

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



AGENDA
Water Supply Planning Committee
of the Monterey Peninsula Water Management District

Monday, June 6, 2022 at 3:00 p.m., *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://us06web.zoom.us/j/82659138943?pwd=Yi9FL1FtU3B0dTFpSXJtaDBzcnEzUT09>

Or access the meeting at: www.zoom.us

Webinar ID Number: 826 5913 8943

Meeting password: 06062022

Participate by phone: (669) 900 - 9128

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

**Water Supply
Planning Committee
Members:**

*Alvin Edwards, Chair
Karen Paull
George Riley*

Alternate:

Amy Anderson

Staff Contact

*David J. Stoldt,
General Manager*

*Jon Lear, Water
Resources Manager*

*Joel G. Pablo
Board Clerk*

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.*

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

1. Discuss Supply and Demand Forecast, Including:
 - a. CPUC Phase 2 Proceeding
 - b. Urban Water Management Plan
 - c. Seaside Basin Replenishment
 - d. AMBAG RNHA Numbers
2. Update on Pure Water Monterey Performance to Date
3. Update on Pure Water Monterey Expansion
4. Status of Discussion Regarding ASR-1 Well (*Verbal Report*)
5. Update on District's Water for Housing Initiative (*Verbal Report*)

Suggest Items to be Placed on Future Agendas

Adjournment

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.

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 5:00 pm on Friday, June 3, 2022 to the Board Secretary, joel@mpwmd.net or call 831-658-5652 or Sara Reyes, Sr. Office Specialist, sara@mpwmd.net at 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://us06web.zoom.us/j/82659138943?pwd=Yi9FL1FtU3B0dTFpSXJtaDBZcnEzUT09> 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) | +1 301 715 8592 (New York, NY) |
| +1 312 626 6799 (Seattle, WA) | +1 646 558 8656 (Maryland) |
| +1 253 215 8782 (Houston, TX) | +1 346 248 7799 (Chicago, IL) |

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.

Present 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 "PUBLIC COMMENT – ORAL COMMUNICATIONS". Comments must be received by 12:00 p.m. on Monday, June 6, 2022. Comments submitted by noon will be provided to the committee members and compiled as part of the record of the meeting.

WATER SUPPLY PLANNING COMMITTEE

DISCUSSION ITEM

1. DISCUSS SUPPLY AND DEMAND FORECAST

Meeting Date: June 6, 2022 **Budgeted:** N/A

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

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

General Counsel Approval: N/A

Committee Recommendation:

CEQA Compliance: N/A

SUMMARY: This discussion item sets the stage for revisions, if any, to the District's Amended¹ Adopted Water Supply and Demand Study². Such revisions, if needed, will be done in the context of Application A.21-11-024 presently in front of the California Public Utilities Commission (CPUC). Specifically, this Discussion Item addresses (a) the requirements of the CPUC A.21-11-024 Phase 2 Proceeding; (b) the current Cal-Am Urban Water Management Plan (UWMP); (c) Seaside Basin Replenishment; and (d) Recent 6th Cycle Association of Monterey Bay Area Governments (AMBAG) Regional Housing Needs Allocation (RHNA) numbers.

DISCUSSION:

CPUC Phase 2 Proceeding:

The CPUC Presiding Officer's Decision in the District's complaint over California American Water's (Cal-Am) failure to provide a new water supply and to enter into a new Water Purchase Agreement for Pure Water Monterey Expansion (C.21-05-005) directed Cal-Am to file an application updating its supply and demand estimates. Although that decision was never adopted, the CPUC Commissioner assigned to the Application agreed 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 Cal-Am's Monterey District. Issues to be determined in Phase 2 of the proceeding are: Review and approve updated water supply and demand estimates for the Monterey Peninsula Water Supply Project (MPWSP).

Cal-Am Phase 2 Direct Testimony on updated water supply and demand estimates for the MPWSP will be due July 20, 2022. The District and other intervenor testimony will be due 30 days later. With rebuttals, opening briefs, and reply briefs, a CPUC decision on long-term

¹ Amended in September 2021 to reflect AMBAG 2022 Regional Growth Forecast

² Adopted by MPWMD Board May 18, 2020

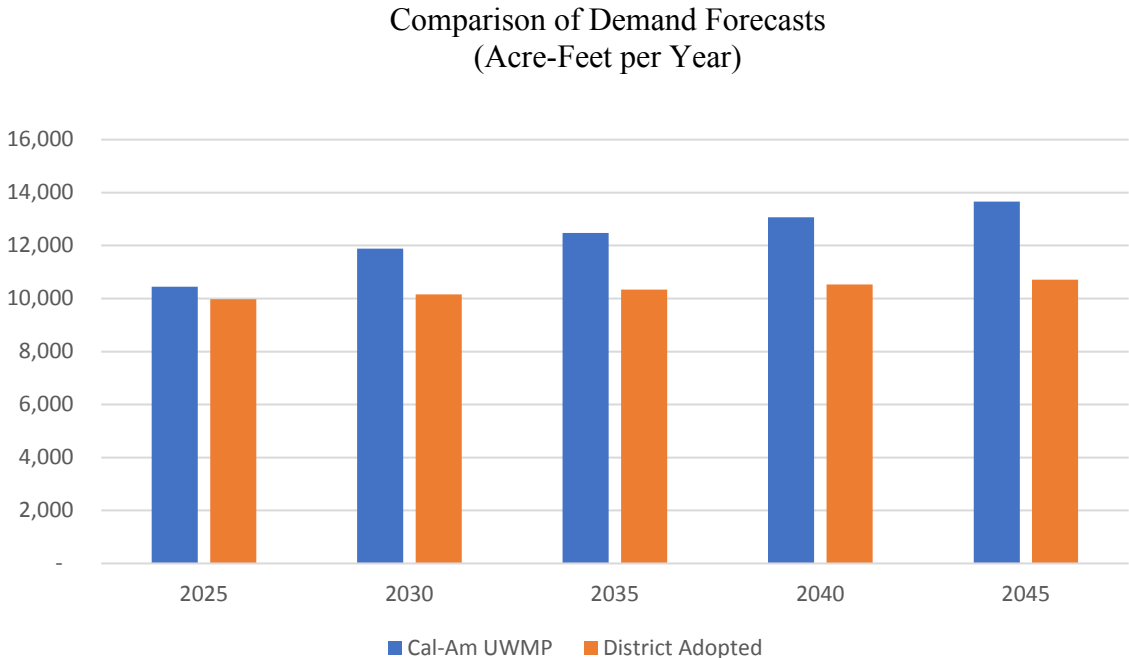
supply and demand is not expected until on or about April 2, 2023.

Because of the previous disagreement between the District’s Adopted Water Supply and Demand Study and Cal-Am testimony provided in its MPWSP proceeding, as well as disagreement with assumptions in Cal-Am’s Urban Water Management Plan demand forecast there is likely to be disagreement in this proceeding. The District is likely to request evidentiary hearings in the matter and will be re-examining all of its assumptions and analysis for submittal in August 2022.

The Cal-Am Urban Water Management Plan:

Cal-Am prepared and adopted its 2020 Urban Water Management Plan (UWMP) and Water Shortage Contingency Plan (WSCP) for its Monterey County District as required by the Urban Water Management Planning Act (UWMP Act). An official notice of preparation and intent to adopt the 2020 UWMP and WSCP was sent on April 18, 2021. The 2020 UWMP and WSCP drafts were available on June 10, 2021 for review prior to the public hearing and adoption on June 17, 2021. The short public review period – 7 days – and immediate adoption by Cal-Am at the public hearing severely limited any opportunity for the District to challenge assumptions contained in the UWMP. To the extent Cal-Am continues to utilize assumptions from its UWMP in its Phase 2 testimony of CPUC Application A.21-11-024 the District will focus its testimony on the validity of such assumptions. At this time, it is premature to discuss which, if any, assumptions the District might challenge.

The Cal-Am 2020 UWMP demand forecast is shown below as compared to the District’s Amended Adopted Water Supply and Demand Study:



Typically, long-term water supply planning will look at both average supply needs, as well as peak demand needs (maximum day/peak hour). The comparison above is only about average annual supply needs. The key drivers are three-fold: (i) how much is typical annual demand

today? (ii) how much will we need in the future? and (iii) how quickly will we get there (the rate of increase)? In the past, the District has disagreed with Cal-Am about the assumptions underlying all three factors.

We will also be closely following any submittal made under the Annual Water Supply and Demand Assessment (Annual Assessment). In 2018, the California Legislature enacted into law new requirements for urban water suppliers to increase drought resilience and to improve communication of water shortage response actions. Each urban water supplier is required to prepare an Annual Assessment and submit an Annual Water Shortage Assessment Report (Annual Shortage Report) to the Department of Water Resources on or before July 1, 2022, and every year thereafter. As a result of continuing drought conditions in the state, on March 28, 2022 Governor Gavin Newsom issued Executive Order N-7-22 which requires suppliers to submit a preliminary shortage report by June 1, 2022 and their final Annual Shortage Report by July 1, 2022.

Seaside Basin Replenishment:

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

There has also been much discussion about protective water levels being achieved in the Seaside Groundwater Basin through the addition of water to the ground, beyond the perceived overdraft. This was raised in a letter from the Watermaster to the California Coastal Commission in August 2020. However, this was not a new issue, rather it has been known and talked about since 2009.

Protective groundwater elevations were determined in 2009 using the Seaside Groundwater Basin groundwater flow model and cross-sectional modeling (HydroMetrics LLC, 2009). A subsequent study in 2013 to revisit and update the protective groundwater elevations concluded that the calibrated parameters in the basin-wide model do not indicate that protective elevations should be lowered (HydroMetrics WRI, 2013).

Both Pure Water Monterey expansion and the MPWSP desalination plant were sized taking into consideration Cal-Am's 700 AFY in-lieu recharge, but never has either project been approached by the Watermaster until recently to discuss meeting replenishment needs of the Seaside Basin, despite the known need for protective water levels (PWLs). In fact, at the Watermaster Technical Advisory Committee meeting which preceded the Watermaster Board meeting August 7, 2013 where the second presentation was made, the Cal-Am representative stated that replenishment to meet protective water levels is not the company's responsibility.

Further, until the past few months there has been no discussion as to how the Watermaster could

afford to purchase water to achieve protective levels, especially desalination supply at over \$5,000 - 6,000 per acre-foot. Likewise, there has to date been no initiative by the Watermaster to develop the infrastructure to distribute and inject water for such a purpose.

The annual requirements for PWLs would be 1,000 AFY if at inland wells, but only 850 AFY if at coastal wells. Water available from Pure Water Monterey Expansion could be made available for protective levels, drought reserve, or unexpected growth as was shown during the March 29, 2021 Water Supply Planning Committee meeting (Item 2). With Pure Water Monterey (PWM) expansion, over 30 years there would be additional water available of 27,931 AF or an average of 931 AF per year.

If there was concern over the viability of ASR to provide 1,300 AF per year – even though studies show that over time ASR builds up a drought reserve in average-to-wet years sufficient to handle an extended drought – then PWM expansion could first be used to build up a 5-year ASR reserve of 6,500 AF.

These scenarios ignore that 700 AF per year (AFA) becomes available in year 26 after the Cal-Am in-lieu recharge program is concluded.

AMBAG RHNA Numbers:

At its May 5, 2022 Water Demand Committee meeting and its May 16, 2022 Board meeting District staff showed water required to meet the current draft 6th Cycle AMBAG RHNA numbers is approximately 750 AFA (see chart below).

| | TOTAL RHNA GOAL | Water Required (AFA) | Factor Used |
|--|-----------------------|----------------------------|---|
| Very Low | 1,857 | 175 | 0.0945 AFA (multi-family) |
| Low | 1,212 | 115 | 0.0945 AFA (multi-family) |
| Moderate | 877 | 120 | 0.13725 (half single-family/half multi-family) |
| Above Moderate | 2,242 | 340 | 0.1515 (2/3 single-family/1/3 multi-family) |
| Total Allocation/Water Required | 6,188 | 750 | |

The 2012 Cal-Am MPWSP Application to the CPUC included 1,181 AFA for Legal Lots of Record. Legal lots of record are defined as lots resulting from a subdivision of property in which the final map has been recorded in cities and towns, or in which the parcel map has been recorded in Parcels and Maps or Record of Surveys. Lots of record may include vacant lots on vacant parcels, vacant lots on improved parcels, and also included remodels on existing improved, non-vacant parcels. Ultimately, not all legal lots are buildable. While the District is the source of the 1,181 AFA estimated demands for the lots of record, the number was lifted from the 2009 Coastal Water Project environmental impact report which references a 2001 District analysis as the source. It was actually sourced from a Land Systems Group Phase II February 2002 interim draft report that used the number. Both versions did not include vacant lots on improved parcels in the unincorporated County. Nevertheless, the values are now 20 years old.

The 2012 Cal-Am MPWSP Application included 840 single family units and 1,050 multi-family units, but at usage factors much higher than today, yielding a total need of 381 AFA. There was also a need of 109 AFA shown for residential remodels, many of which have been done based on water credits, hence are already in the system. The remaining 691 AFA was designated to the Commercial sector – a significant amount – and stated at a time 20-years ago before the District’s conservation programs targeting the visitor-serving hospitality industry and the CII sector, hence is likely overstated. The District’s Adopted Water Supply and Demand Study determined that the total demand for legal lots of record was probably overstated by an average of 242 AFA and the allocation between residential and commercial is difficult to assess because priorities have changed over 20 years. Further, most of AMBAG’s projected RHNA growth occurs in Seaside and Monterey, which if slated for the former Fort Ord would not be served by Cal-Am. Unfortunately, it is not possible to accurately distinguish the Cal-Am served housing growth from the non-Cal-Am housing growth

Informally, it appears that the Cal-Am MPWSP Application and the District’s Adopted Water Supply and Demand Study already both include two-thirds of the water required for the current draft 6th Cycle AMBAG RHNA numbers, and possibly more.

WATER SUPPLY PLANNING COMMITTEE

DISCUSSION ITEM

2. UPDATE ON PURE WATER MONTEREY PERFORMANCE TO DATE

Meeting Date: June 6, 2022 **Budgeted:** N/A

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

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

General Counsel Approval: N/A

Committee Recommendation:

CEQA Compliance: N/A

SUMMARY: Attached as **Exhibit 2-A** is the May 2022 deliveries and reserve balances report for PWM.

Please note, to date for the fiscal year under the Water Purchase Agreement:

3,408.8771 AF total injected
3,242.3045 AF Company Water delivered
166.5726 AF to Operating Reserve

The project needs 257.6955 AF to be delivered in June (2.8 MGD) to meet the minimum performance guarantee.

EXHIBITS:

Exhibit 2-A Pure Water Monterey Deliveries and Reserve Balances Report

Pure Water Monterey
Deliveries and Reserve Balances
(AF)
FY 2021-22

| Month | Delivery | Operating Reserve | | | | Drought Reserve | | | | Company Water |
|-----------|-----------------|--------------------------|-----------------|---------------------------------------|-----------------------|--------------------------|-----------------|---------------------------------------|-----------------------|---------------|
| | <u>Injected</u> | <u>Beginning Balance</u> | <u>Injected</u> | <u>Withdrawn for Customer Service</u> | <u>Ending Balance</u> | <u>Beginning Balance</u> | <u>Injected</u> | <u>Withdrawn for Customer Service</u> | <u>Ending Balance</u> | |
| July | 306.5726 | 1033.9087 | 166.5726 | 0.0000 | 1200.4813 | 0.0000 | 0.0000 | 0.0000 | 0.0000 | 140.0000 |
| August | 306.9125 | 1200.4813 | 0.0000 | 0.0000 | 1200.4813 | 0.0000 | 0.0000 | 0.0000 | 0.0000 | 306.9125 |
| September | 292.6476 | 1200.4813 | 0.0000 | 0.0000 | 1200.4813 | 0.0000 | 0.0000 | 0.0000 | 0.0000 | 292.6476 |
| October | 298.1989 | 1200.4813 | 0.0000 | 0.0000 | 1200.4813 | 0.0000 | 0.0000 | 0.0000 | 0.0000 | 298.1989 |
| November | 289.9656 | 1200.4813 | 0.0000 | 0.0000 | 1200.4813 | 0.0000 | 0.0000 | 0.0000 | 0.0000 | 289.9656 |
| December | 312.2669 | 1200.4813 | 0.0000 | 0.0000 | 1200.4813 | 0.0000 | 0.0000 | 0.0000 | 0.0000 | 312.2669 |
| January | 320.5097 | 1200.4813 | 0.0000 | 0.0000 | 1200.4813 | 0.0000 | 0.0000 | 0.0000 | 0.0000 | 320.5097 |
| February | 282.2149 | 1200.4813 | 0.0000 | 0.0000 | 1200.4813 | 0.0000 | 0.0000 | 0.0000 | 0.0000 | 282.2149 |
| March | 341.9173 | 1200.4813 | 0.0000 | 0.0000 | 1200.4813 | 0.0000 | 0.0000 | 0.0000 | 0.0000 | 341.9173 |
| April | 362.0942 | 1200.4813 | 0.0000 | 0.0000 | 1200.4813 | 0.0000 | 0.0000 | 0.0000 | 0.0000 | 362.0942 |
| May | 295.5769 | 1200.4813 | 0.0000 | 0.0000 | 1200.4813 | 0.0000 | 0.0000 | 0.0000 | 0.0000 | 295.5769 |
| June | | 1200.4813 | 0.0000 | 0.0000 | 1200.4813 | 0.0000 | 0.0000 | 0.0000 | 0.0000 | 0.0000 |
| Total | 3408.8771 | | 166.5726 | 0.0000 | | | 0.0000 | 0.0000 | | 3242.3045 |

WATER SUPPLY PLANNING COMMITTEE

DISCUSSION ITEM

3. UPDATE ON PURE WATER MONTEREY EXPANSION

Meeting Date: June 6, 2022 **Budgeted:** N/A

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

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

General Counsel Approval: N/A

Committee Recommendation:

CEQA Compliance: N/A

SUMMARY:

- First-out PWM expansion construction bid packages (AWPF expansion and IW Phase 4) are “shovel-ready” now. However, their construction documents require additional federal bidding and contractual details from the EPA Water Infrastructure and Innovation Act (WIFIA) loan program prior to advertising. M1W is expecting a draft WIFIA funding agreement by mid-May.
- Significantly longer procurement lead times for PWM expansion equipment and material are being quoted to the PWM design engineer, i.e., global and national supply chain delays will impact PWM expansion construction timelines. For example, the IW P4 electrical equipment and housing manufacturers recently quoted 70 weeks delivery time, after which the equipment would still need to be installed and commissioned.
- Longer procurement lead times for key equipment and likely schedule impacts from the Buy America requirements mandated by the Federal funding agency means substantial completion of the new PWM expansion facilities will extend into 2024.
- The PWM expansion schedule Gantt chart (not attached to this month’s Staff Report) will be updated following receipt of the necessary WIFIA construction contract input and confirmation of the timing for execution of both the WIFIA funding agreement and the Amended Water Purchase Agreement (WPA) which is moving through the final steps of the California Public Utilities Commission (CPUC) approval process.
- M1W and MPWMD staff continue to work with City of Seaside staff on the final property easement acquisition process for all the PWM injection well field facilities.