Mescal site. More specifically, the soil deposition site is along Mescal Street between Plumas Avenue and Kimball Avenue and has been used for soil deposition associated with ASR construction activities in the past (see **Figure 4b. Site Plan**). Excess soil would be disposed of at this existing soil deposition site consistent with the requirements of FORA. Additionally, fencing and/or flagging will be installed at the soil deposition site under the direction of a qualified biologists to ensure that all documented special-status species are located outside of the soil deposition area.

**CONSTRUCTION AND OPERATION**

Construction is anticipated to begin in January of 2021 and will last approximately eight (8) months. Construction activities will include site grading and trenching. The total amount of earthwork for the Proposed Modification is 7,800 Cubic Yards (CY) of cut and 5,270 CY of fill, with a net cut and fill of approximately 2,530 CY. It is anticipated that a majority of native soils can be used as backfill. Construction is planned to occur Monday through Friday from 7am to 7pm. It is estimated that an average of eight (8) construction workers will be required onsite during construction with a peak on-site presence of approximately eight (8) to ten (10) personnel at the peak of construction. Materials and equipment will also be delivered to the site; it is anticipated that approximately 100 deliveries would occur during construction, which would include piping, fill material, the chemical building, chemical tank, pump skid, and concrete. This would mean that material delivery would occur approximately two (2) to three (3)

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times per week throughout the duration of construction activities. Construction workers will access the site from General Jim Moore Boulevard and will park at or near the site. Traffic control will be required during construction. Traffic controls will include, at a minimum, measures to ensure safety of pedestrians and bicyclists on General Jim Moore Boulevard.

Additionally, operational workers will access the modification site (specifically the de-chlorination facility) in order to provide routine maintenance and material delivery. Furthermore, maintenance will take place once a month for the air valves on the pipeline alignment. Operational workers may visit the de-chlorination facility twice a week when the de-chlorination system is operated and ASR water is being injected to ASR Wells 3 and 4, which would probably be combined with maintaining the existing Paralta well site. Lastly, the chemical tank in the de-chlorination facility was sized for at least 14-days of storage so operational workers may deliver up to two (2) trucks of chemicals each month.

#### **IV. COMPARISON TO THE CONDITIONS LISTED IN CEQA GUIDELINES SECTION 15162**

MPWMD prepared this Addendum pursuant to CEQA Guidelines Section 15164, which states: "A lead agency or responsible agency shall prepare an addendum to a previously certified EIR if some changes or additions are necessary but none of the conditions described in Section 15162 calling for preparation of a subsequent EIR have occurred." CEQA Guidelines Section 15162 establishes the following criteria for the preparation of a Supplemental EIR.

- 1) Substantial changes are proposed in the project which will require major revisions of the previous EIR or negative declaration due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified significant effects;
- 2) Substantial changes occur with respect to the circumstances under which the project is undertaken which will require major revisions of the previous EIR or negative declaration due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified significant effects; or
- 3) New information of substantial importance, which was not known and could not have been known with the exercise of reasonable diligence at the time the previous EIR was certified as complete or the negative declaration was adopted, shows any of the following:
  - a) The project will have one or more significant effects not discussed in the previous EIR or negative declaration;
  - b) Significant effects previously examined will be substantially more severe than shown in the previous EIR;
  - c) Mitigation measures or alternatives previously found not to be feasible would in fact be feasible and would substantially reduce one or more significant effects of the project, but the project proponents decline to adopt the mitigation measure or alternative; or
  - d) Mitigation measures or alternatives which are considerably different from those analyzed in the previous EIR would substantially reduce one or more significant effects on the environment, but the project proponents decline to adopt the mitigation measure or alternative.

The following discussion summarizes the reasons why a subsequent or supplemental EIR, pursuant to CEQA Guidelines Section 15162, is not required in connection with approvals for the Proposed Modification and why an addendum is appropriate.

## V. CHANGES TO THE PROJECT

### 1. Project Background

The ASR EIR/EA and its Addenda did not contemplate the Proposed Modification. The draft ASR EIR/EA can be accessed on the MPWMD website at the following address: <http://www.mpwmd.net/wp-content/uploads/2015/08/MPWMD-Draft-EIR-EA-3-06.pdf>; the final ASR EIR/EA can be accessed at the following address: [https://www.mpwmd.net/wp-content/uploads/2015/08/FEIR\\_8-21-06.pdf](https://www.mpwmd.net/wp-content/uploads/2015/08/FEIR_8-21-06.pdf). Addendum No. 1 to that document can be found online at the following address: [http://www.mpwmd.net/asd/board/boardpacket/2012/20120416/16/item16\\_exh16b.pdf](http://www.mpwmd.net/asd/board/boardpacket/2012/20120416/16/item16_exh16b.pdf), Addendum No. 2 can be found here: <http://www.mpwmd.net/asd/board/boardpacket/2016/20160620/16/Item-16-Exh-A.pdf>, and Addendum No. 3 can be found here: <https://www.mpwmd.net/asd/board/boardpacket/2017/20170222/02/Item-2-Exh-A.pdf>. Addendum No. 4 can be found here: <https://www.mpwmd.net/asd/board/boardpacket/2018/20180716/16/Item-16-Exh-A.pdf>. Addendum No. 5 to that document can be found online at the following address: <https://www.mpwmd.net/asd/board/boardpacket/2019/20190715/18/Item-18-Exh-A.pdf>

### 2. Environmental Effects

As detailed in **Attachment 1, Initial Study Checklist for the Proposed Modification**, the Proposed Modification would not result in any new significant environmental effects that cannot be mitigated with existing, previously identified mitigation measures in the ASR EIR/EA and its Addenda. In addition, the Proposed Modification would not substantially increase the severity of environmental effects identified in the ASR EIR/EA and its Addenda.

### 3. New Information

No new information of substantial importance has been identified or presented to MPWMD such that the ASR Project would result in: 1) significant environmental effects not identified in the ASR EIR/EA and its Addenda, or 2) more severe environmental effects than described in the ASR EIR/EA and its Addenda, or 3) require mitigation measures which were previously determined not to be feasible, or mitigation measures that are considerably different from those recommended in the ASR EIR/EA and its Addenda.

### 4. Conclusion

Section 15164 of the CEQA Guidelines states that a lead agency or responsible agency shall prepare an addendum to a previously certified EIR if some changes or additions are necessary but none of the conditions described in Section 15162 calling for preparation of a subsequent EIR have occurred. Based on the information in this Addendum, MPWMD has determined that:

- No new significant environmental effects or a substantial increase in the severity of previously identified significant effects would occur as a result of the construction and operation of the Proposed Modification;
- No substantial changes have occurred or would occur with respect to the circumstances under which the ASR Project was originally undertaken, which would require major revisions to the previously certified ASR EIR/EA due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified significant effects; and

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- No new information of substantial importance has been received or discovered, which was not known and could not have been known with the exercise of reasonable diligence at the time the previous ASR EIR/EA and its Addenda were certified as complete.





**EXHIBIT 12-B****RESOLUTION NO. 2020-13****RESOLUTION OF THE BOARD OF DIRECTORS OF THE  
MONTEREY PENINSULA WATER MANAGEMENT DISTRICT  
CERTIFYING ADDENDUM No. 6  
TO THE AQUIFER STORAGE AND RECOVERY EIR/EA**

WHEREAS, the Board of Directors of the Monterey Peninsula Water Management District (MPWMD) has directed that its staff pursue Aquifer Storage and Recovery (ASR) as a means to facilitate conjunctive use of local water resources for the benefit of the environment and the community; and

WHEREAS, MPWMD adopted Findings Related to the Certification of the MPWMD Phase 1 Aquifer Storage and Recovery Project EIR and Determining Compliance with the California Environmental Quality Act, adopted the Mitigation and Monitoring Plan, certified the Final Environmental Impact Report/Environmental Assessment (EIR/EA) for the Phase 1 ASR Project, and approved the Phase 1 ASR Project on August 21, 2006; and

WHEREAS, MPWMD approved and adopted the April 2012 Addendum to the Phase 1 ASR EIR/EA, adopted the April 2012 Mitigation Monitoring Plan, and approved the full implementation of ASR Water Project 2 on April 16, 2012; and

WHEREAS, MPWMD approved the Hilby Avenue Pump Station and adopted the June 2016 Hilby Avenue Pump Station Addendum as Addendum 2 to the Aquifer Storage and Recovery Project Environmental Impact Report/Environmental Assessment on June 20, 2016; and

WHEREAS, MPWMD approved a realignment of a segment of the Monterey Pipeline and adopted the February 2017 Monterey Pipeline Addendum as Addendum 3 to the ASR EIR/EA on February 22, 2017; and

WHEREAS, MPWMD approved an expansion to the backflush basin and adopted the July 2018 Backflush Basin Expansion Addendum as Addendum 4 to the ASR EIR/EA on July 16, 2018; and

WHEREAS, MPWMD approved a modification to the water treatment facility and adopted the July 2019 Water Treatment Facility Modification Addendum as Addendum 5 to the ASR EIR/EA on July 15, 2019; and

WHEREAS, MPWMD has followed guidelines of the California Environmental Quality Act (CEQA) and prepared the Bypass Pipeline and De-Chlorination Facility Modification Addendum 6 to modify the approved ASR Phase 1 Project by allowing the construction and operation of the proposed Bypass Pipeline, De-Chlorination Facility, and the Soil Deposition site; and

WHEREAS, MPWMD has prepared Findings of Environmental Review for the Bypass Pipeline and De-Chlorination Facility Modification Addendum to the ASR EIR/EA, attached hereto as **Attachment A** and hereby incorporated by reference.

NOW THEREFORE, BE IT RESOLVED:

We, the Board of Directors of the Monterey Peninsula Water Management District, certify the Bypass Pipeline and De-Chlorination Facility Modification Addendum as a true and accurate statement of the environmental impacts of the construction of the Bypass Pipeline and De-Chlorination Facility Modification; and

Adopt the July 2020 Bypass Pipeline and De-Chlorination Facility Modification Addendum as Addendum 6 to the ASR EIR/EA, which found that the proposed modifications to the approved ASR Phase 1 Project would not result in a measurable increase in environmental impacts over what was previously analyzed in the 2006 ASR EIR/EA, the 2012 ASR Phase 2 Addendum, the Hilby Avenue Pump Station Addendum, the Monterey Pipeline Addendum, the Backflush Basin Expansion Addendum, and the Water Treatment Facility Modification Addendum; and

Directs staff to post a Notice of Determination of this action in accordance with Section 15094 of the CEQA Guidelines.

On motion of Director \_\_\_\_\_ and second by Director the \_\_\_\_\_ foregoing resolution is duly adopted this 20 day of July 2020 by the following votes:

AYES:

NAYS:

ABSENT:

I, David J. Stoldt, Secretary to the Board of Directors on the Monterey Peninsula Water Management District, hereby certify that the foregoing is a resolution duly adopted on the 20 day of July 2020.

Witness my hand and seal of the Board of Directors this \_\_\_\_\_ day of July 2020.

\_\_\_\_\_  
David J. Stoldt, Secretary to the Board

**ATTACHMENT A**

**FINDINGS OF ENVIRONMENTAL REVIEW  
FOR THE  
BYPASS PIPELINE AND DE-CHLORINATION  
FACILITY MODIFICATION ADDENDUM TO THE  
ASR EIR/EA**

- 1) **FINDING:** The Monterey Peninsula Water Management District (MPWMD) Board of Directors adopted the Findings Relating to Certification of the MPWMD Phase 1 Aquifer Storage and Recovery Project EIR and Determining Compliance with the California Environmental Quality Act, adopted the Mitigation Monitoring Plan, certified the Final Aquifer Storage and Recovery (ASR) Environmental Impact Report/Environmental Assessment (EIR/EA) for the Phase 1 ASR Project, and approved the Phase 1 ASR Project on August 21, 2006.

**EVIDENCE:** The ASR EIR/EA and related documents are on file in the MPWMD office.

- 2) **FINDING:** The MPWMD Board of Directors approved and adopted the April 2012 Addendum to the Phase 1 EIR/EA (Addendum 1), adopted the April 2012 Mitigation Monitoring Plan for ASR Water Project 2, and approved the full implementation of ASR Water Project 2 on April 16, 2012.

**EVIDENCE:** Addendum 1 and related documents are on file in the MPWMD office.

- 3) **FINDING:** The MPWMD Board of Directors approved the Hilby Avenue Pump Station and adopted the June 2016 Hilby Avenue Pump Station Addendum as Addendum 2 to the ASR EIR/EA on June 20, 2016

**EVIDENCE:** Addendum 2 and related documents are on file in the MPWMD office.

- 4) **FINDING:** The MPWMD Board of Directors approved a realignment of a segment of the Monterey Pipeline and adopted the February 2017 Monterey Pipeline Addendum as Addendum 3 to the ASR EIR/EA on February 22, 2017.

**EVIDENCE:** Addendum 3 and related documents are on file in the MPWMD office.

- 5) **FINDING:** The MPWMD Board of Directors approved an expansion to the backflush basin and adopted the July 2018 Backflush Basin Expansion Addendum as Addendum 4 to the ASR EIR/EA on July 16, 2018; and

**EVIDENCE:** Addendum 4 and related documents are on file in the MPWMD office.

- 6) **FINDING:** The MPWMD Board of Directors approved a modification to the water treatment facility and adopted the July 2019 Water Treatment Facility Modification Addendum as Addendum 5 to the ASR EIR/EA on July 15, 2019; and

**EVIDENCE:** Addendum 5 and related documents are on file in the MPWMD office.

- 7) **FINDING:** MPWMD followed the California Environmental Quality Act (CEQA) Guidelines Sections 15162 and 15164 to determine that an Addendum evaluating the environmental effect of the Bypass Pipeline and De-Chlorination Facility Modification and related improvements (together hereinafter referred to as Modification) is appropriate based on the following:
- a. The Modification would not result in new significant environmental effects or a substantial increase in the severity of previously identified significant effects; and
  - b. No changes in circumstances have occurred involving new significant environmental effects or a substantial increase in the severity of previously identified significant effects; and,
  - c. No new information of substantial importance which was not known and could not have been known at the time of the previous EIR/EA and Addenda were found.

The MPWMD Board of Directors at their July 20, 2020 meeting reviewed the Bypass Pipeline and De-Chlorination Facility Modification Addendum (Addendum 6).

**EVIDENCE:**

- a. Construction and operational environmental impacts and mitigation measures at the Phase 1 ASR Project site were previously considered with the ASR EIR/EA; and
- b. The proposed Modification consists of several distinct sub-components, including the construction and operation of the proposed Bypass Pipeline, De-Chlorination Facility, and the Soil Deposition site. The proposed location of the Bypass Pipeline is within an existing roadway, the De-Chlorination Facility is located within the existing Paralta well site, similarly, the De-Chlorination modification at the Santa Margarita site is located entirely within the existing water treatment facility, and the Soil Deposition site has been used for soil deposition purposes in the past. The Modification's potential environmental effects are consistent with the impacts previously considered in the ASR EIR/EA and subsequent Addenda including impacts to air quality, noise, and sensitive species in addition to cultural resources and hazardous materials; and
- c. All appropriate measures to reduce impacts to less than significant described in the adopted ASR EIR/EA Mitigation and Monitoring Programs would apply to the Modification; and
- d. The proposed Modification would not result in any new significant environmental effects that cannot be mitigated with existing, previously identified mitigation measures in the ASR EIR/EA; and
- e. The proposed Modification would not substantially increase the severity of environmental effects identified in the ASR/EIR and its Addenda; and

- f. No new information of substantial importance has been identified or presented to MPWMD Board of Directors that the Modification would result in significant environmental effects not identified in the ASR EIR/EA and its Addenda, more severe environmental effects than described in the ASR EIR/EA and its Addenda, or require mitigation measures which were previously determined not to be feasible or are considerably different from those recommended in the ASR EIR/EA and its Addenda; and
  - g. The Agenda and supporting documents for the July 20, 2020 Board Meeting are on file in the District office.
- 8) **FINDING:** Addendum 6 reflects the independent judgement of the MPWMD Board, and each participating Director has reviewed and considered the information contained in the Addendum and related documents prior to making the decision on the Addendum.

**EVIDENCE:** Each Director on the Board received a copy of Addendum 6 and supporting documents as evidenced by the July 20, 2020 Board meeting packet.

- 9) **FINDING:** The MPWMD Board finds that the proposed modifications to the approved ASR Phase 1 Project would not result in a measurable increase in environmental impacts over what was previously analyzed in the August 21, 2006 ASR EIR/EA and subsequent Addenda.

**EVIDENCE:** The above stated facts.



**ITEM: ACTION ITEM****13. CONSIDER SENDING THE STATE WATER RESOURCES CONTROL BOARD CORRESPONDENCE ADDRESSING TIMELINES AND PENALTIES UNDER THE CEASE AND DESIST ORDER WR2016-0016****Meeting Date: July 20, 2020****Budgeted:****From: David J. Stoldt,  
General Manager****Program/  
Line Item No.:****Prepared By: David J. Stoldt****Cost Estimate:****General Counsel Approval: N/A****Committee Recommendation: None****CEQA Compliance: This action does not constitute a project as defined by the California Environmental Quality Act Guidelines Section 15378.**

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**SUMMARY:** On April 29, 2020 California American Water (Cal-Am) filed with the State Water Resources Control Board its 2nd Quarterly Report for the 2019-2020 Water Year Addressing Operations for the Period of January 1, 2020 to March 31, 2020. Such a report is required under the extended Cease and Desist Order (CDO). In the report, Cal-Am stated that it is unlikely to meet Milestone 5 under the CDO due to reasons outside of Cal-Am's control (see "DISCUSSION" below.)

The penalty for missing a Milestone is a reduction in the allowable Effective Diversion Limit from the Carmel River by 1,000 acre-feet. In effect, it reduces water available for Cal-Am pumping by that amount.

The District is defined as one of the "Applicants" under the CDO. If the report indicates that a Milestone is likely to be missed for reasons beyond Applicants' control, the State Water Board may make a determination whether the cause for delay is beyond Applicants' control. If the State Water Board determines that the cause is beyond Applicants' control, it may suspend any corresponding reductions under Condition 3.b.vi until such time as the Applicants can reasonably control progress towards the Milestone.

At this time, the District as an Applicant, may seek to request suspension of a reduction in the diversion limit in order to protect the interests of the community, especially in light of the economic consequences of Covid-19 on the local economy. Additionally, it is quite apparent that the final December 31, 2021 Milestone will not be met by any proposed water supply project, hence the proposed letter attached as **Exhibit 13-A** also includes a request to begin discussions for a reasonable accommodation and extension of the CDO.

**RECOMMENDATION:** The General Manager recommends the Board approve sending the correspondence attached as **Exhibit 13-A**.

**DISCUSSION:** Cal-Am's 2nd Quarterly Report for the 2019-2020 Water Year Addressing Operations for the Period of January 1, 2020 to March 31, 2020 filing included the following passages (emphasis added):

- "Milestone 5, Water Year 2019-2020 ((1) Drilling activity for at least one MPWSP Desalination Plant source water production well complete; (2) foundation and structural framing complete for MPWSP Desalination Plant pretreatment seawater reverse osmosis, and

administration buildings at desalination plant; (3) excavation complete for MPWSP Desalination Plant brine and backwash storage basins; and (4) 25% of Desalination Plant transmission pipelines installed based on total length, including 100% installation of the "Monterey Pipeline and other ASR related improvements".)

- The stay on physical construction of the desalination plant imposed by the Monterey Superior Court currently remains in place until at least April 21, 2020. Although Cal-Am had been on track to complete permitting and begin construction activities at the site, the court's stay precludes Cal-Am from starting the necessary activities at the plant site in order to be able to complete construction of the various plant facilities required under Milestone 5 by September 30, 2020. **It is therefore unlikely that Cal-Am will be able to complete all of the activities required under Milestone 5 by September 30, 2020. This setback resulting from the court's stay is beyond Cal-Am's control.**
- The Coastal Commission has not set a date for the continued hearing and determination on Cal-Am's application for a coastal development permit for the project's slant wells. **Without a permit, Cal-Am cannot begin the necessary activities in order to complete drilling activities for a slant well, as required under Milestone 5. The delay caused by the Coastal Commission's decision to continue the hearing, based on a determination made just 10 days before the scheduled hearing that additional investigation was required, is beyond Cal-Am's control."**

This highlights a need to revisit what the CDO milestones dictate going forward. The attached letter offers an opening to renew discussions with the State Water Board.

## EXHIBIT

### 13-A Proposed Correspondence to SWRCB



EXHIBIT 13-A

July 20, 2020

Mr. Erik Ekdahl  
Deputy Director  
Division of Water Rights  
State Water Resources Control Board (SWRCB)  
PO Box 100  
Sacramento, CA 95812

Via Email

Subject: WR 2016-0016 Cease and Desist Order

Dear Mr. Ekdahl,

As one of the Applicants<sup>1</sup> for extension of the Cease and Desist Order (CDO) that resulted in Order WR 2016-0016, the Monterey Peninsula Water Management District respectfully requests the State Water Resources Control Board (SWRCB) to engage with our community on two matters:

First, consider suspension of any reduction in the Effective Diversion Limit (EDL) under Condition 3.b.vi of the CDO as a result of the likely failure to meet the Water Year 2019-2020 construction Milestone this upcoming September 30<sup>th</sup>; and

Second, begin discussion with the Applicants on an additional extension of the CDO beyond December 31, 2021.

On April 29, 2020 California American Water (Cal-Am) filed with you its 2nd Quarterly Report for the 2019-2020 Water Year Addressing Operations for the Period of January 1, 2020 to March 31, 2020. In the report, Cal-Am stated that it is unlikely to meet Milestone 5 under Condition 3.b.v of the CDO due to reasons outside of Cal-Am's control. It is obvious to all in our community that the Milestone will be missed. It is also clear that no permanent water supply project will likely be completed by December 31, 2021.

Under Condition 3.b.viii of the CDO, if the SWRCB determines that the cause is beyond the Applicants' control, it may suspend any corresponding reductions under Condition 3.b.vi until such time as the Applicants can reasonably control progress towards the Milestone. We believe it would be punitive to the citizens and businesses of the Monterey Peninsula to invoke a 1,000 acre-foot reduction in the EDL given the economic hardships already being endured as a result of

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<sup>1</sup> As defined in footnote 16, page 20, of the CDO

Mr. Erik Ekdahl  
Page 2 of 2  
July 20, 2020

the coronavirus pandemic. Further, actual progress toward a permanent water supply is visibly happening, but delays have been outside the control of the Applicants.

The December 31, 2021 deadline for substantial completion of the Cal-Am Components of the MPWSP Desalination Plant is also very likely to be missed. Although it can be argued that, based on recent pumping history, Cal-Am could be at or very close to its legal limit today, the District believes a new permanent water supply project is needed and should continue to be pursued. To do so without undue burden on the community warrants an extension to Order WR 2016-0016. When the original 2009 CDO was extended at SWRCB's July 2016 hearing, it was the culmination of 22 months of meetings and correspondence between the Applicants and SWRCB staff. Clearly, the time is ripe to begin thoughtful discussion about extending the final deadline.

Thank you for bringing these issues to your staff and Board.

Sincerely yours,



David J. Stoldt  
General Manager

On behalf of the Monterey Peninsula Water Management District

cc: SWRCB members  
Steven Westhoff

**ITEM: INFORMATIONAL ITEM/STAFF REPORT****14. REPORT ON ACTIVITY/PROGRESS ON CONTRACTS OVER \$25,000**

**Meeting Date:** July 20, 2020 **Budgeted:** N/A

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

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

**General Counsel Review:** N/A

**Committee Recommendation:** The Administrative Committee reviewed this item on July 14, 2020.

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

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**SUMMARY:** Attached for review is **Exhibit 14-A**, monthly status report on contracts over \$25,000 for the period May 2020. This status report is provided for information only, no action is required.

**EXHIBIT**

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



**EXHIBIT 14-A**

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**Monterey Peninsula Water Management District  
Status on District Open Contracts (over \$25K)  
For The Period May 2020**

Contract	Description	Date Authorized	Contract Amount	Prior Period Expended To Date	Current Period Spending	Total Expended To Date	Expected Completion	Current Period Activity	P.O. Number
1 De Lay & Laredo	Measure J/Rule 19.8 Appraisal/Rate Study Phase II	12/16/2019	\$ 200,000.00	\$ 54,431.25	\$ 18,862.50	\$ 73,293.75		Current period billing for appraisal/rate related to phase 2 Measure J	PO02282
2 De Lay & Laredo	Measure J/Rule 19.8 Operations Plan - Phase II	12/16/2019	\$ 145,000.00	\$ -		\$ -			PO02281
3 University of California, Berkeley	Hastings Ford Removal on Finch Creek	3/16/2020	\$ 100,000.00	\$ -		\$ -			PO02277
4 De Lay & Laredo	Measure J/Rule 19.8 CEQA Services Consultant	12/16/2019	\$ 129,928.00	\$ 38,466.50	\$ 61,413.10	\$ 99,879.60		Current period billing for CEQA work related to phase 2 Measure J	PO02273
5 Rutan & Tucker, LLP	Rule 19.8 Eminent Domain Legal Services - Phase II	12/16/2019	\$ 200,000.00	\$ 35,736.00	\$ 11,362.50	\$ 47,098.50		Current period billing for eminent domain work related to phase 2 Measure J	PO02236
6 Norton Rose Fulbright	Cal-Am Desal Structuring & Financing Order	4/20/2015	\$ 307,103.13	\$ 38,557.29		\$ 38,557.29			PO02197
7 Pueblo Water Resources, Inc.	ASR SMWTF Engineering Services During Construction	10/21/2019	\$ 148,100.00	\$ 90,748.42	\$ 13,857.89	\$ 104,606.31		Current period billing related to ASR engineering services	PO02163
8 Specialty Construction, Inc.	ASR SMWTF Construction	10/21/2019	\$ 4,649,400.00	\$ 1,071,678.91	\$ 554,157.66	\$ 1,625,836.57		Current period billing related to ASR construction management services	PO02162
9 Psomas	ASR Construction Management Services	8/19/2019	\$ 190,280.00	\$ 49,496.94	\$ 17,592.00	\$ 67,088.94		Current period billing related to ASR construction management services	PO02160
10 U.S. Bank Equipment Finance	Copier machine leasing - 60 months	7/15/2019	\$ 52,300.00	\$ 7,892.03	\$ 867.83	\$ 8,759.86	6/30/2024	Current period billing for photocopy machine lease	PO02108
11 Monterey One Water	Supplemental EIR Costs for PWM Expansion Project	3/18/2019	\$ 750,000.00	\$ -		\$ -			PO02095
12 Monterey One Water	Pre-Construction Costs for PWM Expansion Project	11/13/2017	\$ 360,000.00	\$ 312,617.94		\$ 312,617.94			PO02094
13 Deveera Inc.	IT Managed Services	9/16/2019	\$ 46,120.00	\$ 36,896.00	\$ 4,612.00	\$ 41,508.00	6/30/2020	Current period billing for IT managed services	PO02091
14 Hopkins Technical Products, Inc.	ASR Chemical feed skids	8/11/2019	\$ 96,563.14	\$ 81,716.16		\$ 81,716.16			PO02071
15 Lynx Technologies, Inc	Geographic Information Systems contractual services	6/17/2019	\$ 35,000.00	\$ 15,300.00	\$ 75.00	\$ 15,375.00		Current period gis services	PO02065
16 Regional Government Services	Human Resouces contractual services	6/17/2019	\$ 70,000.00	\$ 36,025.85	\$ 1,032.00	\$ 37,057.85		Current period hr services	PO02064
17 Pueblo Water Resources, Inc.	ASR operations support	7/15/2019	\$ 70,000.00	\$ 9,593.48		\$ 9,593.48			PO02063
18 MBAS	ASR Water Quality	7/15/2019	\$ 60,000.00	\$ 28,538.00	\$ 9,065.00	\$ 37,603.00		Current period billing for ASR water quality testing	PO02062
19 TBC Communications & Media	Public Outreach services retainer	6/17/2019	\$ 42,000.00	\$ 28,000.00		\$ 28,000.00			PO02055
20 The Ferguson Group LLC	2019-20 - Legislative and Administrative Services	6/17/2019	\$ 100,000.00	\$ 81,025.37	\$ 8,072.93	\$ 89,098.30		Current period retainer	PO02028
21 John Arriaga	Contract for Legislative and Administrative Services - FY 19-20	6/17/2019	\$ 35,000.00	\$ 25,000.00	\$ 2,500.00	\$ 27,500.00		Current & prior period retainer	PO02026
22 DUDEK	Consulting Services for Prop 1 grant proposal	4/15/2019	\$ 95,600.00	\$ 94,315.05		\$ 94,315.05			PO01986
23 Denise Duffy & Associates	Consulting Services IRWM plan update	12/17/2018	\$ 55,000.00	\$ 53,322.32		\$ 53,322.32			PO01985
24 Colantuono, Highsmith, & Whatley, PC	Legal Services for MCWD vs PUC Matter for FY 2018-2019	7/1/2018	\$ 60,000.00	\$ 54,628.80		\$ 54,628.80	6/30/2020		PO01874
25 Ecology Action of Santa Cruz	IRWM HEART Grant	4/16/2018	\$ 152,600.00	\$ 86,362.33		\$ 86,362.33			PO01824
26 Pueblo Water Resources, Inc.	ASR Backflush Basin Expansion, CM services	7/16/2018	\$ 96,034.00	\$ 68,919.39		\$ 68,919.39			PO01778

**EXHIBIT 14-A**

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**Monterey Peninsula Water Management District  
Status on District Open Contracts (over \$25K)  
For The Period May 2020**

Contract	Description	Date Authorized	Contract Amount	Prior Period Expended To Date	Current Period Spending	Total Expended To Date	Expected Completion	Current Period Activity	P.O. Number
27	Rural Community Assistance Corporation	IRWM DAC Needs Assessment	4/16/2018	\$ 100,000.00	\$ 61,705.57	\$ 7,390.35	\$ 69,095.92	Current period billing related to IRWM needs assessment grant	PO01777
28	Mercer-Fraser Company	Sleepy Hollow Intake upgrade project	7/16/2018	\$ 1,802,835.00	\$ 1,786,834.91		\$ 1,786,834.91		PO01726
29	Fort Ord Reuse Authority	ASR Backflush basin expansion project UXO support	7/16/2018	\$ 55,215.00	\$ 8,241.72		\$ 8,241.72		PO01686
30	Pueblo Water Resources, Inc.	ASR operations support	1/24/2018	\$ 70,000.00	\$ 68,652.56		\$ 68,652.56		PO01645
31	Pueblo Water Resources, Inc.	Seaside Groundwater Basin Geochemical Study	1/24/2018	\$ 68,679.00	\$ 36,795.25		\$ 36,795.25		PO01628
32	Big Sur Land Trust	Update of the IRWMP Plan	4/16/2018	\$ 34,000.00	\$ 12,305.67		\$ 12,305.67		PO01620
33	Pueblo Water Resources, Inc.	SSAP Water Quality Study	8/21/2017	\$ 94,437.70	\$ 44,318.11		\$ 44,318.11		PO01510
34	Normandeau Associates, Inc.	Assistance with IFIM Study	11/13/2017	\$ 35,000.00	\$ 24,050.00		\$ 24,050.00		PO01509
35	Accela Inc.	Acquisition of Water Demand Database System	11/13/2017	\$ 676,377.00	\$ 669,227.81		\$ 669,227.81	6/30/2020	PO01471
36	Balance Hydrologics, Inc	Design Work for San Carlos Restoration Project	6/19/2017	\$ 51,360.00	\$ 50,894.32		\$ 50,894.32		PO01321
37	AECOM Technical Services, Inc.	Los Padres Dam Alternatives Study	1/25/2017	\$ 700,700.00	\$ 505,766.50		\$ 505,766.50		PO01268
38	Denise Duffy & Assoc. Inc.	MMRP Services for Monterey Pipeline	1/25/2017	\$ 80,000.00	\$ 73,144.06		\$ 73,144.06		PO01202
39	Goodin,MacBride,Squeri,Day,Lamprey	User Fee PUC Proceedings Legal Fee	7/1/2016	\$ 50,000.00	\$ 33,411.85		\$ 33,411.85	6/30/2020	PO01100
40	Whitson Engineers	Carmel River Thawleg Survey	9/19/2018	\$ 52,727.43	\$ 49,715.00		\$ 49,715.00		PO01076
41	HDR Engineering, Inc.	Los Padres Dam Fish Passage Study	4/18/2016	\$ 310,000.00	\$ 295,003.20		\$ 295,003.20		PO01072
42	Michael Hutnak	GS Flow Modeling for Water Resouces Planning	8/19/2013	\$ 71,800.00	\$ 64,080.00		\$ 64,080.00		PO00123
43	Justin Huntington	GS Flow Modeling for Water Resouces Planning	8/19/2013	\$ 59,480.00	\$ 53,918.98		\$ 53,918.98		PO00122

**ITEM: INFORMATIONAL ITEM/STAFF REPORT****15. STATUS REPORT ON MEASURE J/RULE 19.8 PHASE II SPENDING**

<b>Meeting Date:</b>	<b>July 20, 2020</b>	<b>Budgeted:</b>	<b>N/A</b>
<b>From:</b>	<b>David J. Stoldt, General Manager</b>	<b>Program/ Line Item No.:</b>	<b>N/A</b>
<b>Prepared By:</b>	<b>Suresh Prasad</b>	<b>Cost Estimate:</b>	<b>N/A</b>

**General Counsel Review: N/A****Committee Recommendation: The Administrative Committee reviewed this item on July 14, 2020.****CEQA Compliance: This action does not constitute a project as defined by the California Environmental Quality Act Guidelines Section 15378.**

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**SUMMARY:** Attached for review is **Exhibit 15-A**, monthly status report on Measure J/Rule 19.8 Phase II spending for the period May 2020. This status report is provided for information only, no action is required.

**EXHIBIT****15-A Status on Measure J/Rule 19.8 Spending**





**Monterey Peninsula Water Management District  
Status on Measure J/Rule 19.8 Spending Phase II  
For the Period May 2020**

	<b>Contract</b>	<b>Date Authorized</b>	<b>Contract/Approved Amount</b>	<b>Prior Period Spending</b>	<b>Current Period Spending</b>	<b>Total Expended To Date</b>	<b>Spending Remaining</b>	<b>Project No.</b>
1	Eminent Domain Legal Counsel	12/16/2019	\$ 225,000.00	\$ 35,736.00	\$ 11,362.50	\$ 47,098.50	\$ 177,901.50	PA00005-01
2	CEQA Work	12/16/2019	\$ 129,928.00	\$ 38,466.50	\$ 61,413.10	\$ 99,879.60	\$ 30,048.40	PA00005-02
3	Appraisal Services	12/16/2019	\$ 200,000.00	\$ 54,431.25	\$ 18,862.50	\$ 73,293.75	\$ 126,706.25	PA00005-03
4	Operations Plan	12/16/2019	\$ 145,000.00	\$ -		\$ -	\$ 145,000.00	PA00005-04
5	District Legal Counsel	12/16/2019	\$ 40,000.00	\$ 18,541.53		\$ 18,541.53	\$ 21,458.47	PA00005-05
6	MAI Appraiser	12/16/2019	\$ 35,000.00	\$ -		\$ -	\$ 35,000.00	PA00005-06
7	Jacobs Engineering	12/16/2019	\$ 87,000.00	\$ -		\$ -	\$ 87,000.00	PA00005-07
6	Contingency/Miscellaneous/Uncommitted	12/16/2019	\$ 379,072.00	\$ -		\$ -	\$ 379,072.00	PA00005-20
	<b>Total</b>		<b>\$ 1,241,000.00</b>	<b>\$ 147,175.28</b>	<b>\$ 91,638.10</b>	<b>\$ 238,813.38</b>	<b>\$ 1,002,186.62</b>	



**ITEM: INFORMATIONAL ITEM/STAFF REPORT****16. MONTHLY PROGRESS REPORT – SANTA MARGARITA WATER TREATMENT FACILITY****Meeting Date: July 20, 2020 Budgeted: N/A****From: David J. Stoldt General Manager Program/ Line Item: N/A****Prepared By: Maureen Hamilton Cost Estimate: N/A****General Counsel Review: N/A****Committee Recommendation: The Administrative Committee reviewed this item on July 14, 2020.****CEQA Compliance: This action does not constitute a project as defined by the California Environmental Quality Act Guidelines Section 15378.**

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

Work conducted after the previous progress report:

- Completed all underground process piping
- Completed 16" and 20" above-ground manifolds.
- Installed all control valves and flow meters.
- Completed blow-off piping
- Successfully pressure tested the new pipe
- Successfully passed bacteria testing of new pipe
- Completed southern 30" tie-in
- Completed northern 30" tie-in
- Moved bulk tanks into bays
- Began plastering the building
- Ninety-seven submittals have been received; ninety-five of those submittals have been closed.

No new change orders were issued.

A Notice of Delay was issued for the door hinges which are on the critical path. The contract substantial completion date will be updated when the effect of the delay can be quantified. Alternatives to minimize the delay effect are being implemented.

**EXPENDITURES:**

Base Contract:	\$4,649,400.00
Change Orders:	<u>\$ 69,785.20 (1.50%)<sup>1</sup></u>
Total:	\$4,719,185.20
 Paid:	 \$1,630,836.57 (35%) <sup>2</sup>

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<sup>1</sup> Percent of base contract

<sup>2</sup> Percent of base contract plus change orders

**ITEM: INFORMATIONAL ITEM/STAFF REPORT****17. LEGISLATIVE ADVOCACY COMMITTEE'S STATE AND FEDERAL BILL TRACKING**

<b>Meeting Date:</b>	<b>July 20, 2020</b>	<b>Budgeted:</b>	<b>N/A</b>
<b>From:</b>	<b>David J. Stoldt, General Manager</b>	<b>Program/ Line Item No.:</b>	<b>N/A</b>
<b>Prepared By:</b>	<b>David J. Stoldt</b>	<b>Cost Estimate:</b>	<b>N/A</b>

**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.**

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**SUMMARY:** Attached as **Exhibit 17-A** is an overview of the California bills being tracked by the District during this legislative session. **Exhibit 17-B** shows federal bills. At the June 18, 2020 Legislative Advocacy Committee meeting JEA & Associates and The Ferguson Group provided oral presentations and the Committee identified several bills for priority, which are in the Exhibits.

In addition, the District is closely watching HR 2 at the federal level. July 2nd, in a near party line vote, the House passed an aggressive \$1.5 trillion infrastructure package, the Moving Forward Act (HR 2). Going beyond routine highway and surface transportation funding, the legislation provides \$500 billion in highway and transit funds, \$100 billion for schools, \$100 billion for affordable housing, \$100 billion for broadband, \$70 billion in investments in the electric grid, \$30 billion for hospitals, and \$25 billion for the US Postal Service. **The measure also includes: \$82.49 billion for water infrastructure, \$40 billion for the Clean Water SRF (\$8 billion a year), including \$400 million annually (\$2 billion total) for the Sewer Overflow and Stormwater Reuse Municipal Grants Program, which is well above the current authorization level of \$225 million per year; \$750 million for Reclamation's storage account; \$700 million for water management improvements; and \$500 million for water recycling; \$200 million for desalination and \$150 million for environmental restoration, watershed health and drought preparedness.**

**EXHIBITS****17-A MPWMD State Legislative Track****17-B MPWMD Federal Legislative Track**



# MPWMD State Legislative Track

## As of June 15, 2020

Measure	Author	Topic	Status	Brief Summary	Position/ Notes
<u>AB 1958</u>	<u>Cooper D</u>	State Plan of Flood Control: facilities.	6/9/2020-In Senate. Read first time. To Com. on RLS. for assignment.	Would prohibit a person from concealing, defacing, destroying, modifying, cutting, altering, or physically or visually obstructing any levee along a river or bypass at any of those specified places, any levee forming part of any flood control plan, or any other facility of the State Plan of Flood Control, including, but not limited to, any and all associated rights of way, without permission of the board. By expanding the behavior that would be punishable as a misdemeanor, the bill would impose a state-mandated local program.	ACWA; Chamber supported
<u>AB 2560</u>	<u>Quirk D</u>	Water quality: notification and response levels: procedures.	6/9/2020-In Senate. Read first time. To Com. on RLS. for assignment.	The California Safe Drinking Water Act requires the State Water Resources Control Board to adopt drinking water standards for contaminants in drinking water based upon specified criteria and requires any person who owns a public water system to ensure that the system, among other things, complies with those drinking water standards. The act requires a public water system to provide prescribed notices within 30 days after it is first informed of a confirmed detection of a contaminant found in drinking water delivered by the public water system for human consumption that is in excess of a maximum contaminant level, a notification level, or a response level established by the state board. This bill would require the state board to comply with specified public notice and comment procedures when establishing or revising notification or response levels.	ACWA and CMUA co-sponsored  **Revisit supporting
<u>AB 2954</u>	<u>Rivas, Robert D</u>	California Global Warming Solutions Act of 2006: climate goal: natural and working lands.	6/9/2020-In Senate. Read first time. To Com. on RLS. for assignment.	The California Global Warming Solutions Act of 2006 requires the State Air Resources Board to prepare and approve a scoping plan for achieving the maximum technologically feasible and cost-effective reductions in greenhouse gas emissions and to update the scoping plan at least once every 5 years. This bill would require the state board, when updating the scoping plan and in collaboration with This bill would require the state board, when updating the scoping plan and in collaboration with by January 1, 2023, an overall climate goal for the state's natural and working lands, as defined, to sequester carbon and reduce atmospheric greenhouse gas emissions and identify practices, policy incentives, and potential reductions in barriers that would help achieve the climate goal.	Environm entalists vs. Big Ag
<u>AB 3005</u>	<u>Rivas, Robert D</u>	Leroy Anderson Dam and Reservoir: permitting, and public contracting.	6/11/2020-In Senate. Read first time. To Com. on RLS. for assignment.	Would, if the Department of Fish and Wildlife determines that the Anderson Dam project, as defined, will substantially adversely affect existing fish and wildlife resources and the Santa Clara Valley Water District complete certain actions for the project, require the department within 180 days of receipt of a notification, as defined, from the district to issue a final agreement with the district that includes reasonable measures necessary to protect the affected resource, unless the department and the district agree to an extension.	Due to Oct. deadline – likely to move
<u>SB 1099</u>	<u>Dodd D</u>	Emergency backup	6/9/2020-Read second time. Ordered to third reading.	Would require, either commencing January 1, 2022, or 12 months after the adoption of a specified rule on emergency backup generators, the air pollution control officer to develop	ACWA supported

		generators: critical facilities: order for abatement: stipulations.		stipulations, as specified, and conditions, as specified, for an order for abatement that allows the operator of a critical facility, as defined, to use a permitted emergency backup generator, as defined, in exceedance of that permit's runtime and testing and maintenance limits if specified conditions are met. The bill would require the stipulations to be in effect for not more than 5 years or the length of time agreed upon for the replacement of the emergency backup generator in the conditions.	134 Water agencies vs. Air quality Mgt. Districts
<u>SB 1100</u>	<u>Atkins D</u>	Coastal resources: sea level rise.	5/29/2020-Failed Deadline pursuant to Rule 61(b)(5). (Last location was N.R. & W. on 5/12/2020)	The California Coastal Act of 1976 establishes the California Coastal Commission and provides for planning and regulation of development in the coastal zone, as defined. The act requires the commission, within 90 days after January 1, 1977, to adopt, after public hearing, procedures for the preparation, submission, approval, appeal, certification, and amendment of a local coastal program, including a common methodology for the preparation of, and the determination of the scope of, the local coastal programs, as provided. This bill would also include, as part of the procedures the commission is required to adopt, recommendations and guidelines for the identification, assessment, minimization, and mitigation of sea level rise within each local coastal program, as provided.	
<u>SB 1101</u>	<u>Caballero D</u>	Water and Climate Science Advisory Board.	3/25/2020-From committee with author's amendments. Read second time and amended. Re-referred to Com. on RLS.	Would require the Department of Water Resources to convene a Water and Climate Science Advisory Board to consist of 5 members with certain qualifications appointed by the department, the agency, and the State Water Resources Control Board, as provided. The bill would require board members to serve 3-year terms. The bill would require the department to consult with the board when initiating, reviewing, or expanding policies or guidelines regarding impacts of climate change on water resources. The bill would require the department to establish an internal process for department review of and comment on the work of the board, which shall be made publicly available.	
<u>SB 1173</u>	<u>Durazo D</u>	Public employment: labor relations: employee information.	6/11/2020-Set for hearing June 18.	Current law, including the Meyers-Milias-Brown Act, the Ralph C. Dills Act, the Trial Court Employment Protection and Governance Act, the Trial Court Interpreter Employment and Labor Relations Act, and the Los Angeles County Metropolitan Transportation Authority Transit Employer-Employee Relations Act, provisions commonly referred to as the Educational Employment Relations Act, and the Higher Education Employer-Employee Relations Act, among others, regulates the labor relations of the state, the courts, and specified local public agencies and their employees. Current law requires these public employers to provide certain labor representatives with the names and home addresses of newly hired employees, as well as their job titles, departments, work locations, telephone numbers, and personal email addresses, within 30 days of hire or by the first pay period of the month following hire. Current law also requires the public employers to provide this information for all employees in a bargaining unit at least every 120 days, except as specified. This bill would generally authorize an exclusive representative to file a charge of an unfair labor practice with the Public Employment Relations Board, as specified, alleging a violation of the above-described requirements.	Labor vs. CSAC Excess Insurance Authority
<u>SB 1188</u>	<u>Stern D</u>	The California Water Plan.	5/29/2020-Failed Deadline pursuant to Rule 61(b)(5). (Last location was N.R. & W. on 3/5/2020)	Current law requires the Department of Water Resources to update every 5 years the plan for the orderly and coordinated control, protection, conservation, development, and use of the water resources of the state, which is known as The California Water Plan. Current law requires the department to include a discussion of various strategies in the plan update, including, but not limited to, strategies relating to the development of new water storage	



				facilities, water conservation, water recycling, desalination, conjunctive use, water transfers, and alternative pricing policies that may be pursued in order to meet the future needs of the state. This bill would require the department to include in the plan update, instead of a discussion of various strategies, a discussion of various strategies for increasing regional water resilience, as defined.	135
<u>SB 1208</u>	<u>Monning D</u>	Wildlife: dudleya: taking and possession.	3/25/2020-From committee with author's amendments. Read second time and amended. Re-referred to Com. on RLS.	The California Endangered Species Act requires the Fish and Game Commission to establish a list of endangered species and a list of threatened species and to add or remove species from either list if it finds, upon the receipt of sufficient scientific information, as specified, and based solely upon the best available scientific information, that the action is warranted. The commission has listed certain species of dudleya as threatened or endangered under the act. This bill would make it unlawful to uproot, remove, harvest, or cut dudleya, as defined, from land owned by the state or a local government or from property not their own without written permission from the landowner in their immediate possession, except as provided, and would make it unlawful to sell, offer for sale, possess with intent to sell, transport for sale, export for sale, or purchase dudleya uprooted, removed, harvested, or cut in violation of that provision.	Will not move this year
<u>SB 1293</u>	<u>Allen D</u>	California Infrastructure and Economic Development Bank: Sea Level Rise Revolving Loan Program.	3/30/2020-From committee with author's amendments. Read second time and amended. Re-referred to Com. on RLS.	Would create the Sea Level Rise Revolving Loan Program within the I-Bank to provide low-interest loans to local jurisdictions for the purchase of coastal properties in their jurisdictions identified as vulnerable coastal property. The bill would require the California Coastal Commission, before January 1, 2022, in consultation with the California Coastal Commission, the State Lands Commission, and any other applicable state, federal, and local entities with relevant jurisdiction and expertise, to determine criteria and guidelines for the identification of vulnerable coastal properties eligible for participation in the program. The bill would authorize specified cities and counties to apply for, and be awarded, a low-interest loan under the program if the city or county develops and submits to the bank a vulnerable coastal property plan.	Due to the fact that it is still in Rules, this bill will not likely move this year





**EXHIBIT 17-3B**

# Water Legislative Tracker

Last Updated: June 19, 2020

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## Overview

The following legislative tracker provides the status of legislation introduced in the 116th Congress pertaining to water issues. Each of the bill numbers is hyperlinked to the bill text, FiscalNote (FN) Outlook information and other related details.

The FN Outlook on the right side of each bill provides the legislation's pre-Floor (left) and Floor (right) likelihood of passing. The percentages shown are the status of the bill in the Chamber where it is currently under consideration (this is shown under 'Status'). The pre-Floor score is defined as the bill's likelihood of passing after it has been introduced but while it is being considered in that chamber's committees - before it has moved to the Floor for a vote.

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Title

Water Recycling Investment and Improvement Act

Primary Sponsors

Grace Napolitano

**Bill Summary:** The bill aims to assist water agencies with the expansion, planning, design, and building of water recycling plants and modernizing water infrastructure in California and other western states. Specifically, the bill would increase funding authorization for the Bureau of Reclamation's Title XVI water recycling competitive grant program to \$500 million from\$50 million. It would also make the program permanent as it currently expires in 2021, and funds water recycling and reuse projects for 17 western states.

**Introduction Date:** 2019-02-13

Title

Water Conservation Rebate Tax Parity Act

Primary Sponsors

Jared Huffman

**Bill Summary:** The bill clarifies that homeowners do not need to pay income tax when they receive rebates from water utilities for water conservation and water runoff management improvements that they have made. It clarifies that these rebates, which are growing in number and size across the nation, are not taxable income, but rather an effort to defray upfront consumer costs for a public benefit. It also would encourage residents to reduce water usage by installing "gray water" capture systems or purchasing new water-efficient appliances and plumbing fixtures can provide significant water yield benefits, protecting public health, the environment, and local economies. These rebates provide a net benefit to the public and utilities. This would ensure that the IRS treats water conservation rebates in the same manner as the Agency treats energy conservation rebates, including insulation, Energy Star-certified windows and doors, and energy efficient appliances, which are not taxable.

**Introduction Date:** 2019-04-12

Bill Number	Last Action	Status	Priority	
HR 2665	Committee Consideration And Mark Up Session Held 2019 07 17	In House	High	<div><div>FN Outlook</div><div>14021.0%89.4%</div></div>

Title	Smart Energy and Water Efficiency Act of 2019	Bill Summary: This bill would establish a smart energy and water efficiency management program at the Department of Energy to award grants to eligible entities to demonstrate advanced and innovative technology-based solutions that would increase and improve the energy efficiency of water, wastewater, and water reuse systems, among other things.
Primary Sponsors	Jerry McNerney	Introduction Date: 2019-05-10

Bill Number	Last Action	Status	Priority	FN Outlook	
HR 4891	Subcommittee On Water Oceans And Wildlife Discharged 2020 03 11	In House	High	141	<div><div>24.5%</div><div>90.2%</div></div>

<b>Title</b> Western Water Security Act of 2019	<b>Bill Summary:</b> This bill would give an additional \$120 million to the Bureau of Reclamation's WaterSMART program; authorize an additional \$65 million to support desalination design and construction, setting aside \$15 million for rural desalination projects; and authorizes the Cooperative Watershed Management Program.
<b>Primary Sponsors</b> Xochitl Torres Small	<b>Introduction Date:</b> 2019-10-28

Bill Number	Last Action	Status	Priority	FN Outlook	
HR 7073	Referred To The Committee On Oversight And Reform And In Addition To The Committee On Financial Services For A Period To Be Subsequently Determined By The Speaker In Each Case For Consideration Of Such Provisions As Fall Within The Jurisdiction Of The Committee Concerned 2020 06 01	In House	High	142	<div><div>9.3%</div><div>88.0%</div></div>

Title

To amend the Social Security Act to include special districts in the coronavirus relief fund, to direct the Secretary to include special districts as an eligible issuer under the Municipal Liquidity Facility, and for other purposes.

Primary Sponsors

John Garamendi

**Bill Summary:** This bill would amend the Social Security Act to include special districts in the coronavirus relief fund, to direct the Secretary to include special districts as an eligible issuer under the Municipal Liquidity Facility, and for other purposes.

**Introduction Date:** 2020-06-01



Bill Number

S 2466

Last Action

Introduced In Senate 2019 09 11

Status

In Senate

Priority

None

FN Outlook

143

4.2%

79.7%

## Title

Water Justice Act

## Primary Sponsors

Kamala Harris

**Bill Summary:** This bill takes a comprehensive approach to addressing water issues throughout the U.S. and pays particular attention to the water needs of historically at-risk communities and individuals. Provisions include investing \$220 billion in clean and safe drinking water initiatives, establishing a \$10 billion program to allow states to offset the cost of water bills in low-income communities and households that are environmentally at-risk, and invests \$20 billion in a diverse range of sustainable water supply, recycling, and conservation programs.

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**Introduction Date:** 2019-09-11



**ITEM: INFORMATIONAL ITEM/STAFF REPORT****18. LETTERS RECEIVED****Meeting Date: July 20, 2020****Budgeted: N/A****From: David J. Stoldt,  
General Manager****Program/ N/A  
Line Item No.:****Prepared By: Arlene Tavani****Cost Estimate: N/A****General Counsel Review: N/A****Committee Recommendation: N/A****CEQA Compliance: This action does not constitute a project as defined by the California Environmental Quality Act Guidelines Section 15378.**

A list of letters submitted to the Board of Directors or General Manager and received between June 9, 2020 and July 15, 2020 is shown below. The purpose of including a list of these letters in the Board packet is to inform the Board and interested citizens. Copies of the letters are available for public review at the District office. If a member of the public would like to receive a copy of any letter listed, please contact the District office. Reproduction costs will be charged. The letters can also be downloaded from the District's web site at [www.mpwmd.net](http://www.mpwmd.net).

<b>Author</b>	<b>Addressee</b>	<b>Date</b>	<b>Topic</b>
Barbara Moore	MPWMD Board	6/15/20	6/15/20 Board Meeting Agenda Item 33 – Letter to the California Coastal Commission
Troy Ishikawa	MPWMD Board	6/15/20	6/15/20 Board Meeting Agenda Item 33 – Letter to the California Coastal Commission
Charles Mendez	MPWMD Board	6/14/20	6/15/20 Board Meeting Agenda Item 33 – Letter to the California Coastal Commission
Diana Hoag	MPWMD Board	6/14/20	6/15/20 Board Meeting Agenda Item 33 – Letter to the California Coastal Commission
Peggy Brown	MPWMD Board	6/14/20	6/15/20 Board Meeting Agenda Item 33 – Letter to the California Coastal Commission
Renee Franken	MPWMD Board	6/14/20	6/15/20 Board Meeting Agenda Item 33 – Letter to the California Coastal Commission
Karen & Martin Wiskoff	MPWMD Board	6/14/20	6/15/20 Board Meeting Agenda Item 33 – Letter to the California Coastal Commission
Michael Baer	MPWMD Board	6/13/20	6/15/20 Board Meeting Agenda Item 33 – Letter to the California Coastal Commission
Melodie Chrislock	MPWMD Board	6/12/20	6/15/20 Board Meeting Agenda Item 33 – Letter to the California Coastal Commission
Monterey County Elected Leaders	Juaquin Esquivel copy to MPWMD Board	6/11/20	6/15/20 Board Meeting Agenda Item 33 – Letter to the California Coastal Commission

Ron Stefani	Richard Svindland copy to Dave Stoldt	6/8/20	Pure Water Monterey Project – Cost, Operational Performance and Status
Gregory J. Ford	David J. Stoldt	6/4/20	Reinstate 6.083 acre-feet annually of water credits that expired on December 22, 2019

**ITEM: INFORMATIONAL ITEM/STAFF REPORT****19. COMMITTEE REPORTS**

<b>Meeting Date:</b>	<b>July 20, 2020</b>	<b>Budgeted:</b>	<b>N/A</b>
<b>From:</b>	<b>David J. Stoldt, General Manager</b>	<b>Program/ Line Item No.:</b>	<b>N/A</b>
<b>Prepared By:</b>	<b>Arlene Tavani</b>	<b>Cost Estimate:</b>	<b>N/A</b>

**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.**

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Attached for your review as **Exhibits 19-A through 19-F**, are final minutes of the committee meetings listed below.

**EXHIBITS**

<b>19-A</b>	June 9, 2020 Administrative Committee Meeting Minutes
<b>19-B</b>	June 4, 2020 Water Demand Committee Meeting Minutes
<b>19-C</b>	June 1, 2020 Water Supply Planning Committee Meeting Minutes
<b>19-D</b>	May 4, 2020 Water Supply Planning Committee Meeting Minutes
<b>19-E</b>	March 24, 2020 Legislative Advocacy Committee Meeting Minutes
<b>19-F</b>	December 12, 2019 Legislative Advocacy Committee Meeting Minutes





## **EXHIBIT 19-A**

### **FINAL MINUTES Monterey Peninsula Water Management District Administrative Committee June 9, 2020**

#### **Call to Order**

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

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

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

#### **Comments from Public**

None

#### **Action Items**

##### **1. Consider Adoption of May 12, 2020 Committee Meeting**

On a motion by Edwards and second by Evans, the minutes of the May 12, 2020 Committee meeting were approved 3 – 0 by a roll call vote.

#### **Consent Calendar**

On a motion by Evans and second by Edwards, the committee voted to (1) adopt Items 5, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 21, 22, 23 and 26 as a single Consent Item, and (2) to approve these items as recommended by staff. The motion was approved on a 3 – 0 roll call vote by Evans, Edwards and Byrne.

##### **2. Consider Adoption of Resolution 2020-07 Calling an Election for Directors in Voter Divisions 3, 4 and 5 on November 3, 2020, and Approve Services Agreement with Election Department**

On a motion by Evans and second by Edwards, the committee voted to adopt Resolution 2020-07 calling for an election in voter divisions 3, 4 and 5 on November 3, 2020 and authorize the General Manager to enter into a service agreement with Monterey County Elections to conduct the election. The motion was approved 3 – 0 by a roll call vote.

##### **3. Consider Authorizing the General Manager to Enter into Unexploded Ordnance Support Contractors for the Santa Margarita ASR Project**

Evans offered a motion that the Board approve contingent upon receiving proper notification other than a verbal notice. Byrne offered a counter motion that was second by Edwards that the Board

approve as recommended by staff. The motion was approved 2 – 1 by a roll call vote with Evans voting against the motion.

4. **Recommend the Board Consider an Increase in the Budget for Appraisal Services for Measure J Phase 2 Activities**  
On a motion by Edwards and second by Evans, the committee voted to recommend the Board increase the budget for appraisal services for Measure J Phase 2 activities to \$120,000 and set aside an additional 5% contingency. The motion was approved 3 – 0 by a roll call vote.
5. **Consider Approval of Amendment No. 4 to Agreement with Regional Government Services Authority for Management and Administrative Services**  
Approved.
6. **Authorize Funds to Contract for District Engineer**  
On a motion by Edwards and second by Evans, the committee voted to recommend the Board authorize the expenditure of funds to hire retired annuitant for up to 960 hours of work from July 1, 2020 through June 30, 2021. The motion was approved 3 – 0 by a roll call vote.
7. **Consider Expenditure for Temporary Agency Employee to Assist with Document Scanning for all District Divisions During FY 2020-2021**  
On a motion by Evans and second by Edwards, the committee voted to recommend the Board authorize the expenditure of funds for a local staffing agency to provide an individual, or successive individuals if necessary, to perform scanning projects for the District. The motion was approved 3 – 0 by a roll call vote.
8. **Consider Approval of agreement with Lynx Technologies for Geographic Information System (GIS) Services**  
Approved
9. **Authorize Funds to Contract for Limited-Term Field Positions During FY 2020-2021**  
Approved.
10. **Consider Approval of Three Temporary Field Staff Positions Funded Through the Interagency Contract Between MPWMD and NMFS to Provide for a Cooperative Research and Monitoring Projects**  
Approved.
11. **Consider Expenditure of Funds for Corelogic Information Solutions, Inc.**  
Approved.
12. **Authorize Expenditure for Software Maintenance Agreements**  
Approved.
13. **Approve Expenditure to Corporation Service Company - Recording Fees**  
Approved.
14. **Consider Expenditure to Amend Contract with Pueblo Water Resources to Provide Hydrogeologic Review for Water Distribution System Permits**  
Approved.



15. **Consider Contract with Pueblo Water Resources to Provide Aquifer Storage and Recovery Operational Support**  
Approved.
16. **Consider Renewal of Contract with JEA & Associates for Legislative and Administrative Services**  
Approved.
17. **Consider Renewal of Contract with Ferguson Group for Legislative and Administrative Services**  
Approved.
18. **Consider Authorizing Monterey Bay Analytical Services to Provide Laboratory Support for Aquifer Storage and Recovery Water Quality Monitoring**  
Approved.
19. **Consider Authoring Monterey Bay Analytical Services to Provide Laboratory Support for Watermaster Water Quality Monitoring**  
Approved.
20. **Consider Approving 3-Year Agreement with DeVeera, Inc. for Information Technology Services**  
On a motion by Edwards and second by Evans, the committee voted to recommend the Board authorize the General Manager or the Administrative Services Manager/CFO to enter into a 3-year agreement with DeVeera, Inc. to provide Information Technology services for a not-to-exceed amount of \$195,000 that includes a 10% contingency. The motion was approved 3 – 0 by a roll call vote.
21. **Consider Authorization to Contract with Hayashi Wayland to conduct Annual Financial Audit for Fiscal Years Ending 2020, 2021, and 2022**  
Approved.
22. **Consider Adoption of Resolution 2020-08 Amending Fees and Charges Table – Rule 60**  
Approved.
23. **Consider Adoption of Resolution 2020-09 Certifying Compliance with State Law with Respect to the Levying of General and Special Taxes, Assessments, and Property-Related Fees and Charges**  
Approved.
24. **Consider Adoption of Resolution 2020-10 Establishing Article XIII(B) Fiscal Year 2020-21 Appropriations Limit**  
On a motion by Evans and second by Edwards, the committee voted to recommend the Board adopt Resolution 2020-10, Establishing Article XIII(B) Fiscal Year 2020-21 Appropriations Limit. The motion was approved 3 – 0 by a roll call vote.
25. **Consider Adoption of Resolution 2020-11 Update to Rule 24, Table 3, Capacity Fee History**  
On a motion by Evans and second by Edwards, the committee voted to recommend the Board adopt Resolution 2020-11, Update to Rule 24, Table 3, Capacity Fee History. The motion was approved 3 – 0 by a roll call vote.
26. **Consider Adoption of Treasurer’s Report for April 2020**  
Approved.

### **Informational Items**

**27. Report on Activity/Progress on Contracts over \$25,000**

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

**28. Status Report on Measure J/Rule 19.8 Phase II Spending**

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

**29. Monthly Progress Report – Santa Margarita Water Treatment Facility**

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

**30. Review Draft June 15, 2020 Regular Board Meeting Agenda**

No changes were made by the committee.

**31. Suggest Items to be Placed on Future Agendas**

No items were presented.

### **Adjournment**

The meeting adjourned at 5:35 PM.

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### **EXHIBIT 19-B**

## **FINAL MINUTES Water Demand Committee of the Monterey Peninsula Water Management District June 4, 2020**

### **Call to Order**

The meeting was called to order at 3:05 pm.

### **Committee members present:**

Alvin Edwards, Chair  
Gary Hoffmann  
George Riley

### **Committee members absent:**

None

### **Staff members present:**

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

### **District Counsel present:**

David Laredo

### **Comments from the Public:**

No comments.

### **Action Items**

#### **1. Consider Adoption of May 7, 2020 Committee Meeting Minutes**

On a motion by Riley and seconded by Hoffmann, the minutes of the May 7, 2020 meeting were approved on a unanimous vote of 3 – 0 by Riley, Hoffmann, and Edwards.

### **Discussion Items**

#### **2. Update on Water for Regional Housing Needs Request to District TAC (Technical Advisory committee)**

Locke reviewed the results of responses received from the jurisdictions as to their immediate short-term water needs for housing. At the time of the presentation, the requested information had not been submitted for the City of Del Rey Oaks and the unincorporated area of Monterey County. Stoldt summarized actions the District has taken to identify a source of water that might be used by the jurisdictions for their housing needs. He explained that the State Water Resources Control Board has warned that the plan for allocation of water from the District's reserve allocation to a project on Garden Road that includes low income housing would be in violation of Condition 2 of the Cease and Desist Order (CDO). District staff plans to utilize SB 330, the Housing Crises Act of 2019, and argue that health and safety issues require that water be allocated for housing. If that is successful, the District would allocate water to the jurisdictions specifically for housing. Staff will develop a plan for distributing water to the jurisdictions and review it with the Technical Advisory Committee and Water Demand Committees in July and August. The goal is to work with state housing agencies and the SWRCB to develop a plan to allocate a limited amount of water in a manner that would not undermine the CDO. Staff will contact the jurisdictions to

determine if plans for teacher housing and parks were included in their estimates of future water needs. It may also be appropriate to determine what government project needs should be included. Public Comment: **(a) Kim Cole**, Community Development Director for the City of Monterey, expressed support for the plan outlined by staff. She stated that the City of Monterey's highest priority was housing and that water was needed to meet state mandated regional housing goals. **(b) Ande Flower**, Principal Planner for the City of Monterey, thanked District staff for their outreach to the SWRCB and efforts towards development of a solution in meeting housing needs. She noted that the City planned to bring projects to the Board such as teacher housing, and affordable housing in the downtown area.

**3. Discuss Methods for Implementation of Enhanced Water Conservation Measures for Non California American Water Pumpers in the Carmel Valley Alluvial Aquifer**

General Manager Stoldt reported that staff was reviewing the District's rules to determine what benefits would be available to non-Cal-Am pumpers. The committee members suggested that staff should work with the Carmel Valley Association to hear any proposals they may have for water conservation measures. Staff noted that there have been conversations with large water users to determine if storage tanks could be constructed to store water during high flow periods. Staff also noted that approximately 5% to 10% of well owners report their water use annually by the land use method. Well owners are not charged a fee by the District for the amount of water pumped.

**5. Suggest Items to be Placed on Future Agendas**

No discussion.

**Adjournment:** The meeting was adjourned at 4:20 pm.

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### **EXHIBIT 19-C**

## **FINAL MINUTES Water Supply Planning Committee of the Monterey Peninsula Water Management District June 1, 2020**

**Call to Order:** The WebEx virtual meeting was called to order at 4:00 pm.

**Committee members present:** George Riley, Chair  
Molly Evans  
Alvin Edwards

**Committee members absent:** None

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

**Comments from the Public:** John Tilley stated that it would be more appropriate for Monterey One Water to consider an issue such as agenda item 1, than it would be for the Water Management District Board of Directors to take up the question.

### **Action Items**

1. **Consider Development of a Recommendation to the Board to Send a Letter to the California Coastal Commission for Consideration of the Monterey Peninsula Water Supply Project**  
On a motion by Edwards and seconded by Riley, the committee recommended that the Board of Directors approve the letter submitted at the meeting as Sample Letter 1 that expressed support for Pure Water Monterey project expansion. In addition, the committee directed that both Sample Letters 1 and 2 be submitted for Board consideration, along with the option of not sending a letter. The motion was approved on a vote of 2 – 1 by Edwards and Riley. Evans was opposed.

Public Comment: John Tilley expressed support for Sample Letter 2. He stated that no proof had been provided that Pure Water Monterey expansion would adequately supply community water needs.

### **Discussion Items**

2. **Requirements for Lifting the Cease and Desist Order and Moratorium on New Service Connections**

General Manager Stoldt reviewed the staff report and responded to questions from committee members.

Public Comment: (a) John Tilley expressed concern that Pure Water Monterey expansion was dependent on rainfall and movement of water from the Salinas Basin to the Peninsula and would not provide water for the District's needs. He expressed support for a water project that would provide a secure supply. (b) Steve Westhoff, attorney with the State Water Resources Control Board (SWRCB), said the State had observed that neither the Monterey Peninsula Water Supply Project nor the Pure Water Monterey expansion project would be on-line in time to meet the deadline for cessation of unauthorized diversions from the Carmel River. The SWRCB had not made a determination as to whether any of the competing projects were inadequate to meet the CDO. He encouraged Cal-Am, local agencies and the public to work together to move a project forward, and that a decision must be made at the local and state level.

### **Presentation**

#### **3. Update on ASR Project**

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

#### **4. Update on Pure Water Monterey Project**

Mr. Stoldt reported that in order to achieve maximum injection capability, installation of a redundant third deep well was needed. Test borings were planned at two sites which would help staff determine the appropriate location for a test well, and eventually the permanent well. The District could fund the project internally or borrow funds through the Water Infrastructure Finance and Innovation Act, and under either scenario the expenditure could be recovered over time through water rates.

#### **5. Pure Water Monterey Expansion – Next Steps**

At the June 15, 2020 closed session of the Board, the directors will discuss what action to take regarding the payment of an invoice in the amount \$614,878.53 for costs associated with Pure Water Monterey expansion.

#### **6. Suggest Items to be Placed on Future Agendas**

The following items were suggested by the committee members. (a) Discuss restructuring our relationship with Monterey One Water regarding the Pure Water Monterey Project in order to take ownership of the project. (b) Explanation of California American Water Company's cost of water calculations.

**Adjournment:** The meeting was adjourned at 5:30 pm.



### **EXHIBIT 19-D**

## **FINAL MINUTES Water Supply Planning Committee of the Monterey Peninsula Water Management District May 4, 2020**

**Call to Order:** The meeting was called to order at 4:00 pm.

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

**Committee members absent:** None

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

**Comments from the Public:** No comments.

### **Action Items**

1. **Consider Adoption of April 6, 2020 Committee Meeting Minutes**  
Evans offered a motion that was seconded by Adams to approve the Draft Minutes of the April 6, 2020 committee meeting. The motion was approved on a unanimous vote of 3 – 0 by Evans, Adams and Riley.

### **Discussion in Items**

2. **Update on Pure Water Monterey Project**  
Stoldt reported that it was necessary to add a third deep well to the Phase 1 project. The cost would be included in the draft FY 2020-2021 budget with further discussions be conducted at the committee level. Hamilton reported that the sink hole that had developed at Vados Zone Well #2 was attributed to well slumping. The slumping would eventually come to a natural end, and until then the areas of depression would be filled.
3. **Update on ASR Project**  
Hamilton reported on the progress of construction of the chemical treatment facility at the Santa Margarita site. She also noted that \$22,000 in change orders would be processed related to excess soil movement; installation of steel pipe above ground instead of ductile iron; and exploratory pot holing. There had been four delays due to COVID 19. However, staff and the contractor are doing everything possible to

minimize the impact of COVID 19 on the construction schedule.

**4. Review of Calculating Compliance with the Cease and Desist Order Targets**

Mr. Stoldt summarized information presented in the staff report and responded to questions from the committee.

**5. Update on Process for Tracking Water Extracted from and Injected into the Seaside Groundwater Basin**

Mr. Lear summarized information presented in the staff report and augmented his report with a PowerPoint presentation that is on file at the District office and can be viewed on the agency website. He also responded to questions from the committee. Mr. Stoldt explained the difference between standard and alternate water producers in the Seaside Basin. Alternate producers have demonstrated a history of water use in the Seaside basin for their own purposes, and in the adjudication decision were granted an annual right to extract that amount of water. An example of standard producers were California American Water or Seaside Municipal Water Company that pumped water from the Seaside basin for delivery to others. Any alternate producer could take a portion of their water right and commit it to becoming a Standard producer. Alternate producers have monetized a portion of their water right to enable construction such as expansion of CHOMP facilities at Ryan Ranch. In addition, any water not used by the alternate producers in one year, could be utilized by the Standard producers in the following year.

**6. Explanation of Table 13 Water Rights**

Mr. Stoldt summarized information presented in the staff report and responded to questions from the committee.

**7. Suggest Items to be Placed on Future Agendas**

There were no suggestions from the committee.

**Adjournment:** The meeting was adjourned at 5:30 pm.





### **EXHIBIT 19-E**

#### **FINAL MINUTES**

#### **Legislative Advocacy Committee of the Monterey Peninsula Water Management District**

*March 24, 2020*

#### **Call to Order**

The meeting was called to order at 2:30 pm. This was a virtual meeting conducted via WebEx.

#### **Committee members present:**

David Potter, Chair  
Jeanne Byrne  
Alvin Edwards

#### **Committee members absent:**

None

#### **Staff members present:**

David J. Stoldt, General Manager  
Arlene Tavani, Executive Assistant

#### **District Counsel present:**

No

#### **Legislative Consultant:**

John Arriaga, A&E Associates  
Laurie Johnson, A&E Associates  
Roger Gwinn, The Ferguson Group  
Stephanie Missert, The Ferguson Group  
Chris Kearney, The Ferguson Group

#### **Comments from the Public:**

No comments.

#### **Action Items**

##### **1. Develop Recommendation to the Board on 2020 Legislative Advocacy Plan**

On a motion by Potter and second of Edwards, the committee recommended that the Board of Directors should adopt the 2020 Legislative Advocacy Plan. The motion was approved on a vote of 3 – 0 by Potter, Edwards and Byrne.

#### **Discussion Items**

##### **2. Report from JEA & Associates on Legislative Status and Bill Tracking**

Ms. Johnson reported that before the California State legislature shut down on March 15, 2020, they approved \$500 million in funding towards containment of the COVID pandemic. She reviewed Exhibit 2-B, updating the committee on discussions with ACWA on development of a water bond that Governor Newsome would like added to the November 3, 2020 general election. She also reported that legislation had been introduced to fund repair of Anderson Dam, and the proponent stated that if the dam failed, flooding would occur in Monterey County. More information would be provided to General Manager Stoldt.

Mr. Ariaga reviewed Exhibit 2-A, MPWMD draft Legislative Track. The following bills were highlighted in the discussion. AB 1839 – Climate Change, California Green New Deal – recommend

taking a watch position. AB 2093 – retention of writings transmitted by email – the District opposed this in 2019 and the recommendation was to continue opposition. AB 2482 – Agriculture: environmental farming programs and grants – recommend support. AB 2619 – Coastal resources: Program for coastal resilience, adaptation, and access – recommended taking a watch position as the scope was very broad. SB 1028 – Agriculture: Cannella Environmental Farming Act of 1995: Environmental Farming Incentive Program – recommended a watch position on this legislation because it deals with agriculture, best to determine how the County of Monterey stands on this before taking a position. SB 1096 – Water and sewer systems corporations: consolidation of service – recommend take a watch position. SB 1372 – Wildlife corridors and connectivity; Wildlife and Biodiversity Protection and Movement Act of 2020 – recommend taking a watch position.

**3. Report from Ferguson Group on Federal Activities**

Representatives from the Ferguson Group reviewed Exhibits 3-A and 3-B with the committee. They also reviewed Exhibit 3-C, Water Legislative Tracker, and offered to provide the report on a monthly basis to keep the District apprised of changes in the status of proposed legislation. It was determined that District staff would advise the consultant as to which legislation should be tracked.

**4. Discuss and Provide General Guidance on District Support/Oppose Positions**

The committee expressed an interest in reviewing letters from advocacy groups requesting that the District take positions of support or opposition to proposed legislation. The committee would also like to review proposed responses from the District. It was suggested that this question of providing guidance might be submitted to the Board for discussion.

**Other Items:** No discussion.

**Adjournment:** 4:55 pm.

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### **EXHIBIT 19-F**

#### **FINAL MINUTES**

#### **Legislative Advocacy Committee of the Monterey Peninsula Water Management District *December 12, 2019***

#### **Call to Order**

The meeting was called to order at 4:00 pm in the MPWMD conference room.

#### **Committee members present:**

Mary Adams  
Gary Hoffmann  
Jeanne Byrne (participated by telephone)

#### **Committee members absent:**

Molly Evans

#### **Staff members present:**

David J. Stoldt, General Manager  
Arlene Tavani, Executive Assistant

#### **District Counsel present:**

David C. Laredo

#### **Legislative Consultant:**

John Arriaga, A&E Associates  
Laurie Johnson, A&E Associates (participated by telephone)

#### **Comments from the Public:**

No comments.

#### **Action Items**

##### **1. Adopt Minutes of August 8, 2019 Committee Meeting**

On a motion by Byrne and second by Hoffmann, the minutes were approved on a vote of 2 – 1 by Byrne and Adams. Hoffmann abstained.

#### **Discussion Items**

##### **2. Report from John Arriaga on Legislative Status and Tracking**

Arriaga submitted a document titled MPWMD 2019 End of the Year Report. He stated that 2019 was the end of the first year of a two-year session, and that some issues will carryover such as addressing the PG&E bankruptcy. He noted that at a recent League of California Cities meeting he attended, the priority issue was housing and how the legislature could address related issues such as CEQA, permitting and water availability.

Johnson reviewed the Policy Issues section of the End of the Year Report. In response to a question from the committee Mr. Stoldt stated that the Board did not adopt formal positions on the water bills proposed in 2019; however, at the Legislative Committee level support was expressed for the proposal to fund clean water projects through the cap-and-trade concept ultimately approved by the legislature. He explained that the District has often followed the recommendations of ACWA in submitting letters of support or opposition to legislation. Johnson noted that for the upcoming legislative session, an effort would be made to determine if proposed water bonds would include funding for projects on the central coast. Arriaga explained that the bonds need to be written carefully

if specific projects were to be covered, because the legislature is moving away from specifying individual projects for funding. He also reported that there may be an effort to declare stormwater projects as essential services, which would make those projects eligible for Proposition 218 funding.

**3. Report on Legislative Outreach for Calendar Year 2019**

Stoldt reviewed the staff note and outcomes of the District's legislative efforts.

**4. Report from General Manager on Recent or Upcoming Legislative Actions**

Stoldt reported that the Ferguson Group would be submitting a proposal for a federal legislative plan. If the committee members attend the ACWA 2020 DC conference, there may be an opportunity to meet with the Ferguson Group. The committee will meet again in March and determine if it will be appropriate to direct staff on expressions of support or opposition to legislation, or if the Board of Directors should provide that direction.

**Other Items:** No discussion.

**Adjournment:** The meeting was adjourned at 5:20 pm.

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**ITEM: INFORMATIONAL ITEM/STAFF REPORTS****20. MONTHLY ALLOCATION REPORT**

<b>Meeting Date:</b>	<b>July 20, 2020</b>	<b>Budgeted:</b>	<b>N/A</b>
<b>From:</b>	<b>David J. Stoldt, General Manager</b>	<b>Program:</b>	<b>N/A</b>
		<b>Line Item No.:</b>	
<b>Prepared By:</b>	<b>Gabriela Bravo</b>	<b>Cost Estimate:</b>	<b>N/A</b>

**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.**

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**SUMMARY:** As of June 30, 2020, a total of **26.557** acre-feet (**7.7%**) of the Paralta Well Allocation remained available for use by the Jurisdictions. Pre-Paralta water in the amount of **35.036** acre-feet is available to the Jurisdictions, and **28.839** acre-feet is available as public water credits.

**Exhibit 20-A** shows the amount of water allocated to each Jurisdiction from the Paralta Well Allocation, the quantities permitted in June 2020 (“changes”), and the quantities remaining. The Paralta Allocation no debits in June 2020.

**Exhibit 20-A** also shows additional water available to each of the Jurisdictions. Additional water from expired or canceled permits that were issued before January 1991 are shown under “PRE-Paralta.” Water credits used from a Jurisdiction’s “public credit” account are also listed. Transfers of Non-Residential Water Use Credits into a Jurisdiction’s Allocation are included as “public credits.” **Exhibit 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



**EXHIBIT 20-A**  
**MONTHLY ALLOCATION REPORT**  
 Reported in Acre-Feet  
 For the month of June 2020

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

Allocation Holder	Water Available	Changes this Month	Total Demand from Water Permits Issued	Remaining Water Available
Quail Meadows	33.000	0.000	32.320	0.680
Water West	12.760	0.151	9.564	3.196

\* 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 June 2020**

**Recycled Water Project Entitlements**

Entitlement Holder	Entitlement	Changes this Month	Total Demand from Water Permits Issued	Remaining Entitlement/and Water Use Permits Available
<b>Pebble Beach Co. <sup>1</sup></b>	220.430	0.200	31.302	189.128
<b>Del Monte Forest Benefited Properties <sup>2</sup></b> <b>(Pursuant to Ord No. 109)</b>	144.570	0.010	56.961	87.609
<b>Macomber Estates</b>	10.000	0.000	10.000	0.000
<b>Griffin Trust</b>	5.000	0.000	4.829	0.171
<b>CAWD/PBCSD Project Totals</b>	<b>380.000</b>	<b>0.210</b>	<b>103.092</b>	<b>276.908</b>

Entitlement Holder	Entitlement	Changes this Month	Total Demand from Water Permits Issued	Remaining Entitlement/and Water Use Permits Available
<b>City of Sand City</b>	206.000	0.000	7.115	198.885
<b>Malpaso Water Company</b>	80.000	0.010	16.926	63.074
<b>D.B.O. Development No. 30</b>	13.950	0.000	3.740	10.210
<b>City of Pacific Grove</b>	38.390	0.023	0.901	37.489
<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 Malpas Water Company and amended the rules to reflect the process for issuing Water Use Permits.

**Ordinance No. 166** was adopted on December 15, 2015, established a Water Entitlement for D.B.O. Development No. 30.

**Ordinance No. 168** was adopted on January 27, 2016, established a Water Entitlement for the City of Pacific Grove.

**ITEM: INFORMATIONAL ITEM/STAFF REPORT****21. WATER CONSERVATION PROGRAM REPORT**

<b>Meeting Date:</b>	<b>July 20, 2020</b>	<b>Budgeted:</b>	<b>N/A</b>
<b>From:</b>	<b>David J. Stoldt, General Manager</b>	<b>Program/ Line Item No.:</b>	<b>N/A</b>
<b>Prepared By:</b>	<b>Kyle Smith</b>	<b>Cost Estimate:</b>	<b>N/A</b>

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

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**I. MANDATORY WATER CONSERVATION RETROFIT PROGRAM**

District Regulation XIV requires the retrofit of water fixtures upon Change of Ownership or Use with High Efficiency Toilets (HET) (1.28 gallons-per-flush), 2.0 gallons-per-minute (gpm) Showerheads, 1.2 gpm Washbasin faucets, 1.8 gpm Kitchen, Utility and Bar Sink faucets, and Rain Sensors on all automatic Irrigation Systems. Property owners must certify the Site meets the District's water efficiency standards by submitting a Water Conservation Certification Form (WCC), and a Site inspection is often conducted to verify compliance.

**A. Changes of Ownership**

Information is obtained monthly from *Realquest.com* on properties transferring ownership within the District. The information is compared against the properties that have submitted WCCs. Details on **85** property transfers that occurred between June 1, 2020, and June 30, 2020, were added to the database.

**B. Certification**

The District received **39** WCCs between June 1, 2020, and June 30, 2020. Data on ownership, transfer date, and status of water efficiency standard compliance were entered into the database.

**C. Verification**

From June 1, 2020, to June 30, 2020, **42** properties were verified compliant with Rule 144 (Retrofit Upon Change of Ownership or Use). Of the **42** verifications, **28** properties verified compliance by submitting certification forms and/or receipts. District staff completed **14** Site inspections. Of the **14** properties verified, **8 (57%)** passed.

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

### Savings Estimate

Properties that submit certification and receipts for compliance with Water Efficiency Standards are not used when calculating savings. No savings were calculated because all inspections were completed with Water Efficiency Standards Certification from and receipts.

#### D. CII Compliance with Water Efficiency Standards

Effective January 1, 2014, all Non-Residential properties were required to meet Rule 143, Water Efficiency Standards for Existing Non-Residential Uses. To verify compliance with these requirements, property owners and businesses are being sent notification of the requirements and a date that inspectors will be on Site to check the property. In June, District inspectors performed **no** verification.

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 June 2020, MPWMD referred **no** properties to Cal-Am for verification of outdoor Rate BMPs.

#### E. Water Waste Enforcement

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

## II. WATER DEMAND MANAGEMENT

### A. Permit Processing

As of March 18, 2020, the District has been processing only electronic applications for Water Permits. Information can be found at <https://www.mpwmd.net/regulations/water-permits>.

District Rule 23 requires a Water Permit application for all properties that propose to expand or modify water use on a Site, including New Construction and Remodels. District staff processed and issued **37** Water Permits from June 1, 2020 to June 30, 2020. **Four** Water Permits were issued using Water Entitlements (Pebble Beach Company, Malpasos Water, etc.). No Water Permit involved a debit to a Public Water Credit Account. In addition to those Water Permits issued in June, **eight** Meter Permits and **five** Hydrant Meter Permits were issued. All Water Permits have a disclaimer informing applicants of the Cease and Desist Order against California American Water and that MPWMD reports Water Permit details to California American Water.

District Rule 24-3-A allows the addition of a second Bathroom in an existing Single-Family Dwelling on a Single-Family Residential Site. Of the **37** Water Permits issued from June 1, 2020 to June 31, 2020, **two** were issued under this provision.

## B. Permit Compliance

District staff completed **14** conditional Water Permit finals during June 2020. Most Site inspections ceased on March 13, 2020. Staff is issuing conditional finals to allow occupancy during the pandemic. Staff completed **29** site inspection, of vacant properties. **22** properties passed and **seven** failed due to unpermitted fixtures.

## C. Deed Restrictions

District staff prepares deed restrictions that are recorded on the property title to provide notice of District Rules and Regulations, enforce Water Permit conditions, and provide notice of public access to water records. In April 2001, the District Board of Directors adopted a policy regarding the processing of deed restrictions. As of March 18, 2020, MPWMD offices are closed to the public. While still processing and issuing Water Permits, staff is no longer available for notary services. Applicants can obtain notary services at local UPS stores and other locations. Staff receives notarized deed restrictions via email and records the documents electronically with the County.

## D. Rebates

Rebates continue to be processed during the Shelter-in-Place. The following is the rebate information for the month of June 2020.

REBATE PROGRAM SUMMARY		June-2020			2020 YTD		
I.	<u>Application Summary</u>						
A.	Applications Received	88			435		
B.	Applications Approved	71			325		
C.	Single Family Applications	66			285		
D.	Multi-Family Applications	5			39		
E.	Non-Residential Applications	0			1		
II.	<u>Type of Devices Rebated</u>	Number of devices	Rebate Paid	Estimated AF	Gallons Saved	Year to Date Number	Year to Date Paid
A.	High Efficiency Toilet (HET)	17	\$1,275.00	0.085000	27,697	106	\$7,800.00
B.	Ultra HET	1	\$125.00	0.010000	3,259	5	\$625.00
C.	Toilet Flapper			0.000000	0	0	\$0.00
D.	High Efficiency Dishwasher	12	\$1,500.00	0.036000	11,731	59	\$7,375.00
E.	High Efficiency Clothes Washer - Res	29	\$14,500.00	0.466900	152,140	159	\$79,500.00
F.	High Efficiency Clothes Washer - Com			0.000000	0	0	\$0.00
G.	Instant-Access Hot Water System	1	\$200.00	0.005000	1,629	9	\$1,696.95
H.	Zero Use Urinals			0.000000	0	0	\$0.00
I.	Pint Urinals			0.000000	0	0	\$0.00
J.	Cisterns	2	\$425.00	0.000000	0	4	\$2,400.00
K.	Smart Controllers	3	\$240.49	0.000000	0	9	\$788.49
L.	Rotating Sprinkler Nozzles			0.000000	0	0	\$0.00
M.	Moisture Sensors			0.000000	0	0	\$0.00
N.	Lawn Removal & Replacement	1	\$912.00				\$2,812.00
O.	Graywater			0.000000	0	0	\$0.00
R.	Other			0.000000	0	0	\$0.00
III.	<u>TOTALS</u>	66	\$19,177.49	0.602900	196,456	351	\$102,997.44
IV.	<u>TOTALS Since 1997</u>				Paid Since 1997: \$ 6,461,752		571.7 AF per year saved since 1997 (from quantifiable retrofits)





**ITEM: INFORMATIONAL ITESM/STAFF REPORTS****22. QUARTERLY WATER USE CREDIT TRANSFER STATUS REPORT**

**Meeting Date:** July 20, 2020                      **Budgeted:** N/A

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

**Prepared By:** Gabriela Bravo                      **Cost Estimate:** N/A

**General Counsel Review:** N/A

**Committee Recommendation:** N/A

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

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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 JUNE 2020****Meeting Date:** July 20, 2020 **Budgeted:** N/A**From:** David J. Stoldt,  
General Manager **Program/  
Line Item No.:** N/A**Prepared By:** Beverly Chaney **Cost Estimate:** N/A**General Counsel Review:** N/A**Committee Recommendation:** N/A**CEQA Compliance:** This action does not constitute a project as defined by the California Environmental Quality Act Guidelines Section 15378.

**AQUATIC HABITAT AND FLOW CONDITIONS:** The Carmel River continued its slow, steady decline in June, providing good to fair rearing conditions for steelhead young-of-the-year (YOY) throughout much of the watershed.

June's mean daily streamflow at the Sleepy Hollow Weir dropped from 44 to 18 cubic-feet-per-second (cfs) (monthly mean 29 cfs) resulting in 1,720 acre-feet (AF) of runoff. Mean daily streamflow at the Highway 1 gage fell from 40 to 9.6 cfs (monthly mean 21 cfs) resulting in 1,280 acre-feet (AF) of runoff.

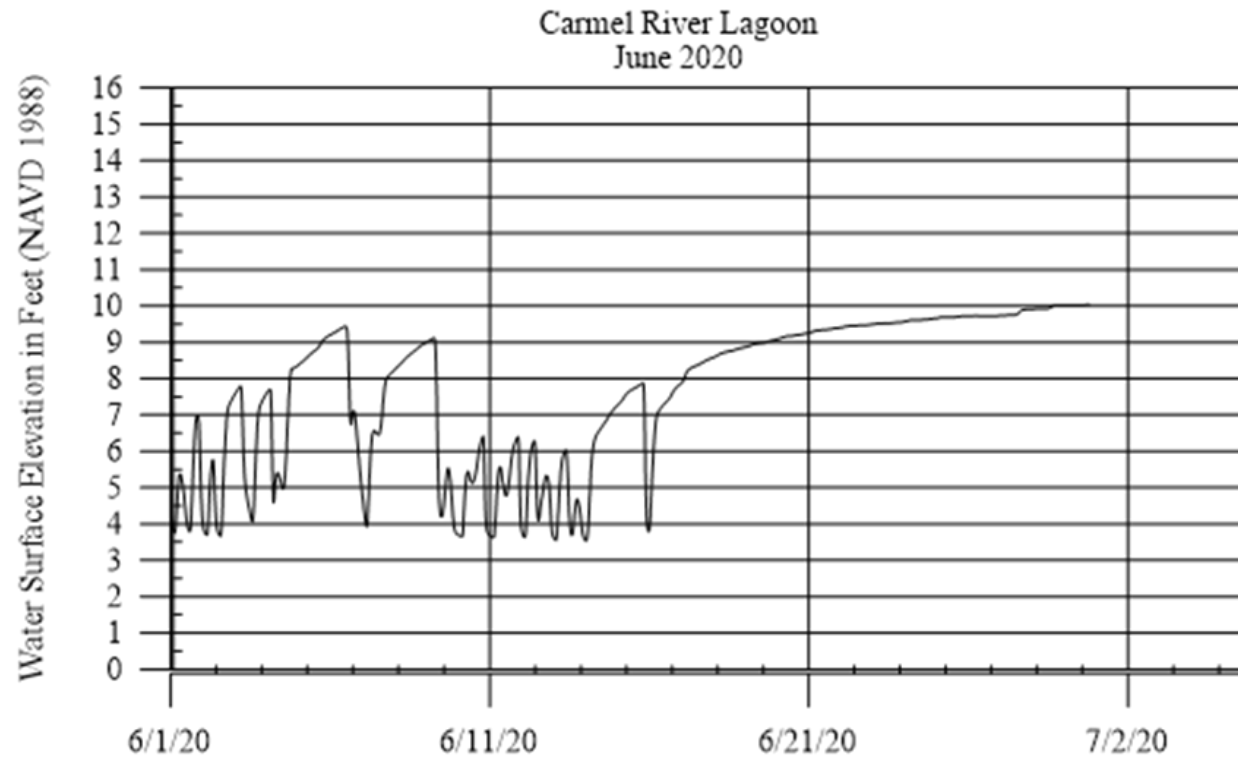
There were 0.00 inches of rainfall in June as recorded at the San Clemente gauge. The rainfall total for WY 2020 (which started on October 1, 2019) is 17.57 inches, or 83.5% of the long-term year-to-date average of 21.03 inches.

**CARMEL RIVER LAGOON:** The lagoon mouth opened on December 3, 2019 and likely closed for the summer on June 16, 2020. During June, the lagoon water surface elevation (WSE) ranged from ~3.6 – 10.0 feet (North American Vertical Datum of 1988; NAVD 88) (See graph below).

Water quality depth-profiles were conducted at five sites on June 18, 2020 while the lagoon mouth was closed, water surface elevation was 5.65 feet and filling, and river inflow was 18 cfs. Steelhead rearing and migration conditions were generally "fair". Salinity ranged from 0.5 - 31 ppt, dissolved oxygen (DO) levels ranged from 8-16 mg/l, and water temperatures ranged from 57-70 degrees F.

**TRIBUTARIES STEELHEAD RESCUES:** Staff completed seven days of fish rescues in Cachagua Creek between mid-June and July 1, 2020. A total of 4,339 juvenile steelhead were rescued including: 4,239 young-of-the-year (YOY), 76 age 1+ fish, and 24 mortalities (0.6%). Staff tagged 57 of the larger fish and there were two recaptured fish.

## Carmel River Lagoon Plot:



**ITEM: INFORMATIONAL ITEM/STAFF REPORT****24. QUARTERLY CARMEL RIVER RIPARIAN CORRIDOR MANAGEMENT PROGRAM REPORT****Meeting Date: July 20, 2020** **Budgeted: N/A****From: Dave Stoldt,** **Program/ N/A**  
**General Manager** **Line Item No.:****Prepared By: Thomas Christensen** **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.**

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**IRRIGATION OF RIPARIAN VEGETATION:** The supplemental watering of riparian restoration plantings has resumed for the summer season at six Monterey Peninsula Water Management District (District) riparian habitat restoration sites. The following irrigation systems were in use January through June: Sleepy Hollow, deDampierre, Trail and Saddle Club, Begonia, Schulte, and San Carlos.

**Water Use in Acre-Feet (AF)**  
(preliminary values subject to revision)

January - March 2019	0.22 AF
April - June 2019	<u>0.63</u>
Year-to-date	0.85 AF

**MONITORING OF RIPARIAN VEGETATION:** Starting in June 2020, 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 24-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.

Current monitoring results for the 2020 monitoring season to date show that riparian vegetation is below threshold moisture stress levels. At present, the Carmel River is still flowing to the Lagoon and providing plenty of water for established plants along the riparian corridor. The graph in **Exhibit 24-A** shows average canopy ratings for willows and cottonwoods in selected restoration

sites in lower Carmel Valley. The graph in **Exhibit 24-B** shows impacts to water table elevations.

The types of monitoring measurements made during June 2020 are as follows:

#### **Monitoring Measurement**

Canopy ratings	(See <b>Exhibit 24-A</b> for trends.)
Groundwater levels (monitoring wells)	(See <b>Exhibit 24-B</b> for trends.)
Groundwater pumping (production wells)	

#### **OTHER TASKS PERFORMED SINCE THE APRIL QUARTERLY REPORT:**

1. **Carmel River Vegetation Management Project Notification:** On May 28, 2020, District staff notified the U.S. Army Corps of Engineers, NOAA Fisheries, U.S. Fish and Wildlife Service, California Department of Fish and Wildlife (CDFW), and the Regional Water Quality Control Board of five sites that are scheduled for vegetation management activities this fall. The goal of the vegetation management activities is to reduce the risk of streambank erosion along riverfront properties where vegetation encroachment could potentially divert river flows into streambanks during high flow periods.
2. **Riparian Irrigation Tune-up:** District staff (Daniel Atkins and Eric Lumas) have been tuning up multiple irrigation systems along the Carmel River that are designed to water new mitigation plantings for Vegetation Management. Tune-ups include replacement of clogged emitters, leak repair, and trouble shooting well pumps and pressure tanks.

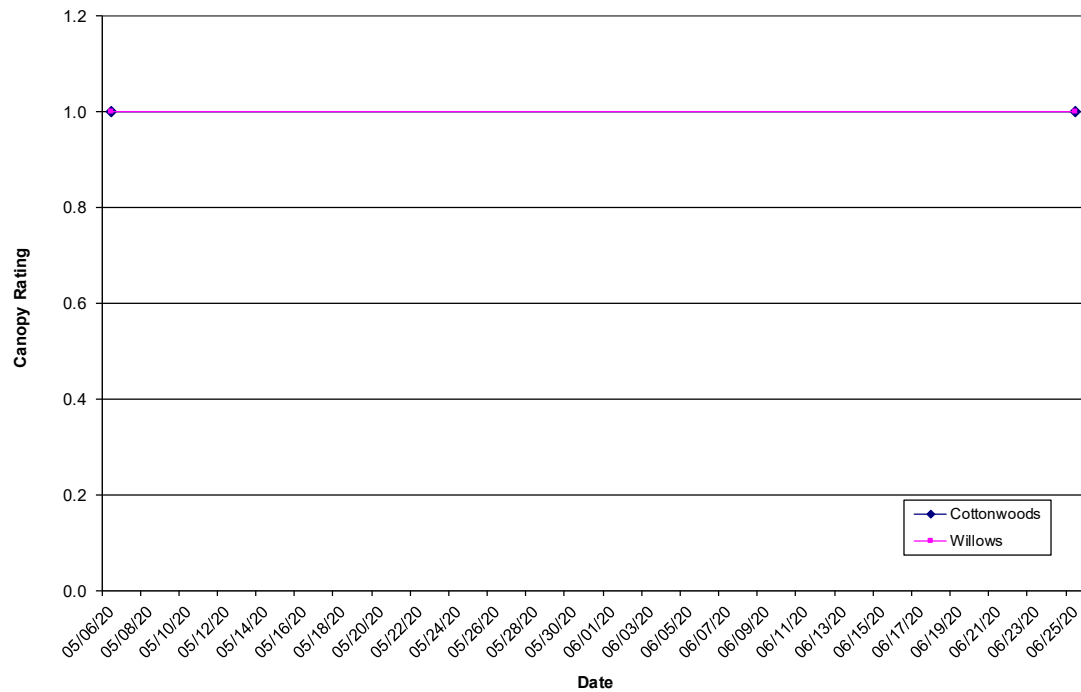
#### **EXHIBITS**

**24-A** Average Willow and Cottonwood Canopy Rating

**24-B** Depth to Groundwater

## EXHIBIT 24-A

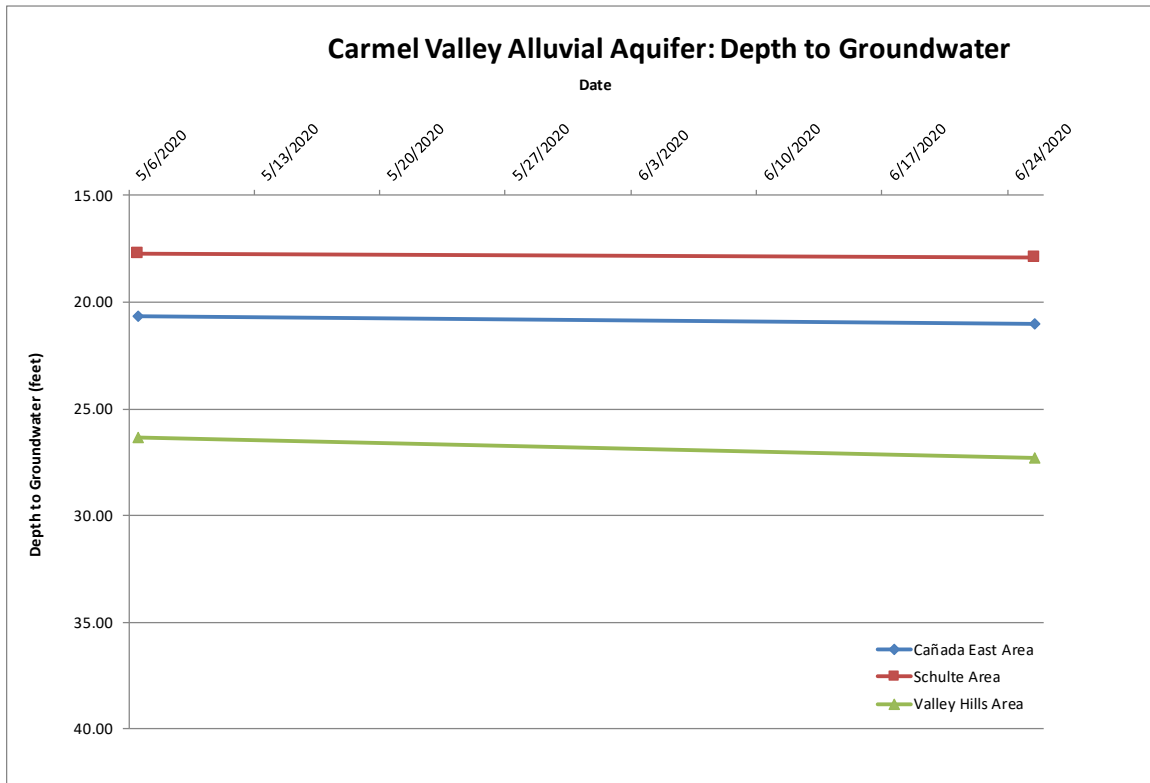
**Carmel River Riparian Vegetation:  
Average Canopy Rating for Cottonwoods and Willows**



Canopy 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





**EXHIBIT 24-B**



**ITEM: INFORMATIONAL ITEM/STAFF REPORT****25. MONTHLY WATER SUPPLY AND CALIFORNIA AMERICAN WATER PRODUCTION REPORT**

<b>Meeting Date:</b>	<b>July 20, 2020</b>	<b>Budgeted:</b>	<b>N/A</b>
<b>From:</b>	<b>David J. Stoldt, General Manager</b>	<b>Program/ Line Item No.:</b>	<b>N/A</b>
<b>Prepared By:</b>	<b>Jonathan Lear</b>	<b>Cost Estimate:</b>	<b>N/A</b>

**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 25-A** shows the water supply status for the Monterey Peninsula Water Resources System (MPWRS) as of **July 1, 2020**. This system includes the surface water resources in the Carmel River Basin, the groundwater resources in the Carmel Valley Alluvial Aquifer and the Seaside Groundwater Basin. **Exhibit 25-A** is for Water Year (WY) 2020 and focuses on four factors: rainfall, runoff, and storage. The rainfall and Streamflow values are based on measurements in the upper Carmel River Basin at Sleepy Hollow Weir.

**Water Supply Status:** Rainfall through **June** 2020 totaled **0.00 inches** and brings the cumulative rainfall total for WY 2020 to **17.57 inches**, which is **84%** of the long-term average through **June**. Estimated unimpaired runoff through **June** totaled **1,765 acre-feet (AF)** and brings the cumulative runoff total for WY 2020 to **44,812 AF**, which is **68%** of the long-term average through **June**. Usable storage for the MRWPRS was **29,020 acre-feet**, which is **92%** of average through **June**, and equates to **88%** percent of system capacity.

**Production Compliance:** Under State Water Resources Control Board (SWRCB) Cease and Desist Order No. 2016-0016 (CDO), California American Water (Cal-Am) is allowed to produce no more than 8,310 AF of water from the Carmel River in WY 2020. Through **June**, using the CDO accounting method, Cal-Am has produced **5,601 AF** from the Carmel River (including ASR capped at 600 AF, Table 13, and Mal Paso.) In addition, under the Seaside Basin Decision, Cal-Am is allowed to produce 1,820 AF of water from the Coastal Subareas and 0 AF from the Laguna Seca Subarea of the Seaside Basin in WY 2020. Through **June**, Cal-Am has produced **1,733 AF** from the Seaside Groundwater Basin. Through **June**, **917 AF** of Carmel River Basin groundwater have been diverted for Seaside Basin injection; **0 AF** have been recovered for customer use, and **218 AF** have been diverted under Table 13 water rights. Cal-Am has produced **6,852 AF** for customer use from all sources through **June**. **Exhibit 25-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 **9,717 AF**, which is below the rationing trigger of **10,130 AF** for WY 2020.

**EXHIBITS****25-A** Water Supply Status: **July 1, 2020****25-B** Monthly Cal-Am Diversions from Carmel River and Seaside Groundwater Basins: WY 2020**25-C** Monthly Cal-Am production by source: WY 2020



**EXHIBIT 25-A**

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

<b>Factor</b>	<b>Oct - Jun 2020</b>	<b>Average To Date</b>	<b>Percent of Average</b>	<b>Oct – Jun 2019</b>
<b>Rainfall</b> (Inches)	17.57	21.03	84%	30.93
<b>Runoff</b> (Acre-Feet)	44,812	66,289	68%	142,758
<b>Storage</b> <sup>5</sup> (Acre-Feet)	29,020	31,510	92%	30,670

**Notes:**

1. Rainfall and runoff estimates are based on measurements at San Clemente Dam. Annual rainfall and runoff at Sleepy Hollow Weir average 21.1 inches and 67,246 acre-feet, respectively. Annual values are based on the water year that runs from October 1 to September 30 of the following calendar year. The rainfall and runoff averages at the Sleepy Hollow Weir site are based on records for the 1922-2019 and 1902-2019 periods respectively.
2. The rainfall and runoff totals are based on measurements through the dates referenced in the table.
3. Storage estimates refer to usable storage in the Monterey Peninsula Water Resources System (MPWRS) that includes surface water in Los Padres and San Clemente Reservoirs and ground water in the Carmel Valley Alluvial Aquifer and in the Coastal Subareas of the Seaside Groundwater Basin. The storage averages are end-of-month values and are based on records for the 1989-2019 period. The storage estimates are end-of-month values for the dates referenced in the table.
4. The maximum storage capacity for the MPWRS is currently 33,130 acre-feet.



## California American Water Production by Source: Water Year 2020

	Carmel Valley Wells <sup>1</sup>						Seaside Wells <sup>2</sup>						Total Wells			Sand City Desal		
	Actual		Anticipated <sup>3</sup>		Compared to Target		Actual		Anticipated		Compared to Target		Actual	Anticipated	Acre-Feet Compared to Target	Actual	Anticipated	Compared to Target
	Upper acre-feet	Lower acre-feet	Upper acre-feet	Lower acre-feet	Upper acre-feet	Lower acre-feet	Coastal acre-feet	LagunaSeca acre-feet	Coastal acre-feet	LagunaSeca acre-feet	Coastal acre-feet	LagunaSeca acre-feet	acre-feet	acre-feet	acre-feet	acre-feet	acre-feet	acre-feet
Oct-19	0	505	0	550	0	45	378	35	350	0	-28	-35	918	900	-18	0	25	25
Nov-19	0	524	0	380	0	-144	271	28	350	0	79	-28	823	730	-93	0	25	25
Dec-19	177	546	0	645	-177	99	150	20	100	0	-50	-20	892	745	-147	0	25	25
Jan-20	155	552	100	710	-55	158	92	19	100	0	8	-19	818	910	92	10	25	15
Feb-20	165	467	100	732	-65	265	0	22	100	0	100	-22	654	932	278	27	25	-2
Mar-20	188	509	100	919	-88	410	128	23	100	0	-28	-23	847	1,119	272	27	25	-2
Apr-20	0	705	0	835	0	130	204	21	100	0	-104	-21	931	935	4	22	25	3
May-20	0	699	0	697	0	-2	126	23	350	0	224	-23	848	1,047	199	27	25	-2
Jun-20	0	680	0	665	0	-15	160	35	380	0	220	-35	874	1,045	171	5	25	20
Jul-20																		
Aug-20																		
Sep-20																		
To Date	684	5,187	300	6,133	-384	946	1,509	224	1,930	0	422	-224	7,604	8,363	759	119	225	106

## Total Production: Water Year 2020

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

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

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

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





## Production vs. CDO and Adjudication to Date: WY 2020

(All values in Acre-Feet)

Year-to-Date Values	MPWRS					Water Projects and Rights			
	Carmel River Basin <sup>2, 6</sup>	Seaside Groundwater Basin		MPWRS Total				Water Projects and Rights Total	
		Coastal	Laguna Seca			ASR Recovery	Table 13 <sup>7</sup>		
Target	6,352	1,100	0	1,100	<b>7,452</b>	0	114	225	<b>339</b>
Actual <sup>4</sup>	5,601	1,509	224	1,733	<b>7,334</b>	0	218	119	<b>337</b>
Difference	751	-409	-224	-633	<b>118</b>	0	-104	106	<b>2</b>
WY 2019 Actual	5,539	1,581	194	1,775	<b>7,314</b>	0	471	108	<b>579</b>

1. This table is current through the date of this report.
2. For CDO compliance, ASR, Mal Paso, and Table 13 diversions are included in River production per State Board.
3. Sand City Desal, Table 13, and ASR recovery are also tracked as water resources projects.
4. To date, 917 AF and 218 AF have been produced from the River for ASR and Table 13 respectively.
5. All values are rounded to the nearest Acre-Foot.
6. For CDO Tracking Purposes, ASR production for injection is capped at 600 AFY.
7. Table 13 diversions are reported under water rights but counted as production from the River for CDO tracking.

## Monthly Production from all Sources for Customer Service: WY 2020

(All values in Acre-Feet)

	Carmel River Basin	Seaside Basin	ASR Recovery	Table 13	Sand City	Mal Paso	Total
Oct-19	505	412	0	0	0	4	921
Nov-19	524	299	0	0	0	2	825
Dec-19	391	169	0	75	0	0	635
Jan-20	533	111	0	13	10	0	667
Feb-20	632	22	0	0	27	9	689
Mar-20	498	150	0	33	27	8	716
Apr-20	308	226	0	85	22	8	649
May-20	666	149	0	13	27	7	862
Jun-20	680	194	0	0	5	7	887
Jul-20							
Aug-20							
Sep-20							
<b>Total</b>	<b>4,737</b>	<b>1,733</b>	<b>0</b>	<b>218</b>	<b>119</b>	<b>46</b>	<b>6,852</b>
<b>WY 2019</b>	<b>4,398</b>	<b>1,775</b>	<b>0</b>	<b>471</b>	<b>108</b>	<b>70</b>	<b>6,822</b>

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

## Rationing Trigger: WY 2020

12 Month Moving Average <sup>1</sup>	9,717	10,130	Rule 160 Production Limit
--------------------------------------	-------	--------	---------------------------

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



**ITEM: INFORMATIONAL ITEM/STAFF REPORT****26. DRAFT WATER YEAR 2019 AQUIFER STORAGE AND RECOVERY PROJECT SUMMARY OF OPERATIONS REPORT**

<b>Meeting Date:</b>	<b>July 20, 2020</b>	<b>Budgeted:</b>	<b>N/A</b>
<b>From:</b>	<b>David J. Stoldt, General Manager</b>	<b>Program/ Line Item No.:</b>	<b>1-2-1</b>
<b>Prepared By:</b>	<b>Jonathan Lear</b>	<b>Cost Estimate:</b>	<b>N/A</b>

**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 draft report documenting the summary of operations for Water Year 2019 at the Monterey Peninsula Aquifer Storage and Recovery (ASR) Project sites has been prepared by the District's technical consultant on the project, Pueblo Water Resources, Inc. The completion of this annual report is a requirement of the Central Coast Regional Water Quality Control Board (RWQCB) as part of their ongoing oversight of the ASR program in the Seaside Basin and is due July following the close of the past water year (WY 2019). The draft report with figures removed for brevity is provided as **Exhibit 26-A**. A full printout of the report is available for review at the MPWMD offices, or a PDF will be provided upon request. The report documents the ASR activities conducted cooperatively with California American Water (Cal-Am) at the Phase 1 and 2 ASR sites during WY 2019, including: (a) summary of project status and injection well performance, (b) seasonal recharge operations, and (c) water-quality monitoring. During WY 2019, a volume of 530 acre-feet (AF) of Carmel River Basin source water was injected and stored in the Seaside Basin during the winter high-flow season.

**RECOMMENDATION:** The Board should receive the draft report documenting ASR activities at the ASR project sites during WY 2019. The report will be finalized and distributed, subject to inclusion of comments from the District, Cal-Am or other interested parties.

**BACKGROUND:** The District has been pursuing Aquifer Storage and Recovery (ASR) in the Seaside Basin since 1996. The project concept entails diverting excess winter flows from the Carmel River Basin approximately six miles through existing Cal-Am distribution system pipelines to the hydrologically-separate Seaside Basin, where the water is injected into specially-constructed ASR wells, for later recovery during dry periods. Prior to injection, the diverted water is treated at Cal-Am's Begonia Iron Removal Plant in Carmel Valley so that it meets potable drinking water standards. In 1998, the District constructed a pilot injection well, known as the Paso Robles Test Injection Well (PRTIW) in the northeastern portion of the City of Seaside. The 460-foot deep pilot well was screened in the Paso Robles Formation aquifer. Subsequent injection testing at the pilot well provided data that allowed the District to proceed with construction of a larger injection test well, SMTIW No. 1 (now referred to as ASR-1), for which construction was completed in 2002 on the former Fort Ord Military Reservation, approximately 300 feet east of

the PRTIW. This site is known as the Phase 1 or Santa Margarita ASR facility. ASR-1 is an 18 inch-diameter, 720 feet deep stainless steel well screened in the Santa Margarita Sandstone aquifer. The Santa Margarita aquifer has more favorable hydrogeologic characteristics, and is therefore more conducive to a full-scale ASR project in the basin. ASR-2 was drilled in 2007 and equipped with permanent pump and motor in 2008. ASR- 2 is larger and deeper, at 22 inches in diameter and 790 feet deep. In recent years, District staff has been working with the City of Seaside and the Fort Ord Reuse Authority in order to expand the Santa Margarita ASR site to incorporate needed space for pipelines, treatment equipment, and well backflushing capacity.

Also in 2008, the District began negotiations with the Monterey Peninsula Unified School District (MPUSD) for potential use of an unused portion of the Seaside Middle School property for a second phase of ASR expansion. This was followed by successful exploration work at the site in 2009 and an easement for the site was acquired by Cal-Am in 2011. The District has been working under contract with Cal-Am to complete construction of ASR wells 3 and 4 and the permanent ASR facilities at this Phase 2 ASR site.

The draft WY 2019 report has been provided to Cal-Am staff for their review and comment. The report, once finalized, will be posted and available on the District's website. The report will also be a useful reference document to support future operations and testing at the ASR Project sites.

**IMPACT ON STAFF/RESOURCES:** A significant staff effort has been expended planning, coordinating, and overseeing work on the District's ASR program in the Seaside Basin. It is planned to continue this level of effort during the remainder of this year and into the next recharge season.

## **EXHIBIT**

### **26-A** 2019 Aquifer Storage and Recovery Project Summary of Operations Report

*(A print out of the full report is available for review at the MPWMD office and PDF can be provided upon request.)*



## **SUMMARY OF OPERATIONS**

### **MONTEREY PENINSULA ASR PROJECT**

### **WATER YEAR 2019**

Prepared for:



**JUNE 2020  
DRAFT**



June 26, 2020  
Project No. 18-0094

Monterey Peninsula Water Management District  
Post Office Box 85  
Monterey, California 93942-0085

Attention: Mr. Jonathan Lear, Senior Hydrogeologist

Subject: Monterey Peninsula ASR Project; Draft Water Year 2019 Summary of Operations Report

Dear Jon:

For your review and comments, we are transmitting one digital image (PDF) of the subject draft report documenting operations of the Monterey Peninsula ASR Project during Water Year 2019 (WY 2019). WY 2019 was classified as an "Extremely Wet" Water Year on the Monterey Peninsula, and as a result a significant volume of water totaling approximately 1,335 acre-feet (af) was able to be diverted from the Carmel River system for recharge in the Seaside Groundwater Basin (SGB) via the ASR-1 through ASR-4 wells. To date, a total volume of approximately 9,300 af of excess Carmel River system water has been successfully recharged into the SGB since the ASR project was initiated in 2001.

We appreciate the opportunity to provide ongoing assistance to the District on this important community water-supply project. Please contact me with any questions.

Sincerely,

PUEBLO WATER RESOURCES, INC.

Robert C. Marks, P.G., C.Hg.  
Principal Hydrogeologist

Copies submitted: 1 digital (PDF)



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## INTRODUCTION

### GENERAL STATEMENT

Presented in this report is a summary of operations of the Monterey Peninsula Aquifer Storage and Recovery (ASR) Project during Water Year 2019 (WY 2019)<sup>1</sup>. During WY 2019, approximately 1,335 acre-feet (af) of excess flows were diverted from the Carmel River system for recharge, storage, and subsequent recovery in the Seaside Groundwater Basin (SGB). This report presents a summary of the project operations during WY 2019, an assessment of ASR well performance, aquifer response and water-quality data, and provides recommendations for ongoing operation of the project.

### BACKGROUND

The Monterey Peninsula ASR Project is cooperatively implemented by the Monterey Peninsula Water Management District (MPWMD or District) and California American Water (CAW) and involves the diversion of excess winter and spring time flows from the Carmel River system for recharge and storage in the Seaside Groundwater Basin (SGB). The excess water is captured by CAW wells in the Carmel Valley during periods when flows in the Carmel River exceed fisheries bypass flow requirements, treated to potable drinking water standards, and then conveyed through CAW's distribution system to ASR facilities in the SGB.

Aquifer recharge is accomplished via injection of these excess flows into specially designed ASR wells drilled in the SGB. The locations of the ASR wells and associated project monitoring wells in the SGB are shown on **Figure 1**. The recharged water is temporarily stored underground utilizing the available storage space within the aquifer system. During periods of high demand, other existing CAW production wells in the SGB and/or the ASR wells can be used to recover the previously recharged water, which in turn allows for reduced extractions from the Carmel River system during seasonal dry periods.

The District and CAW have been cooperatively developing an ASR project on the Monterey Peninsula since 1996. These efforts have evolved over time, from the performance of various technical feasibility investigations, leading to the construction and testing of pilot- and then full-scale ASR test wells to demonstrate the viability and operational parameters for ASR wells in the SGB.

The Phase 1 ASR Project (a.k.a. Water Project 1) includes two ASR wells (ASR-1 and ASR-2) located at the Santa Margarita (SM) ASR Facility at 1910 General Jim Moore Blvd. in Seaside. The Phase 1 Project is capable of recharging up to the State Water Resources Control Board (SWRCB) water right<sup>2</sup> maximum annual diversion limit of 2,426 acre-feet per year (afy) at a combined permitted injection rate of approximately 3,000 gallons per minute ([gpm] maximum

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<sup>1</sup> Water Year 2019 is the period of October 1, 2018 through September 30, 2019.



diversion rate of 6.7 cubic feet per second [cfs]), with an average annual yield of approximately 920 afy. ASR-1 is designed for an injection capacity of 1,000 gpm and ASR-2 is designed for an injection capacity of 1,500 gpm. As-built schematics of ASR-1 and ASR-2 are presented on **Figures 2 and 3**, respectively.

The Phase 2 ASR Project (a.k.a. Water Project 2) also includes two ASR wells (ASR-3 and ASR-4) located at the Seaside Middle School (SMS) ASR Facility at 2111 General Jim Moore Blvd. in Seaside. The Phase 2 Project is designed to be capable of recharging up to the SWRCB water right<sup>3</sup> maximum annual diversion limit of 2,900 afy at a combined permitted injection rate of approximately 3,600 gpm (maximum diversion rate of 8.0 cfs), with an average annual yield of approximately 1,000 afy. ASR-3 and ASR-4 are both designed for injection capacities of 1,500 gpm. As-built schematics of ASR-3 and ASR-4 are presented on **Figures 4 and 5**, respectively.

A graphical summary of historical ASR operations in the SGB is shown on **Figure 6**. Shown are the annual injection and recovery volumes since the inception of injection operations at the Santa Margarita ASR Facility in WY 2001 through the current period of WY 2019. Also presented is a delineation of the various phases of project implementation, starting with the Santa Margarita Test Injection Well (SMTIW) in 2001, which became ASR-1 as the project transitioned from a testing program to a permanent project in WY 2008 (Phase 1 ASR Project), through construction and operation of the second well (ASR-2) at the facility in 2010. As shown, having the Santa Margarita Facility in full operation with both ASR-1 and ASR-2 injecting simultaneously in WY 2010 and WY 2011 (combined with above normal rainfall and Carmel River flows during those years) resulted in significant increases in the annual volume injected. During WY 2012 through WY 2015, relatively low volumes were injected due to the extended drought conditions during that period. WY 2017 was the first year of above normal rainfall and Carmel River flows with all four ASR wells in full operation, and as shown on **Figure 6** over 2,300 af of excess river flows were captured and successfully injected into the SGB. This volume represents over twice the previous largest annual volumes injected (in WY 2010 and WY 2012), and approximately one quarter of the Monterey Peninsula's average annual water supply.

## PURPOSE AND SCOPE

The overall purpose of the ongoing ASR program is to recharge the SGB with excess treated Carmel River system water when it is available during wet periods for storage and later extraction (recovery) during dry periods. ASR benefits the resources of both systems by raising water levels in the SGB during the recharge and storage periods and reducing extractions from the Carmel River System during dry periods.

The scope of the ongoing data collection, analysis, and reporting program for the ASR program can be categorized into issues generally associated with:

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<sup>2</sup> SWRCB water right 20808A for the Phase 1 ASR Project is held jointly by MPWMD and CAW.

<sup>3</sup> The SWRCB water right 20808C for the Phase 2 ASR Project is held jointly by MPWMD and CAW.



- 1) ASR well hydraulics and performance;
- 2) Aquifer response to injection, and;
- 3) Water-quality issues associated with geochemical interaction and mixing of injected and native groundwaters.

The ongoing data collection and reporting program is intended to monitor and track ASR well performance and aquifer response to injection (both hydraulic and water quality) and to comply with the requirements of the Central Coast Regional Water Quality Control Board (RWQCB) for submitting annual technical reports for the project pursuant to Section 13267 of the California Water Code<sup>4</sup> and the existing General Waiver for Specific Types of Discharges (Resolution R3-2019-0089).

## **FINDINGS**

### **WY 2019 ASR OPERATIONS**

#### **General Recharge Procedures**

Recharge of the SGB occurs via injection of diverted flows from the CAW distribution system into ASR wells during periods of available excess Carmel River system flows. The ASR recharge source water is potable (treated) water provided from the CAW distribution system. The water is currently diverted by various production well sources in Carmel Valley and (after treatment and disinfection to potable standards) then conveyed through the Segunda-Crest pipeline network to the ASR Pipeline in General Jim Moore Blvd and then to the Santa Margarita and Seaside Middle School ASR facilities.

Injection water is introduced into the ASR wells via the pump columns. Injection rates are controlled primarily by downhole flow control valves (FCV's) installed on the pump columns, and secondarily by modulating the automatic flow control valves (i.e., Cla-Vals) installed on the ASR wellhead piping. Injection flow rates and total injected volumes are measured with rate and totalizing meters at each of the wellheads. Positive gauge pressures are maintained at the wellheads during injection to prevent cascading of water into the wells (which can lead to air-binding). Continuous water-level data at each of the ASR wells are collected with submersible pressure transducer data loggers.

Injection generally occurs at each of the ASR wells on a continuous basis when excess Carmel River flows are available, interrupted only for periodic backflushing, which typically occurs on an approximate weekly basis. Most sources of injection water contain trace amounts of solids that slowly accumulate in the pore spaces in the well's gravel pack and adjacent aquifer materials, and the CAW source water is no exception. Periodic backflushing of the ASR wells is therefore necessary to maintain well performance by removing materials deposited/accumulated

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<sup>4</sup> Letter from Roger W. Briggs, Executive Officer of the Central Coast RWQCB, to Joseph Oliver, Water Resources Manager for MPWMD, dated April 29, 2009.



around the well bore during injection. The procedure is similar to backwashing a media filter to remove accumulated material deposited during filtration.

The adopted trigger for backflushing is when the amount of water-level drawup during injection equals the available drawdown (as measured from the static water level to the top of the pump bowls) in the well for backflushing, or one week of continuous injection, whichever occurs first. This helps to avoid over-pressurization and compression of plugging materials, thereby maximizing the efficiency of backflushing and limiting the amount of residual plugging. This factor is the basis for the maximum recommended drawup levels referenced in the following section.

The general procedure consists of temporarily stopping injection and then pumping the wells at rates of approximately 2,000 to 3,000 gpm (i.e., at least twice the rate of injection) for a period of approximately 15 to 20 minutes and repeated as necessary to effectively remove particulates from the well screen / gravel pack / aquifer matrix. Backflush water is discharged to the Santa Margarita ASR Facility backflush pit, where it percolates back into the groundwater basin.

### Injection Operations Summary

A summary of injection operations at the four ASR wells is presented in **Table 1** below. Field data collected during injection operations are presented in **Appendix A** (not included in draft).

**Table 1. WY 2019 Injection Operations Summary**

Well	Injection Season		Active Days	Injection Rate (gpm)			Total Vol (af)
	Start	End		Min	Max	Avg	
ASR-1	1/14/19	4/18/19	28	404	1778	1225	193.36
ASR-2	1/7/19	5/31/19	84	500	1884	1392	694.02
ASR-3	1/8/19	4/8/19	66	485	1470	1072	353.77
ASR-4	2/12/19	4/1/19	11	1000	1730	1418	93.91
<b>Total</b>							<b>1335.06</b>

As shown in **Table 1**, recharge operations were performed during the period January 7 through May 31, 2019. WY 2019 was classified as an “Extremely Wet” Water Year<sup>5</sup> on the Carmel River with up to 84 days of active injection and a total volume of approximately 1,335 acre-feet (af) of water was available for diversion from the CAW system for recharge in the SGB. The recharge water was injected at all four ASR wells into the Santa Margarita Sandstone aquifer with per-well average injection rates ranging from approximately 400 to 1,885 gpm.

<sup>5</sup> Based on 145,794 af of unimpaired Carmel River flow at the Sleepy Hollow Weir in WY 2019.



It is noted that the variability in injection rates at the ASR wells during the injection season is controlled by various factors, including the number of active sources to the CAW system, customer demands on the CAW system, and the ability of CAW's distribution system to maintain piping pressure at the ASR wellheads.

Water-level data collected at ASR-1 through ASR-4 during WY 2019 are presented in **Figures 7 through 10**, respectively, and briefly summarized below:

- ASR-1: The injection water-levels ranged between approximately 255 to 310 feet bgs and were generally maintained below the minimum recommended water level of 260 feet bgs.
- ASR-2: The injection water-levels ranged between approximately 205 to 300 feet bgs. As shown, the injection water-levels exceeded the minimum recommended water level of 250 feet bgs several times during the injection season.
- ASR-3: The injection water-levels ranged between approximately 180 to 250 feet bgs and were generally maintained below the minimum recommended water level of 190 feet bgs.
- ASR-4: During the limited period of injection at this well, the injection water-levels ranged between approximately 80 to 210 feet bgs. As shown, the injection water-levels significantly exceeded the minimum recommended water level of 160 feet bgs for a brief period just after injection start up in February 2019, after which the levels were maintained below minimum recommended level.

In summary, injection water levels at ASR-1 through ASR-4 were generally maintained below the respective maximum drawup levels, but were exceeded several times during WY 2019 at ASR-2 and ASR-4. The effects of these injection water levels on residual well plugging and well performance is discussed below.

### **Recovery Operations Summary**

When the injected water is recovered via delivery through the CAW system, the recovered water is offset by reduced pumping by CAW from the Carmel River system during the low-flow, high demand periods of the year. Historically, both ASR-1<sup>6</sup> and other CAW production wells in the SGB have been utilized to varying degrees for recovery of previously injected water. In WY 2019, ASR-1 and/or CAW production wells recovered 744 af of recharged water into the CAW system, leaving 591 af of the WY 2019 injection volume (1,335 af) in basin storage.

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<sup>6</sup> To date, ASR-1 is the only ASR well permitted by Division of Drinking Water (DDW) to recover water into the CAW distribution system.



It is noted that ASR recovery in the SGB is essentially an accounting / allocation of CAW's various water rights and pumping from the basin, SGB and does not represent a "molecule-for-molecule" recovery of the injected water; rather, the volume recharged in any given year increases the operational yield of the SGB by a commensurate amount and can be "recovered" by any of CAW's wells in the SGB and / or the ASR wells themselves.

## WELL PERFORMANCE

Well performance is generally measured by specific capacity (pumping) and / or specific injectivity (injection), which is the ratio of flow rate (pumping or injection) to water-level change in the well (drawdown or drawup) over a specific elapsed time. The value is typically expressed as gallons per minute per foot of water level change (gpm/ft). The value normalizes well performance by taking into account differing static water levels and flow rates. As such, specific capacity / injectivity data are useful for comparing well performance over time and at differing flow rates. Decreases in specific capacity / injectivity are indicative of decreases in the hydraulic efficiency of a well due to the effects of plugging and/or particle rearrangement.

## Injection Performance

Injection performance has been tracked at ASR-1 since the inception of the ASR program in WY 2002 by measurement and comparison of 24-hour injection specific injectivities (a.k.a. injection specific capacity), and summaries of 24-hour specific injectivity for ASR-1 through ASR-4 through WY 2019 are presented in **Tables 2 through 5** below:

**Table 2. Injection Performance Summary - ASR-1**

Water Year	Injection Rate (gpm)	24-hour DUP (feet)	Specific Injectivity (gpm/ft)	Water Year Change	Comments
WY2002					
Beginning Period	1,570	81.7	19.2	-67%	FCV not installed yet in WY2002. No recovery pumping performed.
Ending Period	1,164	199.8	6.4		
WY2003					
Beginning Period	1,070	70.0	15.5	+31%	Recovery pumping performed following WY2003 Injection
Ending Period	1,007	49.7	20.3		
WY2004					
Beginning Period	1,383	183.4	7.5	+112%	Recovery pumping performed following WY2004 Injection
Ending Period	1,072	67.4	15.9		
WY2005					
Beginning Period	1,045	46.6	22.4	-54%	Injectate dechlorinated in WY2005. No recovery pumping performed.
Ending Period	976	94.1	10.4		

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Water Year	Injection Rate (gpm)	24-hour DUP (feet)	Specific Injectivity (gpm/ft)	Water Year Change	Comments
WY2006					
Beginning Period	1,039	71.5	15.0	+17%	Injection procedures consistent and performance stable in WY2006. No recovery pumping performed.
Ending Period	1,008	62.2	17.5		
WY2007					
Beginning Period	1,098	92.4	11.9	--	Only one injection period in WY2007. No recovery pumping performed.
Ending Period	--	--	--		
WY2008					
Beginning Period	979	25.5	38.4	-17%	Formal rehabilitation performed prior to WY2008 injection
Ending Period	1,063	33.4	31.8		
WY 2009					
Beginning Period	1,119	56.1	19.9	+56%	Beginning period low specific injectivity due to high plugging rate during initial injection period. No recovery pumping performed.
Ending Period	1,069	34.3	31.1		
WY 2010					
Beginning Period	1,080	35.6	30.3	-19%	Observed decline in performance due to residual plugging.
Ending Period	1,326	54.0	24.6		
WY 2011					
Beginning Period	1,367	53.0	25.8	-10%	Observed slight decline in performance due to residual plugging.
Ending Period	1,454	63.7	22.8		
WY 2012					
Beginning Period	NA	NA	NA	NA	No injection at this well this year.
Ending Period	NA	NA	NA		
WY 2013					
Beginning Period	NA	NA	NA	NA	No injection at this well this year.
Ending Period	NA	NA	NA		
WY 2014					
Beginning Period	NA	NA	NA	NA	No injection at this well this year.
Ending Period	NA	NA	NA		
WY 2015					
Beginning Period	NA	NA	NA	NA	No beginning period due to datalogger malfunction.
Ending Period	1,018	40.7	25.0		

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Water Year	Injection Rate (gpm)	24-hour DUP (feet)	Specific Injectivity (gpm/ft)	Water Year Change	Comments
WY 2016					
Beginning Period	NA	NA	NA	NA	No beginning period due to datalogger malfunction.
Ending Period	460	14.4	31.9		
WY 2017					
Beginning Period	970	39.5	24.6	-13%	Observed slight decline in performance due to residual plugging.
Ending Period	1,295	60.2	21.5		
WY 2018					
Beginning Period	NA	NA	NA	NA	No injection at this well this year.
Ending Period	NA	NA	NA		
WY 2019					
Beginning Period	1,083	55.1	19.7	+13%	See discussion below
Ending Period	1,084	48.7	22.3		

**Table 3. Injection Performance Summary - ASR-2**

Water Year	Injection Rate (gpm)	24-hour DUP (feet)	Specific Injectivity (gpm/ft)	Water Year Change	Comments
WY 2010					
Beginning Period	1,017	156.5	6.5	-57%	Significant residual plugging.
Ending Period	237	85.0	2.8		
WY 2011					
Beginning Period	1,497	39.5	37.9	-0.5%	Significant improvement as a result of well rehabilitation. No residual plugging during year.
Ending Period	1,292	34.3	37.7		
WY 2012					
Beginning Period	1,830	56.1	32.6	-12%	Observed decline in performance due to residual plugging.
Ending Period	1,817	63.4	28.7		
WY 2013					
Beginning Period	1,087	32.7	33.2	+3%	No residual plugging during year.
Ending Period	1,508	44.2	34.1		
WY 2014					
Beginning Period	NA	NA	NA	NA	No injection at this well this year.
Ending Period	NA	NA	NA		



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Water Year	Injection Rate (gpm)	24-hour DUP (feet)	Specific Injectivity (gpm/ft)	Water Year Change	Comments
WY 2015					
Beginning Period	1,456	38.9	37.4	-14%	Observed decline in performance due to residual plugging.
Ending Period	1,574	49.1	32.1		
WY 2016					
Beginning Period	1,270	34.9	36.4	-30%	Observed significant decline in performance due to residual plugging.
Ending Period	1,620	63.9	25.4		
WY 2017					
Beginning Period	822	24.2	33.9	-13%	Observed decline in performance due to residual plugging.
Ending Period	907	30.7	29.5		
WY 2018					
Beginning Period	950	30.5	31.1	-8%	Observed decline in performance due to residual plugging.
Ending Period	1,537	53.7	28.6		
WY 2019					
Beginning Period	1,390	58.3	23.8	-34%	See discussion below
Ending Period	933	59.8	15.6		

**Table 4. Injection Performance Summary – ASR-3**

Water Year	Injection Rate (gpm)	24-hour DUP (feet)	Specific Injectivity (gpm/ft)	Water Year Change	Comments
WY 2013					
Beginning Period	1,044	87.0	12.0	-31%	Observed significant decline in performance due to residual plugging.
Ending Period	822	99.6	8.3		
WY 2014					
Beginning Period	NA	NA	NA	NA	No injection at this well this year.
Ending Period	NA	NA	NA		
WY 2015					
Beginning Period	NA	NA	NA	NA	No beginning period data.
Ending Period	892	90.3	9.9		
WY 2016					
Beginning Period	948	83.6	11.3	+7%	Slight increase observed.
Ending Period	897	74.1	12.1		

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WY 2019 Summary of Operations Report **DRAFT**

Water Year	Injection Rate (gpm)	24-hour DUP (feet)	Specific Injectivity (gpm/ft)	Water Year Change	Comments
WY 2017					
Beginning Period	936	107.5	8.7	+8%	Slight increase observed.
Ending Period	986	105.2	9.4		
WY 2018					
Beginning Period	1,050	64.8	16.2	-23%	Observed significant decline in performance due to residual plugging.
Ending Period	1,440	115.4	12.5		
WY 2019					
Beginning Period	1,063	108.9	9.8	+18%	See discussion below.
Ending Period	1,091	93.8	11.6		

**Table 5. Injection Performance Summary – ASR-4**

Water Year	Injection Rate (gpm)	24-hour DUP (feet)	Specific Injectivity (gpm/ft)	Water Year Change	Comments
WY 2017					
Beginning Period	1,506	91.3	16.5	+58%	Significant increase.
Ending Period	1,068	41.3	25.9		
WY 2018					
Beginning Period	920	38.1	24.1	NA	Insufficient data for comparison.
Ending Period	NA	NA	NA		
WY 2019					
Beginning Period	1,375	258.4	5.3	+275%	See discussion below.
Ending Period	1,491	74.6	19.9		

**Injection Performance Summary.** As shown in **Table 2**, at ASR-1 the 24-hour specific injectivity at the beginning of WY 2019 was 19.7 gpm/ft and at the end was 22.3 gpm/ft, representing an increase of approximately 13 percent. As shown in **Table 3**, at ASR-2 the 24-hour specific injectivity at the beginning of WY 2019 was 23.8 gpm/ft and at the end was 15.6 gpm/ft, representing a significant decrease of approximately 34 percent. As shown in **Table 4**, at the beginning of WY 2019 the ASR-3 specific injectivity was 9.8 gpm/ft and at the end was 11.6 gpm/ft, representing an increase of approximately 18 percent. It is noted that the WY 2019 ending specific injectivity was also comparable to the end of the previous WY 2018 season.

As discussed in the previous section, the initial 24-hr injection period at ASR-4 resulted in excessive amounts of drawup, and as shown in **Table 5**, a very low specific injectivity at an (apparent) average injection rate of 1,375 gpm. The ending specific injectivity was 19.9 gpm/ft at an average rate of 1,491 gpm, representing an apparent 275 percent increase over the



beginning period performance; however, these comparative results are considered unreliable, as there is no reasonable explanation for both the very low beginning performance and the apparent dramatic increase over the course of the injection season; rather, it is believed that the data collected for the beginning period performance is in error. While the field notes for the beginning of the injection season at ASR-4 are insufficient to determine precisely what happened, based on the dramatic water-level response (refer to **Figure 10**), it is believed that the actual injection rate was much greater than the available data indicate. Alternatively, the well may have experienced rapid and unusual plugging during the initial 24-hours of injection; however, as discussed below, Silt Density Index (SDI) testing performed during WY 2019 showed the injectate to have relatively low particulate loads; therefore, if the well was experiencing plugging during this period, it would likely have been the result of air entrainment in the injectate and air binding of the gravel pack/aquifer matrices.

### **Pumping Performance and Residual Plugging**

Experience at injection well sites around the world shows that all injection wells are subject to some amount of plugging, because no water source is completely free of particulates, bionutrients, or oxidants, all of which can contribute to well plugging; the CAW source water is no exception. During injection, trace amounts of suspended solids are continually being deposited in the gravel pack and aquifer pore spaces, much as a media filter captures particulates in the filter bed. The effect of plugging is to impede the flow of water from the injection well into the aquifer, causing increased injection heads in the well to maintain a given injection rate, or reduced injection rates at a given head level. Well plugging reduces injection and extraction capacity and can result in decreased useful well life if not mitigated.

Relative measurements of the particulate matter in the injectate have historically been made at the Santa Margarita site through Silt Density Index (SDI) testing during the injection season. The SDI was originally developed to quantitatively assess particulate concentrations in reverse-osmosis feed waters. The SDI test involves pressure filtration of source water through a 0.45-micron membrane, and observation of the decrease in flow rate through the membrane over time; the resulting (dimensionless) value of SDI is used as a comparative value for tracking relative declines in well plugging rates associated with particulate plugging during an injection season (i.e., plugging rates tend to increase directly with SDI).

During WY 2019 injection operations, the injectate SDI ranged between 1.78 to 2.31, averaging 2.05, values that are consistent with recent previous years (i.e., since the Monterey Pipeline has been installed by CAW) and indicative of a relatively low particulate load and, therefore, plugging potential.

Following routine backflushing operations and periods of water-level recovery, controlled 10-minute specific-capacity tests are typically performed to track well pumping performance, similar to the tracking of injection performance from 24-hour specific injectivity discussed above. Residual plugging is the plugging that remains following backflush pumping. Residual plugging increases drawdown during pumping and drawup during injection and is manifested as declining specific capacity / injectivity. The presence of residual plugging is indicative of incomplete



removal of plugging particulates during backflushing and has the cumulative effect of reducing well performance and capacity over time.

As discussed previously, routine 10-minute specific capacity tests were performed at the ASR wells as part of backflushing events during WY 2019. Presented in **Table 6** below is a summary of the residual plugging calculations for the ASR wells during WY 2019.

**Table 6. Pumping Performance and Residual Plugging Summary**

Well	Test	Pumping Rate (gpm)	10-min Drawdown (ft)	10-min Q/s <sup>1</sup> (gpm/ft)	Normaliz-ation Ratio <sup>2</sup>	Normalized Drawdown <sup>2</sup> (ft)	Residual Plugging (ft)
ASR-1	Pre-Injection	3,000	109.7	27.3	1.00	109.7	--
	Post-Injection	3,100	104.9	29.6	0.97	101.5	-8.2
ASR-2	Pre-Injection	2,700	79.3	34.0	1.11	88.1	--
	Post-Injection	2,800	82.2	34.1	1.07	88.1	0.0
ASR-3	Pre-Injection	2,000	127.8	15.6	1.50	191.7	--
	Post-Injection	1,800	114.4	15.7	1.67	190.7	-1.0
ASR-4	Pre-Injection	2,900	133.6	21.7	1.03	138.2	--
	Post-Injection	3,000	163.2	18.4	1.00	163.2	25.1

Notes:

1 - Specific Capacity. Ratio of pumping rate to drawdown.

2 - Normalized based on ratio of 3,000 gpm to actual test pumping rate.

As shown on **Figures 7 through 9**, injection water levels at ASR-1, -2 and -3 were generally maintained below the recommended maximum available drawup levels during WY 2019, and as shown in **Table 6**, none of these three wells experienced residual plugging. As discussed previously and as shown on **Figure 10**, the injection water level at ASR-4 did significantly exceed the recommended drawup level at the beginning of the injection season, and as shown in **Table 6**, experienced significant residual plugging of approximately 25 feet.

The WY 2019 results continue to indicate that injection water levels at all of the ASR wells should be maintained below the recommended minimum levels below ground surface during the injection season to avoid excessive drawup and over pressurization of plugging constituents.

## AQUIFER RESPONSE TO INJECTION

The response of the regional aquifer system to injection has been monitored since the SMTIW project was initiated in WY 2002. Submersible water-level transducer/data logger units have been installed at seven offsite monitoring well locations in the SGB as well as three onsite monitoring wells. The locations of each offsite monitoring well are shown on **Figure 1**, and water-level hydrographs for the monitoring wells during WY 2019 are graphically presented on



**Figures 11 through 18.** A summary of the regional water-level observations during the WY 2019 injection season is presented in **Table 7** below:

**Table 7. Aquifer Response Summary**

Well ID	Distance from Nearest Active ASR Well (feet)	Aquifer Monitored	Fig. No.	Pre-Injection DTW (ft. bgs)	Shallowest Injection DTW (ft. bgs)	Maximum Drawup Response (ft.)
SMS (Shallow)	25 (ASR-3)	QTP	11	No Discernable Response		
SMS (Deep)		Tsm		360.2	289.9	<b>70.3</b>
SM MW-1	190 (ASR-2)	Tsm	12	364.8	330.8	<b>34.0</b>
Paralta Test	650 (ASR-2)	QTP & Tsm	13	316.4	330.6	<b>14.2</b>
Ord Terrace (Shallow)	2,550 (ASR-2)	Tsm	14	263.8	253.8	<b>10.0</b>
FO-7 (Shallow)	3,700 (ASR-3)	QTP	15	No Discernable Response		
FO-7 (Deep)		Tsm		492.2	478.5	<b>13.7</b>
FO-9 (Deep)	6,130 (ASR-3)	Tsm	16	141.8	129.2	<b>12.6</b>
PCA East (Shallow)	6,200 (ASR-3)	QTP	17	No Discernable Response		
PCA East (Deep)		Tsm		92.7	78.9	<b>13.8</b>
FO-8 (Deep)	6,450 (ASR-3)	Tsm	18	400.6	NA	<b>NA</b>

**Notes:**

QTP – Quaternary / Tertiary-age Paso Robles Formation aquifer  
 Tsm – Tertiary-age Santa Margarita Sandstone aquifer  
 DTW – Depth to Water

As shown on **Figures 11 through 18**, water levels in the Santa Margarita Sandstone (Tsm) aquifer at the start of the WY 2019 recharge season ranged between approximately 20 to 40 feet below sea level. Positive response to injection during WY 2019 was observed at all 5 of the monitored wells completed in the Tsm aquifer, with apparent water-level responses ranging between approximately 10 to 70 feet, generally decreasing with distance from the ASR wells, which is the typical and expected aquifer response to hydraulic stresses (i.e., injection or pumping).

The water-level data also continue to show that at the majority of the offsite Tsm-only monitoring wells, water levels consistently remained below sea level throughout WY 2019, including during the injection season. In addition, the data for wells completed in the Paso Robles Formation (QTP) also continue to show no discernible direct response to injection and water levels in the QTP aquifer remained higher than the water levels in the underlying Tsm aquifer during WY 2019. Under these overall basin water-level conditions, little to no flow from the Tsm aquifer to the ocean nor to the QTP aquifer would be expected to occur; as such, any hydraulic “losses” of injected water from the basin are likely very limited.



## **WATER QUALITY**

### **General**

Source water for injection is supplied from the CAW municipal water system, primarily from Carmel River system wells, which is treated at the CAW Begonia Iron Removal Plant (BIRP) for iron and manganese removal. The BIRP product water is also disinfected and maintains a free chlorine residual. A phosphate-based corrosion inhibitor (Zinc Orthophosphate) is also added to the filtered water before entering the CAW distribution system. The finished product water meets all California Department of Public Health (CADPH) Primary and Secondary water quality standards.

As in previous years, water quality was routinely monitored at the ASR well sites during WY 2019 injection and aquifer storage operations. Far-field water quality was also monitored at the PCE-East Deep monitoring well (PCA-E Deep)<sup>7</sup>. Summaries of the collected water-quality data during WY 2019 are presented in **Tables 8 through 15** below. Analytic laboratory reports are presented in **Appendix C** (not included in draft). A discussion of the water-quality data collected during WY 2019 is presented below.

### **Injection Water Quality**

Injection water quality from the CAW system during WY 2019 is presented in **Table 8** below, and the data show injection water quality was typical of recent years. Levels of Trihalomethanes (THM) and Haloacetic Acid (HAA) compounds, as well as bionutrients (dissolved oxygen, nitrogen, phosphorous, and organic carbon), were all present at levels similar to previous years.

### **Water Quality During Aquifer Storage**

**Tables 9 through 12** present summaries of water-quality data collected at the four ASR wells. **Tables 13 and 14** present similar data collected at the on-site monitoring wells SM MW-1 and SMS Deep, respectively; and **Table 15** presents the water-quality data collected at the off-site monitoring well PCA-E Deep. Data for ASR-2 includes baseline water quality taken prior to WY 2019 injection (end of WY 2018 Storage) and for all four ASR wells stored water quality (WY 2019 Storage) collected periodically from the aquifer after WY 2019 injection operations were terminated.

Review of water-quality parameters gathered at the ASR wells, including major anions and cations, redox potential (ORP), and conductivity all showed very limited effects of dilution / intermixing of injected water with native groundwater (NGW) during aquifer storage compared to some previous water years, reflecting the relatively large volume of injection during WY 2019.

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<sup>7</sup> Note: CAW's Paralta production well was non-operational during planned sampling periods during WY 2019 due to mechanical problems.



Disinfection Byproducts (DBPs) parameters for the on-site wells collected during the WY 2019 storage period are graphically presented on **Figures 19 through 24** and are summarized below:

- **ASR-1 (Figure 19):** Two samples were collected from ASR-1 after the conclusion of the WY 2019 injection season, which showed ingrowth of THMs to 78 ug/L after 46 days; it is noted however, that no further sampling occurred at ASR-1 during WY 2019 due to mechanical issues with the pump assembly.
- **ASR-2 (Figure 20):** Three samples were collected at ASR-2 during the storage period, which showed ingrowth of THMs over a period of 46 days reaching a peak level of 89 ug/L exceeding the MCL, followed by a decline after 81 days of storage to a level below the MCL of 69 ug/L.
- **ASR-3 (Figure 21):** Four samples were collected at ASR-3 on an approximate monthly basis during the storage period, which showed significant ingrowth of THMs exceeding the MCL within a period of 25 days reaching a level of 120 ug/L, followed by a somewhat variable decline, but remained above the MCL after 116 days of storage at a level of 116 ug/L.
- **ASR-4 (Figure 22):** Four samples were collected at ASR-4 on an approximate monthly basis during the storage period, which also showed significant ingrowth of THMs over a period of 53 days reaching a level exceeding the MCL at 101 ug/L, followed by a significant decline after 116 days of storage to a level below the MCL of 55 ug/L.
- **SM MW-1 (Figure 23):** Three samples were collected at MW-1 during the storage period, which showed ingrowth of THMs over a period of 60 days reaching a peak level of 75 ug/L, followed by a decline after 81 days of storage to a level of 60 ug/L.
- **SMS Deep (Figure 24):** Four samples were collected at SMS Deep on an approximate monthly basis during the storage period, which showed significant ingrowth of THMs exceeding the MCL within a period of 39 days reaching a level of 118 ug/L, followed by a somewhat variable decline similar to that observed at ASR-3 (located within 25 feet), and also remained above the MCL after days of storage at a level of 119 ug/L.

Historically, THMs at the ASR wells typically show an initial and significant ingrowth during the storage period, which is a result of reactions between free chlorine and trace levels of organic compounds in the injected water and/or the aquifer matrix. THM ingrowth typically peaks in concentration approximately 30 to 90 days after the cessation of injection, followed by a gradual decline during the remainder of the storage period. After approximately 120 to 180 days of storage, THMs typically degrade to below the MCL (or even the initial injection levels in most cases). It is noted that evidence from historical ASR well operations in the SGB, as well as other ASR facilities, suggests that the onset of THM degradation does not commence until anoxic/anaerobic redox conditions occur within the aquifer.



As described above, the results during WY 2019 generally followed this historically observed pattern for the project ASR wells at ASR-2, ASR-4, and SM-MW-1, but THMs did not degrade below the MCL at ASR-3 and SMS-Deep. In reviewing the chloride and Oxidation Reduction Potential (ORP) data from all wells, it is apparent that during this recharge season the injected volume of recharge water remained substantially intact, with little or no intermixing with the surrounding native ground water (NGW). Because of this lack of intermixing, the highly oxidized redox conditions within the recharge water volume remained for an extended period, and redox conditions did not decline as rapidly as in many previous years.

HAA levels at the wells (where sufficient data was collected) generally showed their typical pattern of limited (if any) ingrowth during the initial storage period, followed by complete to near-complete degradation by the end of the storage season. Unlike THM's, HAA compounds are known to degrade under aerobic redox conditions, which are already present in the oxygenated and chlorinated recharge water. In addition, HAA's are much less stable compounds than THM's; therefore, their degradation is to be expected.

### **Water Quality at Off-Site Monitoring Wells**

Water-quality data were collected from only one of the off-site wells in WY 2019 (PCA-E Deep) and are presented in **Table 15**. As shown, at PCA-E Deep the absence of DBP's and the consistent and high level of chloride ion during the period suggest that this area is comprised of intact NGW, and the influence of recharge operations is negligible to date at this location. Paralta is the nearest CAW production well to the ASR wells and is typically sampled as part of the project Sampling and Analysis Plan; however, the well was non-operational (due to well rehabilitation-related issues) during planned sampling periods during WY 2019.

### **Hg Investigation**

At the commencement of WY 2013 recovery pumping of ASR-1, a sample collected by CAW<sup>8</sup> had a Mercury (Hg) concentration of 4 µg/L, exceeding the State MCL of 2 µg/L. Hg is a member of the family of elements known as Transition Metals, which also includes Iron (Fe), Zinc (Zn), Copper, (Cu), and Cadmium (Cd); the family of transition metals have similar chemical and reactive characteristics, and often react with one another under varying redox and geochemical conditions. Although the occurrence of Hg and other transition metals in surface water and groundwater has been documented elsewhere in the Monterey Bay region, the 2013 detection of Hg in SGB water was unusual. The fact that detectable Hg was identified, and at levels above historical NGW and injectate concentrations, led to the development of an ongoing investigation of Hg occurrence at the 4 ASR wells.

As described in previous technical memoranda and annual summary of operations (SOR) reports regarding this issue, it has been hypothesized that the origin of the sporadic occurrences of Hg could be the result of one or more mechanisms, including the following:

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<sup>8</sup> Collected on October 24, 2013.





- A. Soluble or insoluble Hg present in the Carmel River System source water that could have accumulated as particulate (insoluble) compounds in the well bore area, similar to the accumulation of other particulate matter originating from the treated Carmel River product water and the CAW conveyance system. Such accumulation would be released during routine backflushing operations and/or early stages of stored water recovery operations as insoluble/particulate Hg.
- B. Solubilization of naturally occurring Hg minerals present in the Tsm geologic matrix, which could result from geochemical interactions between the injection source water, NGW and aquifer minerals.
- C. Mobilization of insoluble (i.e., particulate) Hg from the Tsm matrix via the dissolution of cementitious materials and subsequent migration of particulate Hg compounds towards the well bore during recovery/pumping operations.
- D. Other anthropogenic sources of Hg in well components or other off-site sources.

A thorough assessment of well construction and operational records was performed in 2014/2015, which found no evidence of any Hg-containing materials in the well casings, screens, pumping equipment, lubricants, or other component materials: this, along with the sporadic detection of low level Hg in other wells, dissuaded further consideration of item (D) above as a realistic possibility.

High frequency sampling of the injectate was performed during WY 2017 to detect the presence of Hg in the injection source water. High frequency composite sampling of the injectate was performed to detect if high flows in the Carmel River Watershed was causing episodic releases of Hg into the river system from soil runoff in the watershed and/or stirring up sediments in the reservoir(s) or floodplains. It was assumed that if Hg was being released from the Carmel River System, the events would occur over several consecutive days when the river flows were high and sediments were being transported. Due to the assumed timing of the hypothetical Hg release mechanism, daily composite samples were used to detect if the events were occurring. During the WY 2017 project operation, no Hg was detected in any of the daily composite samples, indicating that the Carmel River System is likely not a source of Hg at the ASR wells as postulated in (A) above.

Collection and analysis of Tsm mineral cuttings from the recently constructed DIW-2 well as part of the Pure Water Monterey (PWM) groundwater replenishment program during WY 2018. 18 samples were selected for analysis; of these 18 samples, only one was found to be absent of Hg (i.e., less than the 6 ppb detection limit of the method). The remaining 17 samples all showed detectable levels of naturally occurring Hg, ranging from 6 to 98 ppb (i.e., ug/kg) Hg on a dry weight basis. The average Hg concentration of all samples was 21 ppb. This was a significant finding in that it substantially confirms the presence of naturally occurring Hg within the Tsm aquifer matrix. Additionally, the analyses indicate that the lowest Hg concentrations generally occurred in the coarse-grained sands of the Tsm, while the highest concentrations occurred in the silty/clay horizons and especially those in the lower Tsm most proximate to the underlying Monterey Shale (Tm) formation.



The confirmed presence of Hg and other transition metals within the Tsm suggests that of the (above) 4 previously proposed mechanisms of Hg occurrence, Items B and C (solubilization and/or mobilization of naturally occurring Tsm Hg) are realistic possibilities.

**WY 2019 Investigation.** Based on the additional data gathered during the WY 2018 program, it appeared that there is sufficient evidence to continue the investigation of the potential mechanisms of Hg solubilization and/or mobilization within the Tsm aquifer mineralogy. Unfortunately, the occurrence of Hg has always been sporadic, and the pursuit of more data for the investigation is largely dependent on obtaining samples of water and/or backwash sludge that contain a sufficiently high concentration of Hg/transition metals to allow quantitative analysis by appropriate analytic laboratories.

For WY 2019, a protocol was developed for sampling of backflushing discharge waters and sludge from the ASR wells, and to collect and analyze stored water samples for Transition Metals and related parameters (ORP, DO, Cl, and pH). The protocol consisted of monitoring raw water concentrations for Hg, and if concentrations increased to above 8 ug/L, to collect a sludge sample for analysis; however, during WY 2019 all water samples collected were at less than this concentration (the only Hg detection during WY 2019 was at ASR-2 on 12/18/18 with a level of 4.6 ug/L); therefore, none of the collected sludge samples were considered usable for further analysis.

**Next Steps.** Sampling of backflushing water and sludge during injection operations, as well as sampling purge waters and sludge during storage periods, should be performed at all ASR wells on a monthly basis (as feasible). The collected water samples should be analyzed for Transition Metals and related parameters (ORP, DO, Cl, and pH). In the event that water samples contain sufficient concentrations of Hg, it is recommended that the associated sludge samples are pre-screened for elemental/bulk Hg content prior to quantitative speciation analysis. Once such speciation is confirmed, geochemical modeling can be leveraged to ascertain the specific reaction mechanism(s) resulting in mobilization.



# Supplement to 7/20/2020 MPWMD Board Packet

Attached are copies of letters received between June 9, 2020 and July 15, 2020. These letters are listed in the July 20, 2020 Board packet under Letters Received.

Author	Addressee	Date	Topic
Barbara Moore	MPWMD Board	6/15/20	6/15/20 Board Meeting Agenda Item 33 – Letter to the California Coastal Commission
Troy Ishikawa	MPWMD Board	6/15/20	6/15/20 Board Meeting Agenda Item 33 – Letter to the California Coastal Commission
Charles Mendez	MPWMD Board	6/14/20	6/15/20 Board Meeting Agenda Item 33 – Letter to the California Coastal Commission
Diana Hoag	MPWMD Board	6/14/20	6/15/20 Board Meeting Agenda Item 33 – Letter to the California Coastal Commission
Peggy Brown	MPWMD Board	6/14/20	6/15/20 Board Meeting Agenda Item 33 – Letter to the California Coastal Commission
Renee Franken	MPWMD Board	6/14/20	6/15/20 Board Meeting Agenda Item 33 – Letter to the California Coastal Commission
Karen & Martin Wiskoff	MPWMD Board	6/14/20	6/15/20 Board Meeting Agenda Item 33 – Letter to the California Coastal Commission
Michael Baer	MPWMD Board	6/13/20	6/15/20 Board Meeting Agenda Item 33 – Letter to the California Coastal Commission
Melodie Chrislock	MPWMD Board	6/12/20	6/15/20 Board Meeting Agenda Item 33 – Letter to the California Coastal Commission
Monterey County Elected Leaders	Juaquin Esquivel copy to MPWMD Board	6/11/20	6/15/20 Board Meeting Agenda Item 33 – Letter to the California Coastal Commission
Ron Stefani	Richard Svindland copy to Dave Stoldt	6/8/20	Pure Water Monterey Project – Cost, Operational Performance and Status
Gregory J. Ford	David J. Stoldt	6/4/20	Reinstate 6.083 acre-feet annually of water credits that expired on December 22, 2019

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**From:** [bdmoore100@aol.com](mailto:bdmoore100@aol.com)  
**To:** [comments](#)  
**Subject:** Item 33 letter to California Coastal Commission  
**Date:** Monday, June 15, 2020 9:38:43 AM

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Dear Board Members:

I am a homeowner in Monterey. I strongly urge you to write the California Coastal Commission and ask them to deny Cal Am's request for a permit for its desal project.

Among the reasons I urgently request you do this are:

There are now three studies/reports that show that the demand for water can be met with water from the Pure Water Monterey Project and the Expansion of the project combined with other existing sources.

The actual use of water is far less than assumed by the CPUC when it approved Cal Am's desal project. The current demand of about 9,800 AFY is more recent and more reliable than the nearly 14,000 AFY forecast by the CPUC. Cal Am is even using the lower figure in its proposal to the CPUC for yet another rate increase when we already pay more for water here than anywhere else in the nation.

The desal project will exacerbate even further the huge amount of money we pay. It will be more than 6 times as expensive as the PWM and Expansion (\$7,000 per acre foot versus \$2,300 per acre foot).

The PWM Expansion cost is \$2,300 per acre foot versus the Cal-Am Project at \$7,000 per acre foot. Cal-Am's Project will cost an estimated \$1.2 billion over 30 years compared to only \$190 million for the Pure Water Monterey Expansion. We cannot afford the exorbitant cost, and it is especially galling that we would be paying for water we do not need.

People in our community have made it very clear they do not support this hugely expensive, unnecessary desal project which will be very detrimental to our very special environmental conditions. You represent the people in the community, and we rely on you to do the right thing.

In this instance, the right thing is to tell the Coastal Commission your board does not support Cal-Am's desal project and urge it to deny the requested

permit.

Barbara Moore

**From:** [Troy Ishikawa](#)  
**To:** [comments](#)  
**Subject:** June 15, 2020 MPWMD Meeting Agenda #33  
**Date:** Monday, June 15, 2020 1:23:19 PM

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Dear MPWMD Board:

I support MPWMD board to send a letter to the CCC recommending Agenda #33-B draft. The MPWMD board should recommend to the CCC to support Pure Water Monterey Expansion project. These are five reasons NOT to support desal.

- 1) Cal-Am does not have secure ground water rights to pump from an overdrafted sub-basin.
- 2) Cal-Am cannot legally export water from another district's water source according to the Monterey County Water Resources Agency Act.
- 3) The proposed pumping would violate a 1996 Annexation Agreement and groundwater mitigation framework for Marina area lands which limits CEMEX pumping to 500 AFY.
- 4) The project wells are designed to increase seawater intrusion which is inconsistent with the Central Coast Water Resources Control Board Basin Plan prohibition on deliberate contamination of groundwater.
- 5) The proposed slant well pumping is inconsistent with the Sustainable Groundwater Management Act (SGMA) because it would deplete groundwater quantity and further degrade groundwater quality by increasing seawater intrusion.

Finally, the PWM Expansion project does no harm to Marina's groundwater. The PWM Expansion project benefits ratepayers into supporting a superior environmentally and cost savings project already pumping recycled water into the Seaside Basin.

Sincerely,

Troy Ishikawa  
Carmel, CA





**From:** [charles mendez](#)  
**To:** [comments](#)  
**Subject:** Letter to coastal commission  
**Date:** Sunday, June 14, 2020 5:42:30 PM

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Hello. I support that you send the drafted letter 33-B in support of the PWN version. We do not want or need a huge Desal plant that will force the Cal Am customers pay more than 1.2 billion dollars ++. PWN will solve the overdraft of the Carmel river with plenty of water at a fraction of the cost to the consumers. Don't let the few elected officials, which do not include thousands of the customers who don't even have a voice in the matter, that support the Cal Am plan force this Desal plant. Thank you for your time.

Charles Mendez  
Del Rey Oaks



**From:** [Doane Hoag](#)  
**To:** [comments](#)  
**Subject:** Cal Am coastal permit for desalination  
**Date:** Sunday, June 14, 2020 7:05:51 PM

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I strongly oppose the Cal Am desalination plant. Please advise the **Coastal Commission to deny the Coastal Development Permit for California American Water Company's proposed desalination facility.** We have a more than adequate alternative in the PWM recycle plant and expansion will take care of the coastal needs without the tremendous expense and environmental hazards a desalination plant will present.

R. Doane Hoag  
3268 Camino del Monte  
Carmel, CA 93923



**From:** [Peggy Brown](#)  
**To:** [comments](#)  
**Subject:** Item #33 6/15 Board Meeting  
**Date:** Sunday, June 14, 2020 5:11:07 PM

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Dear All,

As 20 year residents of Seaside and ratepayers to Cal-Am, we strongly urge you to send a letter to the CCC denying Cal-Am's Desal project. My family and neighbors would rather support an environmentally safer and less expensive alternative source for our water. Thank you for your consideration.

Scott and Peggy Brown  
Seaside, Ca

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Sent from Gmail Mobile



**From:** [Renee Franken](#)  
**To:** [comments](#)  
**Subject:** Item 33 on Agenda  
**Date:** Sunday, June 14, 2020 4:31:34 PM

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Dear Board Members,

I am urging the board to send a letter to the California Coastal Committee that asks the CCC to deny Cal Am's request for a permit for its desal project. As you have heard all the arguments before, I will keep it brief.

1. The need for water over the next 30 plus years is about 9800 afy and that can be met by existing sources and the expansion of the water reclamation project.
2. The desal project is 6 times as expensive as the expansion of the water reclamation project.
3. The desal proposal by Cal AM will have major detrimental environmental effects which the water reclamation project does not.
4. Using the water produced by the water reclamation project, will allow our area to meet the State's Cease and Desist Order. The approval of the desal project is not required.
5. The rate payers of this area are already laboring under the highest water rates in the country. Approval of the proposed desal plant will double those rates.

There is time to evaluate whether any sort of desal project will be necessary for the Peninsula in the future. Don't saddle us with a \$1.2 billion monstrosity that is not needed.

Sincerely,

Renee Franken





**From:** [wiskoff@aol.com](mailto:wiskoff@aol.com)  
**To:** [comments](#)  
**Subject:** PUBLIC COMMENT ITEM #33  
**Date:** Sunday, June 14, 2020 3:10:18 PM

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Chair Alvin Edwards and the Board of Directors  
Monterey Peninsula Water Management District

Dear Chair Edwards and Directors:

As 33-year California American Water ratepayers, we urge you encourage the California Coastal Commission to **DENY** a permit for Cal Am's proposed desalination facility.

**WE SUPPORT** the Pure Water Monterey Expansion for all the reasons stated in your own letter #33-B (reproduced below), and we urge you to send this letter to the California Coastal Commission.

Sincerely,

Karen & Martin Wiskoff  
Monterey, California

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Via email: [John.Ainsworth@coastal.ca.gov](mailto:John.Ainsworth@coastal.ca.gov)

**RE: Application No. 9-19-0918 and Appeal No. A-3-MRA-19-0034 (California American Water Company)**

Dear Mr. Ainsworth:

On behalf of the Board of the Monterey Peninsula Water Management District, I am writing to encourage the California Coastal Commission to deny the Coastal Development Permit for California American Water Company's proposed desalination facility.

- Pure Water Monterey (PWM) expansion is a feasible alternative to the desalination facility. PWM is an advanced water purification facility that is already producing water for potable supply. The expansion could be constructed in approximately 20 months.
- PWM expansion has less adverse environmental impact than the proposed desalination facility, and no new construction in the coastal zone.
- PWM expansion is more than sufficient to lift the Cease and Desist Order in our community. Based on the most recent pumping and demand history, only approximately 800 acre-feet per year (afy) of new supply is required to do so – at 2,250 afy PWM expansion is more than sufficient.
- Based on the report titled "*Supply and Demand for Water on the Monterey Peninsula*" adopted by the District on May 18, 2020, PWM expansion provides a new water supply sufficient to meet the future needs of the Peninsula for the next 20 to 30 years.
- While both proposed water supply projects meet the current and future needs of the Peninsula, PWM expansion will save the ratepayers approximately \$1 billion compared to desalination over a 30-year lifecycle.

Desalination can be looked at for providing the next increment of water needed on the Peninsula, and perhaps regionally, somewhere down the road when additional supplies appear to be required.

Thank you for your consideration of the District's position.

Sincerely,

The Board of Directors  
Monterey Peninsula Water Management District

**From:** [Michael Baer](#)  
**To:** [Arlene Tavani](#)  
**Subject:** letter from Baer on Item #33  
**Date:** Saturday, June 13, 2020 10:59:41 AM

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Dear Chair Edwards and MPWMD Board members,

I am writing to you about item 33, the choice to send one letter, or its opposite, or neither.

The idea of sending a letter of support for CalAm's desal plant, 1) in the wake of measure J's results and your legal obligation to pursue its feasibility, 2) in the wake of your May 18 vote to adopt the water supply and demand analysis of your executive, and 3) in the wake of your potential legal wrangling with M1W on non-adoption of its FEIR that you invested \$750,000 on, borders on the absurd.

Plus, it is obviously not reflective of the views of the majority of your board members. That draft letter (33-A) also references 2012 as the point at which the board supported the desal plant, and ignores the drastically shifting landscape on the water demand and supply situation in the intervening years.

So the question really is whether to endorse denial of the coastal permit or remain neutral.

Rather than focus *solely* on the water supply issues with your support for Pure Water Monterey expansion (which is not actually before the Commission), I think it is imperative to include arguments about water rights, specifically the lack of them in this case. This is pertinent to your purview in light of potential eminent domain proceedings. Just as CalAm does not have the water rights to pursue its desal dreams, neither does the water district. It behooves you to take this opportunity to get on the record in support of water rights law. Allegedly, we are a nation of laws, and this is your chance to reaffirm that view to the world.

Choosing to do nothing is a mistake in my view. It implies your disinterest in the proceeding. If your Board chooses not to take a side, I still feel a letter is in order, expressing your support of the Commission and its staffs deliberate and hard work on the issue, and that you are watching the proceeding with interest.

Finally, I suggest an edit to any draft letter. Both letters use "I" rather than "we." You are a board, a collective, hence "we" is the appropriate term.

Thanks to you all for your service to the community. Stay safe in the time of covid.

Regards,

Michael Baer

**From:** [MWChrislock](#)  
**To:** [Arlene Tavani](#)  
**Subject:** Letter to the Board  
**Date:** Friday, June 12, 2020 11:33:50 AM  
**Attachments:** [PWN - PWM X vs Desal.pdf](#)

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MPWMD Board members,

This is PWN's response to the May 8th letter from SWRCB Executive Director Eileen Sobeck which appeared to pressure the Coastal Commission on Cal Am's behalf. Her letter ignored the PWM Expansion as the more feasible solution of to ending the illegal diversions from the Carmel River.

Over the past two weeks, more than 50 individuals sent their own unique letters to the SWRBC and those copied below.

Melodie Chrislock



May 27, 2020

Mr. Joaquin Esquivel, Chair  
Board of Directors  
State Water Resources Control Board

Re: SWRCB Position on Monterey Peninsula Water Supply

Dear Chair Esquivel and Directors,

Many of Public Water Now's 4,000 members have contacted me to complain about the letter your Executive Director Eileen Sobeck sent to the Coastal Commission on May 8, 2020.

Ms. Sobeck was quoted extensively in local papers implying that your agency only sees one solution to meeting the CDO and is pressuring the Coastal Commission to approve Cal Am's desal. Sobeck's public comment at the Coastal Commission last November appeared to reinforce this same attitude.

We are concerned that your board may not have all the facts in this situation. If you only hear from Cal Am, you are certainly not getting the whole story.

Cal Am has had 25 years to solve the problem of overdrafting the Carmel River. But in the last five years, three of our public agencies working together have solved our water shortage with the Pure Water Monterey Project. The attached chart compares this project with Cal Am's desal.

We are deeply concerned that your agency is undermining this sound and environmentally preferred solution in favor of Cal Am's desal. Pure Water Monterey (PWM) is by far the most promising water supply project the Peninsula has had in 25 years. By late summer, Cal Am will be able to draw this water from storage in the Seaside Basin. Over 500 AF of the 1,000 AF operating reserve has already been injected. Pure Water Monterey will provide the Peninsula with 3,500 AFY, and its Expansion could add another 2,250 AFY. This would meet the Peninsula's needs for decades to come.

Ms. Sobeck's argument about the continued overdrafting of the Carmel River and the danger to its ecosystem is based on the false assumption that Pure Water Monterey and its Expansion cannot meet the Peninsula's long-term demand. This is not true. We were surprised to hear NOAA echoing these same mistaken assumptions at the March Coastal Commission meeting.

Three current water supply and demand reports have all confirmed that the Pure Water Monterey expansion of 2,250 AF is enough water for growth and development for 30 years. All three agree. Can they all be wrong? Why does Ms. Sobeck continue to quote outdated information from the CPUC? That data is from 2007 to 2016, and it never looked at how fast growth and development would actually absorb a new water supply. Please review all of the current

reports.

Water demand on the Peninsula has dropped radically. We don't need 14,000 AFY. Our five-year average demand is 9,825 AF. Building a desal plant to provide water that won't be needed for 30 to 50 years is a bad idea. Cal Am's desal is not in the public interest.

Cal Am and its supporters in the business community still want desal at all costs, literally. They will tell you Pure Water Monterey has problems. It doesn't. PWM engineers are in the anticipated process of fine-tuning this innovative project. Four deep injection wells were in the original PWM plans, but only two were built to keep costs down. To meet its maximum injection potential, one more deep well may be needed.

The difference in cost between the two projects is staggering. Over 30 years, Cal Am's desal would cost an estimated \$1.2 billion. The Pure Water Monterey Expansion would cost \$190 million. We can solve our water shortage for \$1 billion less with the PWM Expansion. On the Monterey Peninsula, where people pay hundreds, sometimes thousands of dollars a month for water, this is crucial to the community's economic wellbeing.

Cal Am is oblivious to the public interest. Its only goal is to increase its capital investments and shareholder return with its 9.2% return on this desal plant. It does not make money on conservation or public projects, so it prefers capital investments. But Cal Am has already driven our water costs through the roof. They are the highest in the nation, and this desal would double our water bills.

Cal Am has been manipulating this situation. The supplemental EIR for the PWM Expansion was not certified by the Monterey One Board. This was not because the project is infeasible, but because of Cal Am's pressure and promises to the Board. This was an EIR for the expansion of an already approved and operating project. No deficiencies were found. There were no environmental reasons not to certify it.

But Cal Am did not want it certified, so they asked the Monterey One Board to

reject it. Now they are using this to claim the project is not feasible.

Politics are the problem here. The vote was close, 11 to 10, to deny certification of the SEIR.

Those voting against certification were the Salinas Valley interests. They don't have to pay for this desal, and they don't receive water from the Pure Water Monterey project.

But they receive something else. Cal Am plans to give Ag interests in Castroville desalinated water from the project for \$110 an acre-foot and charge Cal Am ratepayers the real cost, about \$7,000 AF. This highly subsidized water is the only reason the SEIR was not certified.

Ag interests on the M1W Board don't want the Expansion to replace Cal Am's desal. They wouldn't get the cheap water they've been promised. Their goal is to make the Expansion look infeasible to the Coastal Commission and to you, even if it means discrediting their own innovative project.

This is an outrageous situation. Why should the Peninsula pay \$1.2 billion for a desal plant we don't need to solve a seawater intrusion problem we didn't create.

But this is how Cal Am operates. This is why voters want them gone. We had no say in this desal. We never voted for it.

The solution to meet the CDO and lift the moratorium is the Expansion of Pure Water Monterey. This could happen much sooner than desal. But Cal Am is blocking the PWM Expansion because it knows that it would eliminate the need for its proposed desal project.

Cal Am refuses to sign a WPA for the 2,250 acre-feet from the PWM Expansion. They are essentially holding our water supply hostage.

We hope you understand that Cal Am is the reason the Peninsula has not met



the CDO. They are the ones to blame for their failures, not the Coastal Commission and not our community.

Recycled water is the future of water for California according to your own policy. We hope you will contact Monterey One and talk with their staff. Perhaps come and see this amazing project for yourselves. Our community is very excited to have a cost-effective, environmentally sustainable solution to meet our long-standing water shortage and our long term needs.

The good news is that the Pure Water Monterey project currently in operation will leave us only 800 AFY short of complying with the CDO on December 2021. And while neither the PWM Expansion nor Cal Am's proposed desal will be built by then, the Expansion can produce the needed 800 AF much sooner than desal.

Please let the Coastal Commission do its job without pressure or interference. We ask you to support the best option to meet the CDO, not the one Cal Am is selling you. We ask you to remain neutral and look at the facts and the science.

Sincerely,

Melodie Chrislock, Managing Director

**PUBLIC WATER NOW**

<http://www.publicwaternow.org>

[mwchrislock@redshift.com](mailto:mwchrislock@redshift.com)

cc:

Eileen Sobeck, California Water Boards

Jennifer Epp, California Water Boards

Michael Lauffer, California Water Boards

Steven Westhoff, California Water Boards

John Ainsworth, Coastal Commission

Tom Luster, Coastal Commission

Alison Dettmer, Coastal Commission

Steve Padilla, Chair, Coastal Commission  
Dayna Bochco Coastal Commission  
Effie Turnbull-Sanders, Coastal Commission  
Dr. Caryl Hart, Coastal Commission  
Sara Aminzadeh, Coastal Commission  
Donne Brownsey, Coastal Commission  
Linda Escalante, Coastal Commission  
Mike Wilson, Coastal Commission  
Carole Groom, Coastal Commission  
Katie Rice, Coastal Commission  
Erik Howell, Coastal Commission  
Roberto Uranga, Coastal Commission  
Thomas Gibson, California Natural Resources Agency  
Mark Gold, California Natural Resources Agency  
Scott Morgan, Department of Water Resources  
David Sandino, Department of Water Resources  
Mathew Dumloa, Office of Lieutenant Governor Eleni Kounalakis

## Letter from Monterey County Elected Leaders to the State Water Resources Control Board

June 11, 2020

Joaquin Esquivel, Chair  
Board of Directors  
State Water Resources Control Board

Dear Chair Esquivel and Board Members:

As elected leaders in Monterey County, it is our responsibility to advocate for the economic and environmental well-being of our citizens. We were concerned to read the letter from your Executive Director, Eileen Sobeck, to the California Coastal Commission that made several statements that need correction in regard to California American Water's proposed desalination plant.

We write to express our concerns about why this desalination plant is not the right solution for our region and should be set aside in favor of our Pure Water Monterey facility.

We support timely compliance with the SWRCB's Cease and Desist Order (CDO) on the Carmel River. Expansion of the Pure Water Monterey (PWM) recycling plant is the fastest way to meet the CDO. Cal-Am's desalination plant is not needed to meet the Peninsula's water demand and is rife with legal and environmental complications that will only further delay compliance.

Our PWM plant has now been celebrated by both the Newsom Administration and the Environmental Protection Agency for its innovative treatment of agricultural and municipal wastewater and its use of on-site landfill gas. PWM also comports with the SWRCB's policy to maximize water recycling in California.

### **The Pure Water Monterey is easily capable of meeting water demand on the Monterey Peninsula.**

The CPUC's 2018 decision to approve Cal-Am's desalination plant was based on antiquated data from 2007 to 2016 that assumed a demand of 14,000 acre-feet per year for the Monterey Peninsula.

Yet three recent studies and reports by local public agencies show the Monterey Peninsula's real water demand over the last five years is 9,825 AFY. These reports confirm that expanding Pure Water Monterey's current yield of 3,500 AFY by 2,250 acre feet would provide ample water to eliminate illegal diversions from the Carmel River and meet demand for at least 30 years.

In order to justify building a desalination plant that would yield an additional 6,200 AFY and over \$100 million in corporate profits, Cal-Am has disputed the 9,825 AFY demand figure. Yet in Cal-Am's current General Rate Case before the CPUC, Cal-Am's David Mitchell testified that our demand would be 9,338 AF in 2021, 9,478 AF in 2022, and 9,610 AF in 2023.

Despite the overwhelming evidence that the 14,000 AFY estimate is grossly inaccurate, Ms. Sobeck wrote,

"Even though actual water use within Cal-Am's Monterey District service area in recent years has been lower than the Public Utilities Commission's estimated current demand, State Water Board staff does not have a basis for concluding that the Public Utilities Commission's prior analysis and determinations regarding the water demand, sizing, reliability, or diversity of supply were unreasonable, invalid, or outdated."

Such a conclusion suggests an unfortunate bias in favor of a project that our constituents do not need and cannot afford. After the Coastal Commission staff recommended denial of Cal-Am's desalination permit last November, Cal-Am and its allies launched a sabotage campaign to derail the expansion of Pure Water Monterey.

Unfortunately, Ms. Sobeck's letter was recently used by Cal-Am and its allies on the Monterey One Water board as arguable rationale for their ongoing effort to deny approval of the final SEIR for the PWM expansion. Despite their efforts, we remain confident that the PWM Expansion will be approved.

We urge the Board to seriously consider the devastating consequences that an unnecessary desalination plant would have on the people and the environment of the Monterey Peninsula.

Environmentally, Cal-Am's desal plant would destroy 7 acres of Marina's beautiful coastal dunes. This desal plant would use a massive 38,000-megawatt hours of power from PG&E and become the region's largest emitter of greenhouse gases on the coast at a time when climate change is getting worse. The plant also creates gross environmental injustice for the lower-income, predominantly minority communities of Marina and Seaside.

Groundwater rights issues have not been addressed. Cal-Am's desalination plant would draw up to 17,300 AFY from the already overdrafted Salinas Valley Groundwater Basin. Under the SGMA definition of groundwater, most of the desal's source water is groundwater. Cal Am has no legal right to this water and the Agency Act prohibits exportation of groundwater from the Basin. Moreover, the project will - by design - exacerbate seawater intrusion, which endangers Marina's long-term water supply. It will also lower groundwater levels in the Dune Sand Aquifer, adversely impacting groundwater dependent ecosystems in the project area, including Coastal wetlands.

Economically, Cal-Am's desal would cost \$1.2 billion over 30 years compared to \$190 million for the Pure Water Monterey Expansion. Constructing and financing the desalination plant would double water bills when our constituents already pay some of the highest water bills in the nation. This increase would make the cost of living and doing business here unaffordable and would undoubtedly force residents and small businesses to leave our region. And this would make economic recovery from Covid-19 even more difficult.

Because of all these potential obstacles our local public agencies, despite Cal-Am, have worked together to solve our water supply problem with the Pure Water Monterey project and its proposed Expansion.

As it currently stands, Cal-Am only needs an additional 800 AFY to fully comply with the Cease and Desist order and the Seaside Basin overdraft payback. The additional 2,250 AFY from the Pure Water Monterey Expansion can easily provide this. Spending \$1.2 billion for a desal plant is not warranted.

All that stands in the way of the Expansion of Pure Water Monterey is Cal Am's refusal to sign a Water Purchase Agreement. The CPUC has the power to move this solution forward by requiring Cal-Am to purchase the necessary replacement water from the Pure Water Monterey Expansion. Problem solved.

We urge your agency to support this solution.

Respectfully,

*Senator Bill Monning, California State Senate, District 17*  
*Assemblymember Mark Stone, California State Assembly, District 29*  
*Jane Parker, Monterey County Supervisor District 4*  
*Clyde Roberson, Mayor of Monterey*  
*Ian N. Oglesby, Mayor of Seaside*  
*Bruce Delgado, Mayor of Marina*  
*Alison Kerr, Mayor of Del Rey Oaks*  
*Jason Campbell, Seaside City Council*  
*Jon Wizard, Seaside City Council*  
*Jenny McAdams, Pacific Grove City Council*  
*Tyller Williamson, Monterey City Council*  
*Alan Haffa, Monterey City Council*  
*Jeff Baron, Carmel City Council*  
*Tom Moore, Marina Coast Water District Board, President*  
*Jan Shriner, Marina Coast Water District Board, Vice President*  
*Matthew Zefferman, Marina Coast Water District Board*  
*Lisa A. Berkley, Marina City Council*  
*Gail Morton, Marina City Council, Mayor Pro Tem*  
*Regina Gage, Salinas Valley Memorial Hospital Board, Vice President*

Cc:

Eileen Sobeck, California Water Boards  
 Jennifer Epp, California Water Boards  
 Michael Lauffer, California Water Boards  
 Steven Westhoff, California Water Boards  
 John Ainsworth, Coastal Commission  
 Tom Luster, Coastal Commission  
 California Coastal Commission  
 California Public Utilities Commission  
 Wade Crowfoot, California Natural Resources Agency  
 Mark Gold, California Natural Resources Agency  
 Thomas Gibson, California Natural Resources Agency  
 Scott Morgan, Department of Water Resources  
 David Sandino, Department of Water Resources  
 Mathew Dumloa, Office of Lieutenant Governor Eleni Kounalakis  
 Jennifer Lucchesi, State Lands Commission  
 Jared Blumenfeld, California Environmental Protection Agency



June 8, 2020

**VIA ELECTRONIC MAIL**

Richard Svindland, President  
California American Water  
655 W. Broadway, Suite 1410  
San Diego, CA 92101

**Re: Pure Water Monterey Project - Cost, Operational Performance and Status**

Dear Mr. Svindland:

This letter is in response to your May 9, 2020 correspondence, providing clarification and corrections to certain misconceptions. It does not respond to the merits and/or potential feasibility of the proffered Expanded Pure Water Monterey Project in Section D. of that correspondence, given Monterey One Water Board's April 27, 2020 action [1] denying certification of *Final Supplemental Environmental Impact Report*; and, [2] denial of Conditional Project Approval.

We all agree that the Pure Water Monterey Project is a critical component of the overall Monterey Peninsula Water Supply Project and that it is in the best interests of all parties and their constituents to ensure its full operation at the earliest possible date – M1W is employing best commercial efforts toward that important objective. It was thus disheartening to learn, two months after a March 9, status meeting among representatives of California American Water ["Cal Am"]; the Monterey Peninsula Water Management District ["MPWMD"]; and M1W that Cal Am claims that it "has repeatedly requested detailed information about the current status of the project, anticipated start dates, and any issues that may further delay the project."

- A. **Pure Water Cost Analysis** -- On April 29, 2020, M1W responded in writing<sup>1</sup> to your April 20, 2020 letter and provided additional financial information requested after the March 9, 2020 meeting between Cal Am, MPWMD, and M1W, where we provided back-up data supporting the 3-year summary of estimated costs. Apparently, it was not in the format desired by Cal Am. A revised financial table is attached which includes original projections from 2016.
- B. **Pure Water Monterey Start Date** – We confirm that the Performance Start Date provided in the April 29, 2020 letter to Cal Am remains the same (on or about August 10, 2020).

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<sup>1</sup> April 29, 2020; Letter from M1W and MPWMD to California American Water

- C. **Pure Water Monterey Current Operations Status** – Within 60 calendar days following the Performance Start date, M1W will provide its Monthly Operations Report on Delivery Point Water Deliveries to Cal Am. Please note that this is not an enumerated requirement in the *Water Purchase Agreement* between Cal Am, MPWMD, and M1W. Reporting on source water percentages is not germane given that all waters are treated together before purification.
- D. **Expanded Pure Water Monterey Project** – Discussed in first paragraph above.
- E. **Conclusion** – M1W notes Cal Am’s desire for an independent project audit of the Pure Water Monterey Project. An audit is not an enumerated requirement in the *Water Purchase Agreement* between Cal Am, MPWMD, and M1W; it necessarily would have to be accomplished at Cal Am’s sole cost and expense. An audit could be performed reasonably after the Performance Start Date to avoid bogging down operations personnel during commencement of full operations. With concurrence of the MPWMD, M1W would be willing to enter into an amendment to the *Water Purchase Agreement* between Cal Am, MPWMD, and M1W for an audit, with the scope defined, and an auditor selected, by consensus.

M1W, however, is concerned that Cal Am apparently has not yet initiated the Tier 1 Advice Letter filing with the California Public Utilities Commission [“CPUC”]. Sufficient justification exists and has been provided to you to support the initial \$1,720/acre-ft amount [“soft cap”]. Because the CPUC Division of Water and Audits (DWA) must receive (electronically only during COVID-19) a protest or response within 20 days of the date the Advice Letter is served on the Service List, it is prudent to begin this process as soon as possible. We request Cal-Am propose an effective date to implement the Tier 1 approval consistent with the current projected Performance Start Date. Insofar as the time for review by DWA staff is 30 days from the service date, it is best to complete this aspect of the process by June 12th. Such a date will enable approval and implementation by July 7th .

Immediately upon CPUC approval of such [the “soft cap”], we encourage Cal-Am to file a Tier 2 Advice Letter seeking approval of the actual 2020-21 Company Water Rate. This timing would result in submission by July 8th and certainly no later than July 10th. While a Tier 2 advice letter carries the same 20-day protest or response period, the requested effective date cannot occur before 30 days from the service date. We ask that Cal-Am take all steps needed to support implementation of this rate by the Performance Start Date. As an alternative, Cal-Am could tender both the Tier 1 and Tier 2 advice filings simultaneously. This approach would allow more response time in the event a protest is filed with respect to either request.

Lastly, in order to avoid future communication issues among the parties, we suggest a monthly meeting among the principals, with notes taken, be held to resolve any contractual or high-level operational issues.

Please contact me directly with your reply.



Sincerely,



Ron Stefani  
M1W Board Chair

Attachment

Cc: Chair Alvin Edwards – MPWMD  
General Manager David Stoldt – MPWMD  
Dave Laredo, Legal Counsel – MPWMD  
Paul A. Sciuto, General Manager – M1W  
Rob Wellington, Legal Counsel – M1W  
Ian Crooks, VP Engineering, Cal-Am

	2016 Estimate	2019-20	2020-21	2021-22
<b>Projected Revenues from Recycled Water Sales</b>	6,290,893	3,941,000	9,402,600	11,014,000
<b>Projected Expenses</b>				
Power	809,030	742,000	1,583,000	1,925,000
Chemicals	723,694	683,000	1,445,000	1,749,000
Labor	492,212	362,000	1,025,600	1,077,000
Lease / Insurance	53,734	81,000	82,000	87,000
Parts/Material/Other	539,557	150,000	318,000	385,000
Capital Outlay	Unknown			200,000
Interest on loans for fronting of PWM reserves / electrical hookups	Not Anticipated			210,000
Funding of Replacement Fund Reserve	Unknown	650,000	431,000	463,000
Wastewater Charges	84,731	87,000	120,000	320,000
Overhead Allocation from Wastewater Fund	Unknown	86,000	120,000	320,000
Allocable Debt Service - MCWRA	151,117			
Allocable Debt Service - MCWD	300,930	94,000	366,000	366,000
Allocable Debt Service - MPWMD	3,135,888	1,006,000	3,912,000	3,912,000
<b>Total Projected Costs</b>	6,290,893	3,941,000	9,402,600	11,014,000
<b>Less Costs Attributable to MCWD/MCWRA</b>	452,047	94,000	366,000	1,249,671
<b>Net Costs Attributable to MPWMD</b>	5,838,846	3,847,000	9,036,600	9,764,329
<b>MPWMD Cost Allocation</b>	179,507	-	-	-
<b>Cost Per Acre Foot</b>	\$ 1,720	\$ 2,198	\$ 2,442	\$ 2,639
<b>Based on Acre Feet</b>	3,500	1,750	3,700	3,700



DEPARTMENT OF THE ARMY  
UNITED STATES ARMY INSTALLATION MANAGEMENT COMMAND  
HEADQUARTERS, US ARMY GARRISON, PRESIDIO OF MONTEREY  
1759 LEWIS ROAD, SUITE 210  
MONTEREY, CA 93944-3223

RECEIVED

June 4, 2020

JUN 15 2020

MPWMD

Mr. David J. Stoldt  
General Manager  
MPWMD  
P.O. Box 85  
Monterey, CA 93942

Dear Monterey Peninsula Water Management District (MPWMD) Board:

Per MPWMD Rule 70, the Presidio of Monterey (POM) is appealing the MPWMD's decision to deny the request to reinstate 6.083 acre feet annually (AFA) credits that expired on December 22, 2019. I initially sent a letter to Mr. David Stoldt, General Manager, on March 30, 2020 (Attachment 1) requesting reinstatement of the credits in the interest of national security. Ms. Stephanie Locke, Water Demand Manager, MPWMD, denied the request in a letter dated April 23, 2020 (Attachment 2). Ms. Locke cited Rule 25.5 as establishing a statutory time period for which water credits are valid and that this time period cannot be changed without modification to the MPWMD Rules and Regulations.

The POM is appealing this decision on the basis that Rule 25.5 does not explicitly state that water credits cannot be reinstated by MPWMD once expired, and that reinstatement is beneficial for the community. As Rule 25.5 does not prohibit reinstatement of water credits, reinstating the 6.083 AFA of water credits to the POM would not require MPWMD to change the Rules or Regulations. POM is appealing to the MPWMD Board to reconsider our request to reinstate these credits as the water credits are needed to support mission-critical future development projects for the POM. POM is home of the Defense Language Institute Foreign Language Center (DLIFLC), which provides vital foreign language training services and skills for military service members to sustain our nation's security (Attachment 3). These projects are critical to ensure the health and safety of our service members and staff that work and reside at POM and to meet projected population growth at the DLIFLC. Not having sufficient water credits available to move forward with any of these projects could jeopardize the DLIFLC mission. Maintaining DLIFLC's ability to train the linguists required to defend the nation's interests is beneficial to the Monterey Peninsula community.

-2-

On behalf of our military service members and staff at the POM who are working tirelessly every day to ensure the safety of our nation, we thank you for your consideration. The primary POC for this matter will be Ms. Erika Marx, Water Program Manager, Directorate of Public Works. Ms. Marx can be reached at (831) 242-7925 or [erika.r.marx.civ@mail.mil](mailto:erika.r.marx.civ@mail.mil). Please note that per Rule 60, the POM will pay the initial \$900 appeals fee; however, we will need to be informed in advance of any extra fees incurred beyond this.

Sincerely,

A handwritten signature in dark ink, appearing to read "Gregory J. Ford", is written over the typed name.

Gregory J. Ford  
Colonel, US Army  
Garrison Commander