

This meeting is not subject to Brown Act noticing requirements. The agenda is subject to change.



Water Demand Committee Members:
Clyde Roberson, Chair
Amy Anderson
Karen Paull

Alternate:
George Riley

Staff Contact
Stephanie Locke,
Water Demand Manager

Joel G. Pablo,
Board Clerk

After staff reports have been distributed, if additional documents are produced by the District and provided to the Committee regarding any item on the agenda they will be made available on the District's website prior to the meeting. Documents distributed at the meeting will be made available upon request and posted to the District's website within five days following the meeting.

Agenda
Water Demand Committee
of the Monterey Peninsula Water Management District

Thursday, July 7, 2022 at 10:00 am | *Virtual Meeting*

As a precaution to protect public health and safety, and pursuant to provisions of AB 361, this meeting will be conducted via Zoom Video/Teleconference only.

Join the meeting at:
<https://mpwmd-net.zoom.us/j/89868710519?pwd=bn9nbHJ4WmdmbGJCOHpxQ0IxcGtUdz09>

Or join at: <https://zoom.us/>
Webinar ID No.: 898 6871 0519
Webinar Password: 07072022

Participate by phone: (669) 900 - 9128

For detailed instructions on connecting to the Zoom meeting see page 2 of this agenda.

Call to Order / Roll Call

Comments from Public - *The public may comment on any item within the District's jurisdiction. Please limit your comments to three minutes in length.*

Action Items -- *Public comment will be received. Please limit your comments to three (3) minutes per item.*

1. Consider Adoption of Committee Meeting Minutes from May 5, 2022
2. Consider Recommendation to the Board of Preferred Water Allocation Option(s) for Expansion of Montage Health's Ryan Ranch Campus

Discussion Items – *Public comment will be received. Please limit your comments to three (3) minutes per item.*

3. Discuss CPUC Application 21-11-024 Phase 2 Proceeding Schedule and Materials

Suggest Items to be Placed on Future Agendas

Adjournment

Upon request, MPWMD will make a reasonable effort to provide written agenda materials in appropriate alternative formats, or disability-related modification or accommodation, including auxiliary aids or services, to enable individuals with disabilities to participate in public meetings. MPWMD will also make a reasonable effort to provide translation services upon request. Submit requests by 5 pm on Friday, July 1, 2022 to: Joel G. Pablo via e-mail at joel@mpwmd.net or call 831-658-5652 or to Sara Reyes via e-mail at sara@mpwmd.net or call 831-658-5610.

Instructions for Connecting to the Zoom Meeting

NOTE: If you have not used Zoom 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-net.zoom.us/j/89868710519?pwd=bn9nbHJ4WmdmbGJCOHpxQ0lxcGtUdz09> or paste the link into your browser.

DETERMINE WHICH DEVICE YOU WILL BE USING (PROCEED WITH ONE OF THE FOLLOWING INSTRUCTIONS)

USING A DESKTOP COMPUTER OR LAPTOP

1. In a web browser, type: <https://www.zoom.us>
2. Hit the enter key
3. At the top right-hand corner, click on “Join a Meeting”
4. Where it says “Meeting ID”, type in the Meeting ID# above and click “Join Meeting”
5. Your computer will begin downloading the Zoom application. Once downloaded, click “Run” and the application should automatically pop up on your computer. (If you are having trouble downloading, alternatively you can connect through a web browser – the same steps below will apply).
6. You will then be asked to input your name. It is imperative that you put in your first and last name, as participants and attendees should be able to easily identify who is communicating during the meeting.
7. From there, you will be asked to choose either ONE of two audio options: Phone Call or Computer Audio:

COMPUTER AUDIO

1. If you have built in computer audio settings or external video settings – please click “Test Speaker and Microphone”.
2. The client will first ask “Do you hear a ringtone?” •If no, please select “Join Audio by Phone”.
- If yes, proceed with the next question:
3. The client will then ask “Speak and pause, do you hear a replay?” •If no, please select “Join Audio by Phone”
- If yes, please proceed by clicking “Join with Computer Audio”

PHONE CALL

1. If you do not have built in computer audio settings or external video settings – please click “Phone Call”
2. Dial one of the numbers listed below using a phone. Select a phone number based on your current location for better overall call quality.

+1 669-900-9128 (San Jose, CA)

+1 253-215-8782 (Houston, TX)

+1 346-248-7799 (Chicago, IL)

+1 301-715-8592 (New York, NY)

+1 312-626-6799 (Seattle, WA)

+1 646-558-8656 (Maryland)

3. Once connected, it will ask you to enter the Webinar ID No. and press the pound key
4. It will then ask you to enter your participant ID number and press the pound key.
5. You are now connected to the meeting.

USING AN APPLE/ANDROID MOBILE DEVICE OR SMART PHONE

1. Download the Zoom application through the Apple Store or Google Play Store (the application is free).
2. Once download is complete, open the Zoom app.
3. Tap “Join a Meeting”
4. Enter the Meeting ID number
5. Enter your name. It is imperative that you put in your first and last name, as participants and attendees should be able to easily identify who is communicating during the meeting.
6. Tap “Join Meeting”

7. Tap "Join Audio" on the bottom left hand corner of your device
8. You may select either ONE of two options: "Call via Device Audio" or "Dial in"

DIAL IN

1. If you select "Dial in", you will be prompted to select a toll-free number to call into.
2. You may select any of the numbers listed below:

+1 669-900-9128 (San Jose, CA)	+1 253-215-8782 (Houston, TX)
+1 346-248-7799 (Chicago, IL)	+1 301-715-8592 (New York, NY)
+1 312-626-6799 (Seattle, WA)	+1 646-558-8656 (Maryland)

3. The phone will automatically dial the number, and input the Webinar Meeting ID No. and your Password.
4. Do not hang up the call, and return to the Zoom app
5. You are now connected to the meeting.

Presenting Public Comment

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 **with** computer to view meeting: Select the "raised hand" icon. When you are called on to speak, push *6 to unmute and please identify yourself.
- (c) Phone audio connection only: Press *9. Wait for the clerk to unmute your phone and then identify yourself and provide your comment. Press *9 to end the call.

Submit 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 with one of the following subject lines "PUBLIC COMMENT ITEM #" (insert the item number relevant to your comment) or "COMMENTS FROM THE PUBIC". Comments must be received by 8:00 a.m. on Thursday, July 7, 2022. Comments submitted **by 8:00 a.m.** will be provided to the committee members and compiled as part of the record of the meeting.

WATER DEMAND COMMITTEE

ITEM: ACTION ITEM

**1. CONSIDER ADOPTION OF COMMITTEE MEETING MINUTES FROM
MAY 5, 2022**

Meeting Date: July 7, 2022

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

Prepared By: Joel G. Pablo

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

SUMMARY: Attached as **Exhibit 1-A** are draft minutes of the May 5, 2022 Water Demand
ommittee meeting.

RECOMMENDATION: The Committee will consider adopting the minutes by motion.

EXHIBIT

1-A Draft Minutes of the May 5, 2022 Committee Meeting



**Item No. 1, Exhibit 1-A
Draft Minutes**

**Water Demand Committee of the
Monterey Peninsula Water Management District
Thursday, May 5, 2022**

Pursuant to AB 361 (Rivas), the meeting was conducted with virtual participation via Zoom.

Call to Order

The meeting was called to order at 10:02 a.m. by Chair Anderson.

Committee members present: Amy Anderson
(By Roll-Call) Karen Paull

Committee members absent: Clyde Roberson, Chair

Staff members present: David J. Stoldt, General Manager
Stephanie Locke, Water Demand Manager
Joel G. Pablo, Board Clerk

District Counsel present: David Laredo with De Lay and Laredo

Comments from the Public

The following comments were directed to the Board:

- (a) John Tilley: Stated he is happy to see the General Manager feeling better.

No further comments were directed to the committee.

Action Items

- Committee Member Anderson assumed the duties as Chair of the Water Demand Committee in Roberson's absence.

1. Consider Adoption of Committee Meeting Minutes from March 3, 2022

Joel G. Pablo, Board Clerk directed attention to the draft meeting minutes and clarified that the meeting on March 3, 2022 convened at 9:02 a.m. and not at 10:02 a.m.

No comments were directed to the Committee on Item No. 1.

A motion was made by Paull with a second by Anderson to approve the committee meeting minutes from March 3, 2022 with one editorial change. The motion passed on a roll-call vote of 2-Ayes (Anderson and Paull), 0-Noes, and 1-Absent (Roberson).

2. Adopt 2022 Committee Meeting Schedule

The Committee received the 2022 Committee Meeting Schedule.

No comments were directed to the Committee on Item No. 2.

A motion was made by Paull with a second by Anderson to adopt the 2022 Committee Meeting Schedule. The motion passed on a roll-call vote of 2-Ayes (Anderson and Paull), 0-Noes, and 1-Absent (Roberson).

3. Consider Recommendation to the Board to Allow Ordinance No. 87 CHOMP Allocation to be Applied to Ryan Ranch Campus Expansion

David J. Stoldt, General Manager provided background information and an overview of his staff report on consider allowing an Ordinance No. 87 (*an urgency ordinance*) CHOMP Allocation to be applied to the Ryan Ranch Campus Extension. Stoldt provided historical context and stated that the Ryan Ranch campus water availability has been subjected to a moratorium on new connections and increases previously invoked by the District. Stoldt and Laredo noted that Ordinance No. 87 which was adopted by the Board in 1997 established a community benefit allocation for the planned expansion of the Community Hospital of the Monterey Peninsula, but that specific allocation has not been fully utilized. Laredo explained Urgency Ordinance No. 87 has a sunset provision a year from the date the board adopted said ordinance. He further explained that the District has not since its adoption reviewed Ordinance No. 87 to determine to do one of the following actions: keep the ordinance in effect; to be amended; or rescinded. He noted he will need to do additional analysis to determine if Ordinance is in effect and will work with staff on the best path forward. Stoldt pointed out that staff would need to determine how much of the unused portion of the 18.28 Acre Feet remains for CHOMP and noted their proposed Cancer Center building needs only 4.2 Acre Feet. By committee consensus, staff was provided with general direction to determine if there is still and how much an allocation remains for CHOMP, determine the best legal path forward if an allocation exists and have the Board/Committee consider those options at a future meeting.

No comments were directed to the committee.

Discussion Items

4. Discuss and Provide Direction to Staff on SB-1157 (Hertzberg)

Stephanie Locke, Water Demand Division Manager and David J. Stoldt, General Manager provided background information, an overview and detailed verbal analysis of the staff report, exhibits and answered committee questions on SB-1157 (Herzberg).

The following comments were directed to the Committee:

- (a) Melodie Chrislock: Stated she is disturbed by the proposed legislation and and inquired if staff has worked Laird and Stone to potentially gut and amend the bill.
- (b) Susan Schiavone: Believes this is punitive and asked about enforcement measures to be taken to ensure individuals comply with the proposed bill. In addition, she believes this is unfair and does not take account to different types of users.
- (c) John Tilley: Urged the District to embrace the lowest number to encourage individuals to conserve.

No further comments were directed to the Committee.

Additional Material as mentioned during the meeting on Item No. 4 is on file at the District office and can be viewed on the District website.

5. Update on District’s Water for Housing Initiative

David J. Stoldt, General Manager provided an overview of his staff report and presented via MS PowerPoint entitled, “Update on District’s Water for Housing Initiative” and answered committee questions. *A copy of the presentation is on file at the District office and be can viewed on the District website.*

The following comments were directed to the committee:

- (a) John Tilley: Believes in the Regional for Housing Needs Allocations numbers and the rationale for those numbers in relation costs/housing. Tilley asked the committee to consider the supply needs of the community; he urged the committee to receive and evaluate actual numbers and not theoretical numbers for Pure Water Monterey and its Expansion.
- (b) Melodie Chrislock: Responded to Tilley’s comments and reported that the numbers for Pure Water Monterey exceeds the numbers than the original design plans.

No further comments were directed to the committee.

Stoldt responded to public comments made and stated that the Pure Water Monterey base project is more than capable of producing. Stoldt noted that the base project produced: (a) 362 Acre Feet (AF) in April 2022; (b) In last 12 months, has produced 4300 AF; and (c) highlighted that the base project actually had to scale back injections due existing permits to continually do 4300 AF in a Calendar Year.

6. Discuss Timing for Drought Outreach (Verbal Report)

Stephanie Locke, Water Demand Manager presented via MS PowerPoint entitled “Discuss Timing for Drought Outreach” and answered committee questions. *A copy of the presentation is on file at the District office and be can viewed on the District website.*

Locke provided background information on the Governor’s Executive Order N-7-22 and a decision to be made by the State Water Resources Control Board (SWRCB) on May 25, 2022 to consider moving from Stage 1 to Stage 2. Locke mentioned the District is always in Stage 1: Water Waste Enforcement and the District is preparing to implement a plan moving forward with CalAm to move into Stage 2. In addition, she provided an overview of what each Stage enumerated 1 through 4 of the Water Conservation and Rationing plans would entail and the anticipated outreach schedule at the State and Local level. Locke noted that in addition to implementing Stage 2; the District has always enforced water waste restrictions as noted in the Governor’s Executive Order and touched upon the ban on non-functional turf irrigation at commercial, industrial and institutional sites. Stoldt and Locke informed the committee of their intention to bring forth before the Board of Directors a resolution in support of the SWRCB Drought-Related Emergency Water Conservation Regulations and Triggering Stage 2 Water Conservation should the SWRCB moves to formally move into Stage 2.

No comments were directed to the committee on Item No. 6.

Adjournment

Chair/Committee Member Anderson adjourned the meeting at 11:56 a.m.

Joel G. Pablo, Board Clerk

Reviewed and Approved by the MPWMD Water Demand Committee on July __, 2022

Received by the MPWMD Board of Directors on July __, 2022

WATER DEMAND COMMITTEE

ACTION ITEMS

2. CONSIDER RECOMMENDATION TO THE BOARD OF PREFERRED WATER ALLOCATION OPTION(S) FOR EXPANSION OF MONTAGE HEALTH’S RYAN RANCH CAMPUS

Meeting Date: July 7, 2022 **Budgeted: N/A**

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

Prepared By: David J. Stoldt **Cost Estimate: N/A**

General Counsel Review: N/A

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

SUMMARY: Montage Health has proposed another building to be added to its Ryan Ranch campus, an approximately 50,000 square-foot (SF) cancer treatment building. This will be the fifth building in the complex on Upper Ragsdale near the District’s building (see **Exhibit 2-A**), and does not include Montage Health Ohana Center, a 55,600 SF child and adolescent behavioral health center currently under construction on Lower Ragsdale at a separate site.

A 50,000 SF building water need computed using the District’s Rule 24 Table 2 factor for a Group I use, as has previously been applied to the other buildings on the Montage Ryan Ranch campus, results in 3.5 acre-feet (AF) per year. However, District staff are presently working with Montage to determine the types of use which will inhabit the site and whether a higher water use capacity needs to be assigned, as allowed under Rule 24: “Any Non-Residential water use which cannot be characterized by one of the use categories set forth in Table 2 shall be designated as “other” and assigned a factor which has a positive correlation to the anticipated Water use Capacity for that Site.” For the sake of this discussion, assume 4.0 AF of annual need.

Recently, Ryan Ranch water availability has been limited by a moratorium on new uses in Ryan Ranch and Cal-Am well capacity constraints. Recent building projects have been required to acquire an allocation from Seaside Basin pumpers who have access to water and a wheeling agreement to have such water delivered to the end user in Ryan Ranch. For example, in order to build its Building A and the Carole Hatton Breast Care Center in Ryan Ranch Montage acquired 7.17 AF in three separate transactions with private entities with Seaside Basin pumping rights. Such transactions are both costly and increasingly difficult to do as availability becomes scarce.

However, recently California American Water Company (Cal-Am) interconnected the Ryan Ranch system with its Monterey Main System and is now able to regularly receive water from the Seaside Basin, Pure Water Monterey, or the Sand City desalination facility. The Cal-Am application in July 2020 for an amendment to its Water Distribution System permit to allow the pipeline states: “The Ryan Ranch Unit and Bishop Unit will be served solely from groundwater originating from the Seaside

Groundwater Basin”, hence, in the District’s opinion, is not subject to the cease and desist order or the moratorium.

This calls into question whether the proposed Montage project will require acquisition of an entitlement of water from a Seaside Basin pumping rights holder or if there are other options available to Montage. Three potentially less costly and possibly more timely and straightforward options to ensure water availability to the project are discussed below.

RECOMMENDATION: Staff recommends the Committee recommend to the full Board one or more preferred option(s) to make water available for the proposed Cancer Center building.

DISCUSSION: There are three potential options that would secure water needed for the project without requiring Montage to purchase water from a Seaside Basin pumping rights holder, the District writing a wheeling or front-loading agreement, and the District amending the Cal-Am Water Distribution System permit. Each is discussed below:

Option 1: Utilize Existing Unused CHOMP Allotment via Adjustment in ‘Site’ Definition: At the May 2022 Water Demand Committee meeting, Ordinance No. 87 was discussed which was adopted in 1997 and established an allocation of water specifically for CHOMP build-out, but to date has gone under-utilized. The Ordinance created a special community reserve allocation of 18.28 acre-feet ("AF") of water that was created exclusively for the benefit of CHOMP. This allocation was debited from the amount of water conserved to date at that time under the District's 1989 Conservation Plan.

However, unknown (or unrecalled) at the May 2022 Water Demand Committee meeting, two later actions were taken by the District: (i) at the May 29, 2003 District Board meeting Ordinance No. 87 was unanimously affirmed to remain in place, and (ii) at the July 21, 2003 meeting the District Board established an overall “water consumption cap” of 119.28 AF at the CHOMP hospital campus at Highway 1 and Route 68-West and specified Assessor’s Parcel Number (APN) 008-132-011. The Conditions of Approval (**Exhibit 2-B** attached hereto) were recorded as a deed restriction.

District staff has examined the most recent 8 years and 5 months of actual consumption records for the CHOMP hospital parcel and average use has been 82.606 AF per year. This means that Montage has “unused” capacity under its “water consumption cap” equal to 36.674 AF. Bringing both campuses under the existing cap would add the Ryan Ranch usage to the historical CHOMP usage. The Ryan Ranch campus usage is estimated to be approximately 13.5 AF based on permits or 14.5 AF based on limited recent billing data. That would still leave at least 22.2 AF available to Montage Health across their whole newly defined “Hospital Site” as discussed below.

This *Option 1* would simply add to the existing definition of “Site” under District Rule 11 (**Exhibit 2-C** attached hereto) and a new definition of “Hospital Site” as shown in the exhibit.

Option 2: Utilize Existing Unused CHOMP Allotment via Transfer: Under District Rule 28 Water Use Credits for existing water use may be transferred from one property to another for commercial connections. However, the following condition shall apply:

“Each Jurisdiction shall act as the lead agency under the California Environmental Quality Act and shall consider the impacts of the Water Use Credit transfer application under consideration, as well as the cumulative impacts of other transfers, on the water supply. The District shall deem complete only those Water Use Credit transfer applications forwarded by the Jurisdiction which incorporates therein a finding that the project and the cumulative impacts of other

transfers do not adversely affect the environment. The Water Use Credit Transfer application may be denied by the General Manager if the California Environmental Quality Act review by the Jurisdiction does not adequately analyze the project's impacts relating to the proposed Water Use Credit transfer.”

It would be the District’s suggestion under this *Option 2* that Montage Health take 5.33 AF from its under-utilized “water consumption cap” at the hospital (APN 008-132-011) and retire 1.33 AF to the benefit of the environment and to also account for any, but incalculable, ‘cumulative impacts’ of such transfers and issue a mitigated negative declaration for the CEQA findings in such a transfer. This will take coordination with the City of Monterey.

Option 3: Utilize the District Reserve: The District Reserve was re-established by Ordinance 182 adopted by the Board at its May 20, 2019 meeting. That Ordinance restored a definition to Rule 11, which had been removed when the District Reserve Allocation was eliminated in 1995:

“District Reserve Allocation” shall mean a quantity of water held/or use at the discretion of the District.

It also re-established Rule 33-B: “The District Reserve Allocation shall refer to a quantity of water available for use at the District’s discretion. The District Reserve Allocation can be augmented by dedications of water from a Water Entitlement, Water Use Credit, Water Credit, or a new Source of Supply.”

Use of the word “discretion” was intentional and derived from direction provided to staff by the Water Supply Planning Committee at its February 21, 2018 meeting. At that meeting under the agenda item “*Discuss Reinstatement of District Reserve and Policy for Use,*” The committee discussed establishment of a District reserve, and if it should be restricted to projects that provide a public benefit or if it could be allocated for jurisdictional use. During the discussion committee members opined that: (a) only for public benefit projects; (b) Board should determine if a project provides a public benefit; (c) each request should be determined on its merit by the Board – not according to a list of qualifying projects; and (d) project should not be growth inducing. The Board subsequently agreed to maintain its discretion.

The District Reserve stands at 9 AF. The Board could simply choose to allot 4 AF¹ to Montage Health for this project, and later ‘refill’ the District Reserve when Pure Water Monterey expansion comes online.

EXHIBITS:

Exhibit 2-A Location Map

Exhibit 2-B 2003 Conditions of Approval

Exhibit 2-C Potential Changes to District Definitions

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¹ Or whatever amount is ultimately determined to be required after staff final review.

EXHIBIT 2-A

Location Map

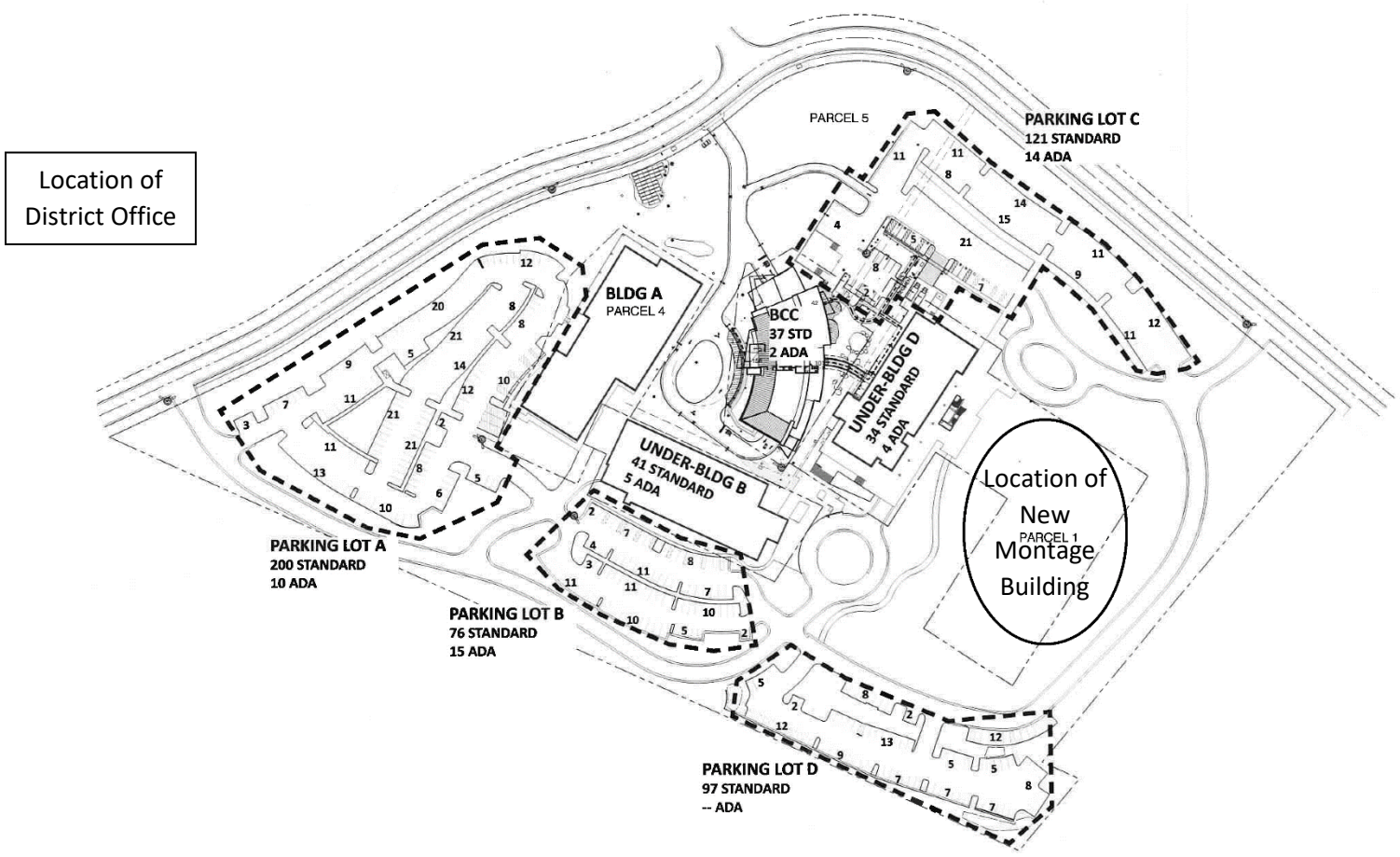


EXHIBIT 2-B

**MPWMD
CONDITIONS OF APPROVAL
Rule 24-G, Special Circumstances
Community Hospital of the Monterey Peninsula
July 21, 2003**

1. A deed restriction listing the conditions of this approval (Form 1.0, Limitation on Use of Water on a Property) shall be recorded on the property prior to issuance of any water permit for Assessor's Parcel Number 008-132-011.
2. The CHOMP (Community Hospital of the Monterey Peninsula) Board of Trustees shall approve a resolution allowing recordation of the deed restriction and specifying the person(s) authorized to sign for CHOMP on the deed restriction.
3. The District hereby establishes a "hospital water use limit" of 119.28 acre-feet on Assessor's Parcel Number 008-132-011. CHOMP shall maintain water use on the site within this limit from January 1, 2004 until December 31, 2033 or until new water supplies are available to provide for new and expanded uses on the site. The hospital water use limit established in this condition may be used for hospital-related water uses on Assessor's Parcel Number 008-132-011.
4. Prior to issuance of a water permit, CHOMP shall submit processing fees in the amount of \$4,200 to the District for up to sixty (60) hours of time and resources to review the water consumption and other conditions of the project for a period of five years. Staff time in excess of two (2) hours annually to review this project shall be compensated by CHOMP at the rate of \$70 per hour or as allowed by District Rule 60.
5. CHOMP shall annually complete and submit a Special Circumstances Review Form and applicable attachments to the District. The Special Circumstances Review Form shall be submitted on March 1 of each year and shall include water use information for the previous January through December. Submittal of the Special Circumstances Review Form shall be required annually beginning on March 1, 2004 and ending on March 1, 2034.
6. CHOMP shall annually submit copies of the Cal-Am water bills attached to the Special Circumstances Review Form.
7. The District will review water use annually beginning in March 2004 following receipt of the Special Circumstances Review Form and attachments from CHOMP. If actual water use exceeds 119.28 acre-feet during any annual review, the following steps will be taken:
 - a. District staff shall send notice to CHOMP to implement water saving measures to reduce consumption to within the hospital water use limit.

- b. Within 21 days of the District's notice, CHOMP shall submit to the District a plan to maintain water use within the hospital water use limit. The plan shall include monthly water consumption targets that will maintain annual water use within the hospital water use limit. CHOMP shall implement this plan immediately and shall use its best efforts to carry out the plan for the duration of the annual reporting period.
 - c. CHOMP shall monthly provide the District with copies of its water bills.
 - d. CHOMP shall have the remainder of the annual reporting to reduce water use to not exceed 119.28 acre-feet per year.
 - e. In the event that water use continues to exceed the hospital water use limit of 119.28 acre-feet annually, the matter shall be set for public hearing before the Board of Directors.
 - f. The Board of Directors shall determine during the public hearing scheduled in (e) above, one or more of the following measures that CHOMP shall be required to carry out to permanently reduce Cal-Am system-wide water use to compensate for exceeding the hospital water use limit on Assessor's Parcel Number 008-132-011:
 - i. CHOMP shall finance specific retrofits of facilities within the Monterey Peninsula Water Resources System to achieve off-site water savings within the Cal-Am system;
 - ii. CHOMP shall obtain a water allocation for the additional water use from the local jurisdiction (the City of Monterey) and shall pay the appropriate connection charge and other fees as specified in District Rule 60;
 - iii. CHOMP shall obtain a water allocation for the additional water use from the Water Management District;
 - iv. The Board of Directors shall determine an appropriate measure at the public hearing.
8. CHOMP shall internally track its water use monthly in an effort to avoid exceeding the annual limit.
9. CHOMP shall only initiate water saving retrofits that do not have cross-media environmental impacts (e.g. going from silver to plastic-ware for food service).

Exhibit 2-C

Potential Changes to Definition of “Site”
and Introduction of New Definition of “Hospital Site”

SITE - “Site” shall mean any unit of land which qualifies as a Parcel under the Subdivision Map Act, and shall include all units of land: (1) which are contiguous to any other Parcel (or are separated only by a road or easement), and (2) which have identical owners, or (3) are an Accredited Institution of Higher Education Site, a Department of Defense Site, a Jurisdiction Site, ~~or~~ a Public School District Site, **or Hospital Site**. The term “Site” shall be given the same meaning as the term “Parcel”.

HOSPITAL SITE - “Hospital Site” shall mean all facilities and properties owned by Montage Health that are patient care facilities located at the following parcels (list APNs for CHOMP and Ryan Ranch) within the MPWMD and that are supplied water by California American Water.

WATER DEMAND COMMITTEE**DISCUSSION ITEMS****3. DISCUSS CPUC APPLICATION 21-11-024 PHASE 2 PROCEEDING
SCHEDULE AND MATERIALS****Meeting Date: July 7, 2022** **Budgeted: N/A****From: David J. Stoldt,
General Manager** **Program/ Line Item No.: N/A****Prepared By: David J. Stoldt** **Cost Estimate: N/A****General Counsel Review: N/A****CEQA Compliance: This action does not constitute a project as defined by the California Environmental Quality Act Guidelines section 15378**

SUMMARY: Staff will lead discussion with the Committee over topics raised in **Exhibit 3-A** and **Exhibit 3-B** attached. The exhibit is edited to show only excerpts related to the future “Phase 2” of California Public Utilities Commission (CPUC) consideration of California American Water’s Application 21-11-024 as evidence in the June 17, 2022 “Administrative Law Judge’s Ruling Amending the Remaining Procedural Schedule”.

EXHIBITS:**Exhibit 3-A** Excerpts from the CPUC Administrative Law Judge’s Ruling**Exhibit 3-B** Excerpts from the CPUC Initial Scoping Memorandum

EXHIBIT 3-A**FILED**

06/17/22

ALJ/ZK1/fzs 6/17/2022

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Docket No. 21-11-024

A2111024

Application of California-American Water Company (U210W) to Obtain Approval of the Amended and Restated Water Purchase Agreement for the Pure Water Monterey Groundwater Replenishment Project, Update Supply and Demand Estimates for the Monterey Peninsula Water Supply Project, and Cost Recovery.

Application 21-11-024

**ADMINISTRATIVE LAW JUDGE'S RULING AMENDING
THE REMAINING PROCEDURAL SCHEDULE AND
PROVIDING PROCEDURAL GUIDANCE**

This ruling amends the remaining procedural schedule and provides additional procedural guidance regarding service of exhibits.

The scoping memo and ruling, issued on February 9, 2022, contained a general schedule for Phase 2 of this proceeding, contingent on the need for evidentiary hearings in Phase 1.

A.21-11-024 ALJ/ZK1/fzs

Event	Date
California American Water Phase 2 Direct Testimony on updated water supply and demand estimates for the MPWSP	July 20, 2022
Intervenor Testimony on California American Water Phase 2 Direct Testimony on updated water supply and demand estimates for the MPWSP	August 19, 2022
California American Water Phase 2 Rebuttal Testimony on updated water supply and demand estimates for the MPWSP	September 19, 2022
Meet and Confer (Rule 13.9) ^{1,2}	September 26, 2022
Joint Case Management Statement (Rule 13.8) ³	October 6, 2022

¹ All references to “Rule” or “Rules” herein refer to the Commission’s Rules of Practice and Procedure.

² The purpose of the meet and confer, pursuant to Rule 13.9, is to provide a forum for parties to: (1) identify and, if possible, informally resolve any anticipated motions; (2) identify the facts and issues in the case that are uncontested and may be subject to stipulation; (3) identify the facts and issues in the case that are in dispute; (4) determine whether the contested issues in the case can be narrowed; and (5) determine whether settlement is possible. Notice of the date, time, and place shall be served on all parties in advance of the meet and confer, unless all parties stipulate to waive the need for service. Parties shall notice the service list after the meet and confer has been held.

³ Parties shall file a Joint Case Management Statement, pursuant to Rule 13.8, indicating whether the parties stipulate to the receipt of prepared testimony into evidence without direct or cross examination or other need to convene an evidentiary hearing or, in the alternative, the parties’ resources, readiness and needs for the effective remote conduct of the evidentiary hearing, including estimates of time requested for cross-examination, identification of anticipated exhibits, and a schedule of witnesses. If parties state a need for evidentiary hearing,

Footnote continued on next page.

Evidentiary Hearing (as needed)	Within 30 days of Joint Case Management Statement
Opening Briefs	30 Days after Close of Evidentiary Hearings
Reply Briefs	20 Days after Opening Briefs
Proposed Decision on updated water supply and demand estimates for the MPWSP	Within 90 Days of Reply Briefs

Parties are reminded that testimony and all other exhibits need to comply with Rule 13.7's requirement that "the top sheet of an exhibit must have a blank space two inches high by four inches wide to accommodate the Commission's exhibit stamp." Please make sure to leave that space open when serving exhibits.

IT IS SO RULED.

Dated June 17, 2022, at San Francisco, California.

/s/ ZITA KLINE
Zita Kline
Administrative Law Judge

the parties will offer at least three separate sets of dates within 30 days of the Joint Case Management Statement when the parties are available for hearings. Parties may also choose to file separate Case Management Statements.



FILED
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COM/DH7/smt 2/9/2022

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of California-American Water Company (U210W) to Obtain Approval of the Amended and Restated Water Purchase Agreement for the Pure Water Monterey Groundwater Replenishment Project, Update Supply and Demand Estimates for the Monterey Peninsula Water Supply Project, and Cost Recovery.

Application 21-11-024

ASSIGNED COMMISSIONER'S SCOPING MEMO AND RULING

This scoping memo and ruling sets forth the issues, need for hearing, schedule, category, and other matters necessary to scope this proceeding pursuant to Public Utilities (Pub. Util.) Code Section 1701.1 and Article 7 of the Commission's Rules of Practice and Procedure (Rules).

1. Procedural Background

On November 29, 2021, California-American Water Company (California American Water) filed Application (A.) 21-11-024, requesting California Public Utilities Commission (Commission) approval of the Amended and Restated Water Purchase Agreement and associated cost recovery. California American Water also requested to update its supply and demand estimates for the Monterey Peninsula Water Supply Project (MPWSP) (Application). The Amended and Restated Water Purchase Agreement would increase the amount of water purchased by California American Water from the Pure Water Monterey (PWM) Groundwater Replenishment Project, pursuant to a project

A.21-11-024 COM/DH7/smt

expansion which would increase the capacity of the PWM Groundwater Replenishment Project by 2,250 acre-feet per year (afy), from 3,500 afy to 5,750 afy (PWM Project expansion).

Four parties filed timely protests or responses to the Application. On January 3, 2022, Public Advocates Office of the California Public Utilities Commission (Cal Advocates) filed a protest to the Application while responses were filed by City of Marina, Monterey One Water (M1W), and Marina Coast Water District (MCWD). California American Water filed a reply to the responses and protests to its Application on January 13, 2022.

Coalition of Peninsula Business (CPB), Monterey Peninsula Water Management District (MPWMD), and Landwatch Monterey County filed motions for party status on December 29, 2021, January 3, 2022, and January 14, 2022, respectively. Public Water Now made an oral motion for party status at the January 25, 2022 prehearing conference (PHC). CPB and MPWMD were granted party status by assigned Administrative Law Judge (ALJ) ruling on January 14, 2022, and January 21, 2022, respectively. Landwatch Monterey County and Public Water Now were granted party status at the PHC, discussed below.

A PHC was held on January 25, 2022, to address the issues of law and fact, determine the need for hearing, set the schedule for resolving the matter, and address other matters as necessary. After considering the protests, responses, the reply to protests and responses, and discussion at the PHC, I have determined the issues and initial schedule of the proceeding to be set forth in this scoping memo.

2. Issues

The issues in the proceeding will be considered in two phases, with the potential for a third phase if determined necessary after review of information provided in the first two phases. When addressing the issues below, parties should refer to the primary and secondary objectives the Commission established for the MPWSP as a whole.¹

[Text related to Phase 1 deleted for this MPWMD Staff Note]

A second phase of this proceeding will also be opened. The Commission previously determined that California American Water had a total water supply of 9,044 afy and estimated the projected future demand at 14,000 afy. The Presiding Officer's Decision in C.21-05-005 directed California American Water to file an application updating its supply and demand estimates. Although that decision was never adopted, I agree with the Applicant and responding parties, that updated supply and demand estimates will provide important information for the Commission, stakeholders, and interested parties in considering issues related to the long-term water needs of California American Water's Monterey District. Issues to be determined in **Phase 2** of this proceeding are:

1. Review and approve updated water supply and demand estimates for the MPWSP.

This order is effective today.

[Remaining text of the Scoping Memorandum deleted for this MPWMD Staff Note]

Dated February 9, 2022, at San Francisco, California.

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/s/ DARCIE L HOUCK

Darcie L. Houck
Assigned Commissioner