

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, March 16, 2020, 6:00 PM
Conference Room, Monterey Peninsula Water Management District
5 Harris Court, Building G, Monterey, CA

Director Alvin Edwards will participate by telephone from
20166 Washburn Street, Detroit, Michigan 48221

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, March 12, 2020

**View a live webcast of the meeting at <https://accessmediaproductions.org/>
scroll down to the bottom of the page and select the Peninsula Channel**

View web and television broadcast schedule on page 3.

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.

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.

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 Friday, March 13, 2020. Staff reports regarding these agenda items will be available for public review on March 13, 2020 at the District office and at the Carmel, Carmel Valley, Monterey, Pacific Grove and Seaside libraries. After staff reports have been distributed, if additional documents are produced by the District and provided to a majority of the Board regarding any item on the agenda, they will be available at the District office during normal business hours, and posted on the District website at www.mpwmd.net/who-we-are/board-of-directors/bod-meeting-agendas-calendar/. Documents distributed at the meeting will be made available in the same manner. The next meeting of the Board of Directors is scheduled for April 20, 2020, at 6 pm.

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 February 19, 2020 Regular Board Meeting
2. Confirm Appointments to Ordinance No. 152 Oversight Panel
3. Consider Expenditure of Budgeted Funds for Preparation of Analysis of Tularcitos Groundwater Basin as Potential Future Aquifer Storage and Recovery Site
4. Consider Approval of Funds to Enter into Contract with ZIM Industries to Rehabilitate ASR 1
5. Consider Authorization to Contract with RJA Management Services for Facilitation of Board Strategic Planning Session
6. Consider Authorizing General Manager to Enter into Contract for CEQA Services Related to Measure J Phase 2
7. Declaration of Surplus Assets
8. Consider Adoption of Treasurer's Report for January 2020

GENERAL MANAGER'S REPORT

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

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

11. 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

12. Consider Adoption of Fiscal Year 2019-20 Mid-Year Budget Adjustment

Action: At mid-year, District staff routinely review the budget and propose revisions that will ensure continuance of the District's programs and facilitate changes in the District's operating needs that were unknown at the time the budget was adopted in June 2019. A proposed, amended budget is presented for Board consideration.

13. Consider Adoption of April through June 2020 Quarterly Water Supply Strategy and Budget

Action: The Board will consider approval of a proposed production strategy for the California American Water Distribution System for the three-month period of April through June 2020. The strategy sets monthly goals for surface and groundwater production from various sources within the California American Water system.

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

14. Consider Approval for Grant Funding for Hastings Reservation Ford Replacement on Finch Creek

Action: The Board will consider approving the grant to the Regents of the University of California, Berkeley campus.

15. Consider Adoption of Resolution No. 2020-03 Declaring the Week of March 16-22, 2020, to be Fix a Leak Week

Action: The Board will consider adoption of Resolution No. 2020-03. The U.S. Environmental Protection Agency's (EPA's) WaterSense® program promotes its annual Fix A Leak Week in March as part of its efforts to encourage Americans to use water efficiently. The District supports the EPA's program and encourages the immediate repair of every leak.

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.

16. Report on Activity/Progress on Contracts Over \$25,000
17. Status Report on Measure J/Rule 19.8 Phase II Spending
18. Monthly Progress Report – Santa Margarita Water Treatment Facility
19. Letters Received Supplemental Letters Received
20. Committee Reports
21. Monthly Allocation Report
22. Water Conservation Program Report
23. Carmel River Fishery Report for March 2020
24. Monthly Water Supply and California American Water Production Report

ADJOURNMENT

Board Meeting Broadcast Schedule View Live Webcast at https://accessmediaproductions.org/ 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 https://www.xfinity.com/support/local-channel-lineup/ or https://www.xfinity.com/stream/listings - enter your address for the listings and channels specific to your city.	Carmel, Carmel Valley, Del Rey Oaks, Pacific Grove, Pebble Beach, Sand City, Seaside, Monterey
Internet Broadcast	
Replays – Mondays, 4 pm to midnight at https://accessmediaproductions.org/ scroll to Peninsula Channel	
Replays – Mondays, 7 pm and Saturdays, 9 am www.mgtvonline.com	
On demand – three days following meeting date 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	

Board Meeting Schedule			
Monday, April 20, 2020	Regular Board Meeting	6:00 pm	District conference room
Monday, May 20, 2020	Regular Board Meeting	6:00 pm	District conference room
Monday, June 15, 2020	Regular Board Meeting	6:00 pm	District conference room

Upon request, MPWMD will make a reasonable effort to provide written agenda materials in appropriate alternative formats, or disability-related modification or accommodation, including auxiliary aids or services to enable individuals with disabilities to participate in public meetings. MPWMD will also make a reasonable effort to provide translation services upon request. Please submit a written request, including your name, mailing address, phone number and brief description of the requested materials and preferred alternative format or auxiliary aid or service by noon on Friday, March 14, 2020. Requests should be sent to the Board Secretary, MPWMD, P.O. Box 85, Monterey CA, 93942. You may also fax your request to the Administrative Services Division at 831-644-9560, or call 831-658-5600. You may also email to sara@mpwmd.net.

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ITEM: CONSENT CALENDAR

**1. CONSIDER ADOPTION OF MINUTES OF THE FEBRUARY 19, 2020
REGULAR BOARD MEETING**

Meeting Date: March 16, 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.

SUMMARY: Attached as **Exhibit 1-A**, are draft minutes of the February 19, 2020 Regular meeting of the Board.

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

EXHIBIT

1-A Draft Minutes of the February 19, 2020 Regular Board meeting



EXHIBIT 1-A

DRAFT MINUTES
Regular Meeting
Board of Directors
Monterey Peninsula Water Management District
February 19, 2020

Board Chair Edwards called the meeting to order at 6:00 pm in the MPWMD conference room.

CALL TO ORDER/ROLL CALL

Directors Present:

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.

Directors Absent: David Potter – Mayoral Representative

General Manager present: David J. Stoldt

District Counsel present: David Laredo

The assembly recited the Pledge of Allegiance.

PLEDGE OF ALLEGIANCE

Director Byrne requested that Item 16 – Consider Change to Placement on Salary Schedule – Administrative Services Manager – 2019 MOU Confidential Staff Unit, be moved to the Consent Calendar.

ADDITIONS AND CORRECTIONS TO AGENDA

General Manager Stoldt reported that a correction needed to be made to Item 24 – Monthly Water Supply and California American Water Production Report, page 133 of the packet, 2nd paragraph, 3rd line, the sentence should read “Estimated unimpaired runoff through January totaled **5,789** acre-feet (not 13,072).

Evans offered a motion that was seconded by Riley to make the change to Item 24 and to move agenda Item 16 to the Consent Calendar. The motion was approved on a unanimous vote of 6 – 0 by Evans, Riley, Adams, Byrne, Edwards and Hoffmann. Potter was absent.

The following comments were presented under Oral Communications. **(a) Susan Schiavone**, a resident of Seaside, thanked Supervisor Adams and Director Edwards for attending the February 18, 2020 California Public Utilities Commission (CPUC) hearing on California American Water Company’s (Cal-Am) rate requests. She stated that Supervisor Adams did a wonderful job presenting

ORAL COMMUNICATIONS

her information and advocating for customers. Ms. Schiavone also congratulated all those involved with the Pure Water Monterey Project and stated everyone should be proud of the milestone they have met with bringing this project to fruition. Additionally, she expressed support for a 20 percent cap on surcharges on the Cal-Am bill and asked that the Board support that effort as well. **(b) Melodie Chrislock**, representing Public Water Now, shared information from the February 19, 2020 CPUC hearing and expressed concern about the annual increase in surcharges proposed for Cal-Am customers. She stated she submitted additional information to District staff which was provided in their meeting materials.

On a motion by Byrne and second by Evans, the Consent Calendar was approved except for items 4, 5, 6, and 7 that were pulled for separate consideration. The motion was approved on a unanimous vote of 6 – 0 by Byrne, Evans, Adams, Edwards, Hoffmann and Riley. Potter was absent.

Adopted.

Adopted.

Adopted

Adams offered a motion that was seconded by Riley to approve the purchase of a Ford F150 4x4 Truck. The motion was approved on a vote of 6 – 0 by Adams, Riley, Byrne, Edwards, Evans and Hoffmann. Potter was absent.

Edwards offered a motion that was seconded by Byrne to approve the purchase of water conservation equipment. The motion was approved on a vote of 6 – 0 by Edwards, Byrne, Adams, Evans, Hoffmann and Riley. Potter was absent.

Hoffman offered a motion that was seconded by Evans to sponsor the demonstration garden at the City of Carmel-by-the-Sea's Public Works Department. The motion was approved on a vote of 6 – 0 by Hoffmann, Evans, Adams, Byrne, Edwards and Riley. Potter was absent.

Riley offered a motion that was seconded by Byrne to approve an expenditure of funds for preparation of a 20-year summary report of bioassessment sampling. The motion was approved on a vote of 6 – 0 by Riley, Byrne, Adams, Edwards, Evans and Hoffmann. Potter was absent.

Adopted.

CONSENT CALENDAR

1. **Consider Adoption of Minutes of the January 23, 2020 Regular and Special Board Meeting and February 3, 2020 Special Board Meeting**
2. **Confirm Appointment to Ordinance No. 152 Oversight Panel**
3. **Consider Purchase of Internet License for Water Wise Gardening in Monterey County**
4. **Consider Approval of Expenditure for Purchase of Ford F150 4x4 Truck**
5. **Consider Purchase of Water Conservation Equipment**
6. **Consider Sponsorship of Demonstration Garden at City of Carmel-by-the-Sea's Public Works Department on Junipero Street in Carmel**
7. **Consider Expenditure of Funds for Preparation of a 20-Year Summary Report of Bioassessment Sampling**
8. **Consider Adoption of Treasurer's Report for December 2019**

Received.

Approved.

A summary of General Manager Stoldt's presentation is on file at the District office and can be viewed on the agency's website. He reported that for the period of October 1, 2019 to January 31, 2020 water production within the Monterey Peninsula Water Resources System was 164 acre-feet above the production target and improving every month. Rainfall received in January 2020 was approximately 1.25 inches which is low for January, but the District is still at 103 percent of its long-term average. Stoldt noted that ASR injection ceased January 21, 2020 and restart of injection has not occurred due to the need to meet permit conditions.

General Manager Stoldt presented photos displaying the repairs of the Reclamation Storage Tank Rehabilitation Project. This project was approved by the Board on May 20, 2019. The goal is to have the project done by the end of March 2020.

Director Edwards thanked the General Manager and the Pure Water Monterey staff for his tour at the plant. He also thanked Maureen Hamilton, Water Resources Engineer, for the tour of the injection well site. He thanked Supervisor Adams for her comments at the February 18, 2020 CPUC Public Participation Hearings in Seaside.

Evans offered a motion that was seconded by Adams to receive the report. The motion was approved on a unanimous vote of 6 – 0 by Evans, Adams, Byrne, Edwards, Hoffmann and Riley.

The following comments were directed to the Board during the public comment period on this item. **(a) Paul Bruno**, representing the Monterey Peninsula Tax Association, thanked staff for the report and for allowing members to participate and engage in discussion. He noted the report is fair and accurately represents action taken by the Oversight Panel.

9. Receive and File Second Quarter Financial Activity Report for Fiscal Year 2019-2020

10. Consider Approval of Second Quarter Fiscal Year 2019-2020 Investment Report

GENERAL MANAGER'S REPORT

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

12. Update on District's Investment in Reclamation Project Tank Rehabilitation

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

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

ACTION ITEMS

14. Receive 2019 Ordinance 152 Oversight Panel Annual Report

Evans offered a motion that was seconded by Adams to: (1) adopt the Findings of Approval to allow delayed payment of Capacity Fees for the Peninsula Shelter Project at 1292 Olympia Avenue in Seaside, and (2) approve an interest rate of 4% as the amount of interest that would be charged in the event the project transfers to a for-profit organization in the future. The motion was approved on a unanimous vote of 6 – 0 by Evans, Adams, Byrne, Edwards, Hoffmann and Riley. Potter was absent.

Amy Stoker, Finance Director, Gathering for Women, addressed the Board during the public comment period on this item. She stated the importance of the Peninsula Shelter Project and that it was fortunate to receive the HEAP funding. She stated the project developers were previously unaware of the District's fees, and that they intend to be a sustainable project.

Approved by motion as part of the Consent Calendar.

There was no discussion of these items.

The meeting was adjourned at approximately 7:12 pm.

15. **Consider Request for Delay of Payment of Capacity Fees Payment for Non-Profit Public Benefit Project – Peninsula Shelter Project, 1292 Olympia Avenue, Seaside**

16. **Consider Change to Placement on Salary Schedule – Administrative Services Manager – 2019 MOU Confidential Staff Unit**

INFORMATIONAL ITEMS/STAFF REPORTS

17. **Report on Activity/Progress on Contracts Over \$25,000**
18. **Monthly Progress Report – Santa Margarita Water Treatment Facility**
19. **Letters Received**
20. **Committee Reports**
21. **Monthly Allocation Report**
22. **Water Conservation Program Report**
23. **Carmel River Fishery Report for January 2020**
24. **Monthly Water Supply and California American Water Production Report**

ADJOURNMENT

Sara Reyes, Sr. Office Specialist

ITEM: CONSENT CALENDAR**2. CONFIRM APPOINTMENTS TO ORDINANCE NO. 152 OVERSIGHT PANEL****Meeting Date:** **March 16, 2020** **Budgeted:** **N/A****From:** **David Stoldt,** **Program/** **N/A**
 General Manager **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.**

SUMMARY: Ordinance No. 152 created a nine member “Ordinance 152 Citizen’s Oversight Panel” as an advisory group to the Board of Directors on expenditures from the Connection Charge adopted in June 2012. The Monterey Peninsula Taxpayers Association (MPTA) and the Monterey County Association of Realtors (MCAR) each appoint a member to the Panel. The terms of their appointees have expired. The MPTA has reappointed Paul Bruno to another term, and MCAR’s new appointee is Scott Dick.

RECOMMENDATION: Ratify the appointment of Paul Bruno and Scott Dick to the Ordinance No. 152 Oversight Panel, each for a two-year term ending March 31, 2022.

EXHIBIT

None

ITEM: CONSENT CALENDAR**3. CONSIDER EXPENDITURE OF BUDGETED FUNDS FOR PREPERATION OF ANALYSIS OF TULARCITOS GROUNDWATER BASIN AS POTENTIAL FUTURE AQUIFER STORAGE AND RECOVERY SITE**

Meeting Date:	March 16, 2020	Budgeted:	Yes
From:	David J. Stoldt General Manager	Program/ Line Item No.:	Water Supply Projects 1-7-1
Prepared By:	Jonathan Lear	Cost Estimate:	\$27,000

General Counsel Review: N/A**Committee Recommendation: The Administrative Committee reviewed this item on March 10, 2020 and recommended approval.****CEQA Compliance: This action does not constitute a project as defined by the California Environmental Quality Act Guidelines section 15378.**

SUMMARY: In addition to the Aquifer Storage and Recovery (ASR) expansion opportunities that the Monterey Peninsula Water Management District (MPWMD or District) has been pursuing in the Seaside Groundwater Basin, interest has also been expressed through the MPWMD Board's Water Supply Planning Committee to investigate possible use of ASR technology at other locations. In particular, development of an ASR project within the Carmel River Watershed in the Tularcitos Creek Sub-basin (Tularcitos Basin) has been identified as a potential supplemental water supply option for the MPWMD area. The MPWMD currently holds a water right issued by the State Water Resources Control Board (Permit 20808B) that could be the basis for the additional water rights that would be needed for potential future ASR expansion in the Tularcitos Basin. The project concept would be to divert Carmel River flows during high-flow winter periods to underground aquifer storage in an area of the Tularcitos Basin, for subsequent recovery and use during summer or extended dry periods. Recovery concepts include extraction and delivery directly to the Cal-Am distribution system and/or delivery via summertime surface flow releases providing streamflow enhancement.

The area of interest in the Tularcitos Basin is outside of the MPWMD boundaries and accordingly, there is little technical information currently available in MPWMD files. An initial effort is envisioned that would include review of existing data sources, compilation of existing well and streamflow records, creation of a database to support future investigations, and development of preliminary hydrogeologic maps and figures.

This effort was started in late 2012 when Right on Q, INC was retained to complete Phase 1 work for this study. At that time the scope and cost of the study had been developed, but it was placed into 2 phases in case the first Phase proved the concept not possible. In 2013, the water use fee collected on the Cal-Am bill was removed from the bill by the Administrative Law Judge reviewing the 2012, 2013, 2014 rate case. Because that fee was the funding source for this work,

work was stopped prior to completing all tasks in Phase 1. This contract would restart the work, complete Phase 1 work, and move to Phase 2.

This study will be used, along with analysis of other potential uses for a portion of the 20808B water right, in the application to the State Water Resources Control Board for an extension of the expiration date of the water right. The District must apply for this extension before December 2020.

RECOMMENDATION: Staff recommends that the Board authorize staff to enter into a new contract with Right on Q, INC to complete the Tularcitos Aquifer Storage and Recovery Feasibility Analysis.

BACKGROUND: The District currently holds a water right issued by the State Water Resources Control Board (Permit 20808B) that would be the basis for the additional water rights that would be needed for potential future ASR expansion in the Tularcitos Basin. The work envisioned under this item would complete the feasibility analysis that started in 2012 and was interrupted in 2013. The results of this report will identify if ASR is feasible in the Tularcitos Basin and if so, outline a field investigation program to better understand the site specific hydrogeologic conditions that will help aid with future design. This report will also be included in the application for extension of expiration of the water right as the required proof that work is actively taking place to find reasonable and beneficial use of the water right.

IMPACT TO STAFF/RESOURCES: Planning, design, and construction of potential water supply projects are ongoing significant staff commitments as reflected in the Districts Strategic Plan and annual budgets. Funds for this project are included in the FY 2019-2020 budget under “Water Supply Projects,” line item 1-7-1.

EXHIBIT

3-A Contract for services from Right on Q, Inc to perform the Tularcitos ASR Feasibility Analysis

EXHIBIT 3-A

AGREEMENT BETWEEN THE MONTEREY PENINSULA WATER MANAGEMENT DISTRICT AND RIGHT ON Q, INC.

FOR PROFESSIONAL SERVICES TO PROVIDE ASSISTANCE TO COMPLETE THE TULARCITOS AQUIFER STORAGE AND RECOVERY FEASIBILITY ANALYSIS

THIS AGREEMENT is entered into this _____ day of _____, 20__, by and between Right on Q, Inc., hereinafter called "Consultant," and the Monterey Peninsula Water Management District, hereinafter called "MPWMD".

SECTION I SCOPE OF SERVICES

MPWMD hereby engages Consultant for services as set forth in Exhibit A, Scope of Services.

SECTION II COMPENSATION

A. FEE SCHEDULE

Fees payable to Consultant for services specified herein shall be in accordance with the Fee Schedule in Exhibit B.

B. METHOD OF PAYMENT

Payment of fees shall be based on work completed, as documented in monthly billings submitted by Consultant. Work reports shall be rendered in accordance with the schedule shown in Exhibit C, Work Schedule. Payments are due and payable within thirty (30) days after receipt of each invoice subject to a finding by MPWMD that work performed has been satisfactory and that payment is for the work specified in Exhibit A, Scope of Services. Where MPWMD finds the work to be unsatisfactory, MPWMD shall describe deficiencies in writing to Consultant within ten (10) days.

C. MAXIMUM PAYMENT

Payments to Consultant for services rendered and expenses incurred under this Agreement **shall not exceed \$ 27,000 without written authorization from MPWMD.**

SECTION III INSPECTION OF WORK

The books, papers, records and accounts of Consultant or any subconsultants retained by Consultant insofar as they relate to charges for services, or are in any way connected with the work herein contemplated, shall be open at all reasonable times to inspection and audit by the agents and authorized representatives of MPWMD. Said records shall be retained for a minimum of five (5) years after completion of services.

SECTION IV OWNERSHIP OF PROJECT REPORT AND EQUIPMENT PURCHASED

All original documents, explanations of methods, maps, tables, computer programs, reports and other documents prepared under this Agreement and equipment purchased specifically for the project shall become the exclusive property of MPWMD.

Digital data used to generate tables, figures, diagrams, images, Geographical Information System (GIS) or Computer Aided Design (CAD) layers shall be considered separate deliverables and shall be provided to MPWMD after acceptance by MPWMD of the final work product(s).

Global Positioning System (GPS) data deliverables shall include the following:

- Original rover files, unless otherwise specified by MPWMD
- Base station correction files, unless otherwise specified by MPWMD
- Differentially corrected GPS files, if requested by MPWMD
- Copies of field data collection notes
- Completed documentation sheet for each collection event
- Almanac files are optional

GIS deliverables shall include the following:

- Geospatial dataset [generated from GPS data] in Environmental Systems Research Institute, Inc.'s (ESRI) shapefile format, including a projection file. In this regard, point features shall be generated as point shapefiles, linear features shall be generated as line shapefiles, and area features shall be generated as polygon shapefiles.
- Each geospatial dataset shall be accompanied by documentation sufficient to meet the Content Standard for Digital Geospatial Metadata (CSDGM), Vers. 2 (FGDC-STD-001-1998), dated June 1998.
- Any geospatial dataset derived from new or existing geospatial data in shapefile format, along with an explanation of the methodology used to generate the derived geospatial data.

Consultant may retain copies for his/her own use. Consultant shall not be held liable for reuse of documents or modifications of the subject data thereof, including documents on electronic media, by MPWMD, or its representatives, for any purpose other than the original intent of this Agreement.

SECTION V TIME OF PERFORMANCE

Consultant shall begin work upon the effective date of this Agreement and shall complete all tasks described herein according to the schedule shown in **Exhibit C**, Work Schedule.

SECTION VI RESPONSIBILITIES

- A. Consultant represents that he has or will secure at his own expense all personnel, materials, and related services required to perform the services under this Agreement. Consultant shall act as an independent consultant and not as an agent or employee of MPWMD. Consultant shall have exclusive and complete control over his employees and subcontractors, and shall determine the method of performing the services hereunder.
- B. MPWMD shall provide Consultant with all relevant data and studies in its possession without charge. Consultant represents that he/she is familiar with such materials in the possession of MPWMD and that they are sufficient to discharge MPWMD's obligation hereunder.
- C. MPWMD shall coordinate and arrange for all meetings required to be held with other agencies or persons hereunder, unless otherwise specified in **Exhibit A**, Scope of Services.
- D. Consultant shall be responsible for the reproduction of work produced by Consultant hereunder.
- E. The officers, agents, and employees of MPWMD shall cooperate with Consultant in the performance of services under this agreement without charge to Consultant. Consultant agrees to use such services insofar as feasible in order to effectively discharge his/her obligations hereunder and further agrees to cooperate with MPWMD's officers, agents and employees.
- F. The Consultant agrees to indemnify, defend and save harmless MPWMD, its officers, agents and employees from any and all claims and losses accruing or resulting to any and all consultants, subcontractors, materialmen, laborers and any other person, firm or corporation who may be injured or damaged by the negligent acts, errors, and/or omissions of the Consultant, Consultant's employees, or Consultant's subcontractors or subconsultants in the performance of this Agreement.
- G. Consultant shall comply with all applicable laws, ordinances and codes of the federal, California, and local governments.

SECTION VII INSURANCE

- A. Consultant shall obtain and keep insurance policies in full force and effect for the following forms of coverage as shown in **Exhibit D**, Insurance Requirements.

SECTION VIII CHANGES AND CHANGED CONDITIONS

- A. If, during the course of the work herein contemplated, the need to change the Scope of Services should arise, for whatever reasons, whichever party first identifies such need to change shall notify the other party in writing. The representatives of the parties shall meet

within seven (7) working days of the date of such notice to discuss the need for change so identified and to set the proposed action to be taken by the parties. A change in the Scope of Services may also result in a change in the compensation amount. Compensation changes shall be based upon the Consultant Fee Schedule (**Exhibit B**) attached hereto. Any changes agreed to shall be documented by duly executed amendments to this Agreement.

- B. MPWMD reserves the right to specify individual employees, subconsultants or agents of Consultant who shall be assigned to perform the tasks specified in **Exhibit A**, Scope of Services. If, during the course of the work herein contemplated, there is a change such that the specified individual employees, subconsultants or agents are no longer assigned to the work described in this contract and/or are no longer affiliated with Consultant, Consultant shall immediately notify MPWMD in writing. Consultant shall assign the rights to this contract to another entity, if requested by MPWMD, as part of termination proceedings pursuant to Section IX, Termination.

SECTION IX TERMINATION

- A. MPWMD may terminate Consultant's services at any time by written notice to Consultant at least thirty (30) days prior to such termination. Upon receipt of written notice from MPWMD that this Agreement is terminated, Consultant shall submit an invoice for an amount that represents the value of services actually performed to the date of said notice for which he/she has not previously been compensated. Upon approval of this invoice by MPWMD, Consultant shall be paid from the sum found due after having applied the provisions of Section II, Paragraph (D) of this Agreement, "Late Performance Penalty," where applicable, and MPWMD shall have no further obligation to Consultant, monetarily or otherwise.
- B. Upon receipt of written notice of termination, the Consultant shall (1) promptly discontinue all services affected (unless the notice directs otherwise), and (2) deliver or otherwise make available to MPWMD, copies, including magnetic media, of data, design calculations, drawings, specifications, reports, estimates, summaries and other such information and materials as may have been accumulated by the Consultant in performing the services under this Agreement.

SECTION X SUB-CONTRACTING AND ASSIGNABILITY

Consultant shall not sub-contract any portion of the work required by this Agreement nor otherwise assign or transfer any interest in it without prior written approval of MPWMD. Any work or services subcontracted hereunder shall be specified by written contract or agreement and shall be subject to each provision of this Agreement.

SECTION XI DISCRIMINATION AND FAIR EMPLOYMENT

Attention is directed to Section 1735 of the California Labor Code, which reads as follows:

“No discrimination shall be made in the employment of persons upon public works because of race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, marital status, or sex of such persons, except as provided in Section 12940 of the government code and every Consultant for public works violating this section is subject to all penalties imposed by a violation of this chapter.”

During the performance of this Agreement, Consultant and its Consultants shall not unlawfully discriminate, harass, or allow harassment against any employee or applicant for employment because of sex, race, color, ancestry, religious creed, national origin, physical disability (including HIV and AIDS), mental disability, medical condition (cancer), age (over 40), marital status, and denial of family care leave. Consultant and its Consultants shall insure that the evaluation and treatment of their employees and applicants for employment are free from such discrimination and harassment. Consultant and its Consultants shall comply with the provisions of the Fair Employment and Housing Act (Government Code Section 12990 (a-f) et seq.) and the applicable regulations promulgated thereunder (California Code of Regulations, Title 2, Section 7285 et seq.). The applicable regulations of the Fair Employment and Housing Commission implementing Government Code Section 12990 (a-f), set forth in Chapter 5 of Division 4 of Title 2 of the California Code of Regulations, are incorporated into this Agreement by reference and made a part hereof as if set forth in full.

SECTION XII INTEREST OF CONSULTANT

Consultant covenants that he/she presently has no interest and shall not acquire any interest, direct or indirect, which would conflict in any manner or degree with the performance of services required to be performed under this Agreement.

SECTION XIII CONTINGENT FEES

Consultant warrants that he/she has not employed or retained any company or person, other than a bona fide employee working solely for the Consultant to solicit or secure this Agreement, and that he/she has not paid or agreed to pay any company, or person, other than a bona fide employee working solely for Consultant, any fee, commission, percentage, brokerage fee, gifts, or other consideration, contingent upon or resulting from the award or making of this Agreement. For breach of violation of this warranty, MPWMD shall have the right to annul this Agreement without liability or at its discretion to deduct from the contract price or consideration, or otherwise recover, the full amount of such fee, commission, percentage, brokerage, gift or contingent fee.

SECTION XIV DISPUTES

In the event of a dispute arising out of the performance of this Agreement either party shall, as soon as a conflict is identified, submit a written statement of the conflict to the other party. Within five (5) working days of receipt of such a statement of conflict, the second party will respond and

a meeting will be arranged not more than five (5) working days thereafter to arrive at a negotiated settlement or procedure for settlement. If, within twenty (20) working days from the initial filing of a statement of conflict an agreement cannot be reached, it is agreed that the dispute may be resolved in a court of law competent to hear this matter. This Agreement shall be construed in accord with California law and it is agreed that venue shall be in the County of Monterey. The prevailing party shall be awarded costs of suit, and attorneys' fees.

SECTION XV NOTICES

All communications to either party by the other shall be deemed given when made in writing and delivered or mailed to such party at its respective address, as follows:

MPWMD: Jonathan Lear, Water Resources Division Manager
 Monterey Peninsula Water Management District
 5 Harris Court, Building G
 Monterey CA 93940
 or
 P. O. Box 85
 Monterey, CA 93942-0085

CONSULTANT: Mike Hutnak
 Right on Q, INC
 2331 Mattison Lane
 Santa Cruz, CA 95062

SECTION XVI AMENDMENTS

This Agreement together with **Exhibits A, B, C, and D** sets forth the entire understanding of the parties with respect to the subject matter herein. There are no other agreements expressed or implied, oral or written, except as set forth herein. This Agreement may not be amended except upon written amendment, executed by both parties hereto.

SECTION XVII ATTACHMENTS

The following exhibits attached hereto and referred to in the preceding sections are, by reference, incorporated herein and made an integral part of this Agreement:

- Exhibit A.** Scope of Services
- Exhibit B.** Fee Schedule
- Exhibit C.** Work Schedule
- Exhibit D.** Insurance Requirements

IN WITNESS WHEREOF, the parties hereto have entered into this Agreement effective as of the day and year first above written.

MONTEREY PENINSULA WATER MANAGEMENT DISTRICT

BY: David J. Stoldt, General Manager

CONSULTANT

BY:

FEDERAL TAX IDENTIFICATION NUMBER:

EXHIBIT A – SCOPE OF SERVICES

Consultant will finish the Phase 1 component of the Tularcitos ASR feasibility analysis and complete the following tasks identified as the Phase 2 component of the feasibility analysis and prepare a final report summarizing the work completed and conclusions of the feasibility analysis. The task breakdown and description are as follows:

1. **Prepare a Technical Memo for the Phase 1 work completed previously** – A brief technical memorandum will be prepared by consultant summarizing the work completed in 2012 during the Phase 1 component of the feasibility analysis.
2. **Summarize existing land uses, well production, water rights** – Consultant will investigate all water rights, water use patterns and land uses associated with the area of interest. Consultant will come up with a preliminary water budget for the area of interest.
3. **Develop hydrogeologic framework with maps and cross sections** - Consultant will use findings from Phase 1 of this study to produce hydrogeologic maps and cross sections of the area of interest to evaluate the amount of potential underground storage available.
4. **Describe basin hydrology and availability of Carmel River diversions for ASR** – Consultant will perform analysis of water availability from historic flow records at existing diversion points associated with permit 20808 B.
5. **Evaluate ASR potential based on current hydrogeologic understanding using CRBHM modeling** – Consultant will perform a sensitivity analysis of number of wells, location of wells, and volume of injected water using the District's Carmel River Basin Hydrologic Model to investigate the feasibility and potential size of an ASR project in the area of interest.
6. **Select hydrogeologic units and sites for further analysis/ field testing** – If step 5 shows that an ASR project may be feasible in the area of interest, the consultant will identify areas where field testing should take place to investigate site specific hydrogeologic conditions. Consultant will also suggest a testing program to assess the ASR program as the next Phase of this program.
7. **Prepare a report summarizing work and conclusions related to previous tasks and Phase 2 work** – Consultant will prepare a report summarizing all work completed in Phase 1 and 2 and, if ASR is found feasible, suggesting a field work plan that would be the next phase of the project.

EXHIBIT B - FEE SCHEDULE

The fee schedule by task is broken down below. Task costs are related to the billing rate and time allotted to each task. Payment will only be made for actual hours worked towards completion of tasks and this breakdown of cost shows the distribution of level of effort associated with each task. Billing rate and hours for each task are attached to this document.

<u>Task</u>	<u>Cost</u>
1. Prepare a Technical Memo for the Phase 1 work completed previously	\$3,000
2. Summarize existing land uses, well production, water rights	\$3,000
3. Develop hydrogeologic framework with maps and cross sections	\$4,000
4. Describe basin hydrology and availability of Carmel River diversions for ASR	\$3,000
5. Evaluate ASR potential based on current hydrogeologic understanding using CRBHM	\$8,000
6. Select hydrogeologic units and sites for further analysis/testing	\$2,000
7. Prepare a report summarizing work and conclusions	<u>\$4,000</u>
Total Cost of Feasibility Analysis	\$27,000

EXHIBIT C – SCHEDULE

Work is expected to be initiated with an on-site startup meeting after contracting is complete and is expected to be completed within 180 days.

EXHIBIT D - INSURANCE REQUIREMENTS

- I. Consultant shall provide evidence of valid and collectible insurance carried for those exposures indicated by an "X".
 - A. ____ Professional Liability Errors & Omissions
 - B. ____ Workers Compensation and Employers Liability
 - C. X Automobile Liability - "Any Auto - Symbol 1"
 - D. ____ Comprehensive General Liability, including Bodily Injury, Property Damage and Personal Injury
 - E. ____ Protection & Indemnity (Marine/Aviation)
- II. The minimum limit of protection provided by insurance policies for each of the coverages listed above shall be not less than \$300,000, except for coverage "D", which shall not be less than \$2,000,000. The procurement and maintenance by the Consultant of the policies required to be obtained and maintained by Consultant under this Agreement shall not relieve or satisfy Consultant's obligation to indemnify, defend and save harmless the District.
- III. Evidence of insurance carried shall be Certificates of Insurance for the current policies. The District shall be listed as a certificate holder on the Consultant's Comprehensive General Liability insurance policy and the policy must be endorsed to provide a 30-day

prior written notice of cancellation.

IV. The District requires that the Consultant carry a commercial liability policy written on a broad comprehensive general liability form.

A. Such protection is to include coverage for the following, indicated by an "X":

1. ____ Premises and Operations
2. ____ Products and Completed Operations
3. ____ Explosion Collapse and Underground
4. ____ Broad Form Blanket Contractual
5. ____ Broad Form Property Damage
6. ____ Personal Injury, A, B & C
7. ____ Employees named as Persons Insured

B. The "Persons Insured" provision on each comprehensive general liability policy shall include as an insured the "Monterey Peninsula Water Management District, its officers, directors, agents and employees."

C. This policy shall contain a severability of interest clause or similar language to the following:

"The insurance afforded applies separately to each insured against whom claim is made or suit is brought including claims made or suits brought by any persons included within the persons insured provision of the insurance against any other such person or organization."

D. All policies shall contain a provision that the insurance company shall give the District at least thirty (30) days prior written notice mailed to the address shown below prior to any cancellation, lapse or non-renewal. The 30-day written notice must be shown on all certificates of insurance.

E. Certificates of Insurance for the current policies shall be delivered by the Consultant to the Risk Manager for the District as verification that terms A, B, C and D have been met.

V. All insurance correspondence, certificates, binders, etc., shall be mailed to:

Monterey Peninsula Water Management District
 Attn: Administrative Services Manager
 5 Harris Court, Building G
 P.O. Box 85
 Monterey, CA 93942-0085

VI. All policies carried by the Consultant shall be primary coverage to any and all other policies that may be in force. The District shall not be responsible for payment of premiums due

as a result of compliance with the terms and conditions of the insurance requirements.

- VII. All such policies of insurance shall be issued by domestic United States insurance companies with general policy holders' rating of not less than "B" and admitted to do business in the State of California. The policies of insurance so carried shall be carried and maintained throughout the term of this Agreement.

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ITEM: CONSENT CALENDAR

4. CONSIDER APPROVAL OF FUNDS TO ENTER INTO CONTRACT WITH ZIM INDUSTRIES TO REHABILITAE ASR 1

Meeting Date:	March 16, 2020	Budgeted:	Yes
From:	David J. Stoldt General Manager	Program/ Line Item No.:	Water Supply Projects 1-2-1
Prepared By:	Jonathan Lear	Cost Estimate:	\$104,460

General Counsel Review: N/A

Committee Recommendation: The Administrative Committee reviewed this item on March 10, 2020 and recommended approval.

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

SUMMARY: While CalAm was operating ASR 1 in recovery over the 2019 summer, District staff noted that the required flush rate of 3,000 gpm by the Department of Drinking Water Permit could no longer be maintained without the pump bowles breaking suction and causing cavitation.

Upon further investigation, the constant sustainable flux rate of ASR1 was determined to be approximately 2,250 gpm. At that point CalAm and the District approached DDW and modified the conditions of the permit to flush at the sustainable rate but for a longer period of time prior to using ASR1 as a source to the system.

Long term operations of ASR1 both in injection and recovery will require the well be formally rehabilitated to restore efficiency and operational flexibility of the ASR well field.

RECOMMENDATION: Staff recommends the Board direct the General Manager's to enter into an agreement for \$104,460 with ZIM Industries to complete a formal rehabilitation of ASR 1.

BACKGROUND: ASR1 was constructed in 2001 and was last rehabilitated in 2007, after which the well displayed a pumping specific capacity of 59.7 gallons per minute per foot of drawdown (gpm/ft). Since then, the well's performance has steadily declined to 31.1 gpm/ft as a result of residual plugging, representing a decline of approximately 48 percent. It is noted that the observed decline due to residual plugging from injection operations is to be expected as with most ASR wells, and the periodic rehabilitation of ASR wells is a part of the routine maintenance required to maintain capacity and extend useful well service-lives.

In late January MPWMD staff directed Pueblo Water Resources to send a request for quotes to three qualified contractors holding valid licenses (C-57/C-61) to perform a formal rehabilitation on ASR 1. The lowest quote was submitted by ZIM Industries whom has also successfully performed rehabilitations on ASR 2 and 3.

IMPACT TO STAFF/RESOURCES: Funds for this project are included in the FY 2019-20 budget under “Water Supply Projects,” line item 1-2-1. Funds expended to complete this work will be reimbursed to the District by CalAm through the ASR Management and Operations agreement between the District and CalAm. Staff time will be utilized to provide project management and oversee field work.

EXHIBIT

4-A Technical Specifications and quotes received to complete ASR 1 rehabilitation work

4-B Email stating no bid received from Layne



January 28, 2020

Zim Industries, Inc.
4545 E. Lincoln
Fresno, California 93725

Attention: Bob Zimmerer

Subject: Request for Quote: Monterey Peninsula Water Management District ASR-1 Well Rehabilitation Project

Dear Bob:

On behalf of the Monterey Peninsula Water Management District (MPWMD), Pueblo Water Resources, Inc. (PWR) is requesting a price quote to implement a rehabilitation program at MPWMD's ASR-1 Well. This well is a dual-purpose injection/extraction Aquifer Storage and Recovery (ASR) well. The intent of this work is to formally rehabilitate the well, which has experienced a significant decline in performance (both injection and extraction) since it was last rehabilitated in 2006. MPWMD desires to implement a formal rehabilitation program to ensure the hydraulic performance and pumping capacity of the well are as high as possible prior to placing into service for the upcoming 2020 pumping season.

The ASR-1 Well (formerly known as the Santa Margarita Test Injection Well) was drilled in 2001. The well was drilled via the reverse-rotary method with a polymeric drilling fluid. The well was completed to a total depth of approximately 720 feet with an 18- x 16-inch diameter 'telescoped' casing design reduced at a depth of approximately 480 feet. The upper blank casing section is constructed of High Strength Low Allow (HSLA) steel and the lower blank casing and screen sections are constructed of stainless steel. The well is screened between the depths of depths of 480 to 700 feet, consisting of continuous-slot wire-wrapped screen with 0.050-inch slot openings. The site location is shown on **Figure 1** and an as-built schematic of the well is shown on **Figure 2**.

A detailed scope of work to perform the desired work is attached. MPWMD desires to implement the project during Spring 2020 (April – May) so that the well can be placed back into service no later than June 1, 2020. Please provide cost estimates for the various tasks associated with the project on the included price quote sheet no later than **February 21, 2020**. Please also indicate your availability and schedule for performing the work. If selected, your firm will contract directly with MPWMD and Pueblo Water Resources, Inc. (PWR) will be serving as the Owner's Technical Representative (OTR) during the project.

PUEBLO WATER RESOURCES, INC

4478 Market Street, Suite 705 ■ Ventura, CA 93003 ■ 805-644-0470

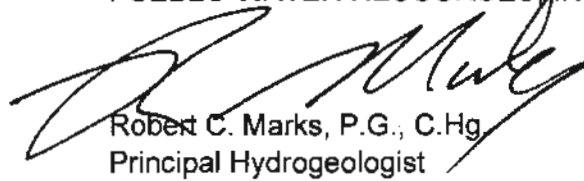
Zim Industries, Inc.
January 28, 2020 (12-0094)



We appreciate your consideration to provide assistance to the District on this important community water-supply project. If you require additional information regarding this project, please contact me.

Sincerely,

PUEBLO WATER RESOURCES, INC.



Robert C. Marks, P.G., C.Hg
Principal Hydrogeologist

Attachments: Scope of Work
Quote Form

cc: Jon Lear, MPWMD



SCOPE OF WORK

The Contractor shall provide all equipment, labor, chemicals, chemical mixing vessels, and temporary fluid storage and conditioning facilities to complete the work outlined in these specifications, and as directed by the Owner's Technical Representative (OTR)¹. The site location is shown on **Figure 1** and an as-built schematic of the well is shown on **Figure 2**. The Contractor will execute an agreement for the work directly with MPWMD based on the scope of work presented herein and the Contractor's quote. Generally, the work shall consist of:

- Removal of the existing pump and appurtenances from the well
- Pre-rehabilitation video surveying
- Nylon brushing the well screen
- Bailing the well to bottom
- Simultaneous pumping/swabbing
- Chemical treatment
- Agitation by swabbing
- Simultaneous pumping/swabbing
- Post-rehabilitation acceptance video surveying
- Reinstallation of existing pump and appurtenances
- Well disinfection

Contractor Qualifications

Contractor shall be familiar with all aspects of the work outlined in these specifications and shall possess a C-57 or C-61 Contractors License. Contractor shall have a minimum of 5 years of experience in well servicing and chemical/mechanical rehabilitation work.

Compliance with Applicable Laws and Regulations

Contractor shall perform all work in strict accordance with all Federal, State, and local regulations, including those applying to the handling, transportation, and disposal of chemicals used or produced on the project. Contractor shall also obtain all permits required for the performance of the work outlined in these specifications.

Safety

Job site safety, both during and after working hours, is the sole responsibility of the Contractor. The Contractor, his employees and subcontractors shall be familiar with and

¹ Pueblo Water Resources, Inc.



comply with all applicable safety regulations and guidelines relating to the transportation, handling, and disposal of the chemicals to be utilized for the work as well as other aspects of the work, including electrical and mechanical safety guidelines and regulations. The Contractor shall also provide for and ensure public safety around the site both during and after work hours.

Contractor shall provide and maintain onsite the necessary equipment and materials for chemical mist and spray migration abatement, spill containment, neutralization, and cleanup of the chemicals utilized or produced during the project work. The Contractor shall be held responsible for any and all damages caused by fugitive chemical releases, including mist, spray, and spills. The Contractor shall address mitigation of chemical mist or spray which may occur during the raising and lowering of tools while the chemical solution is in the well. If the OTR determines that any of the Contractor's mitigation equipment, mitigation methods, safety measures, or safety equipment onsite are inadequate or inappropriate, he shall stop all work until the safety issue is corrected. No payment for standby time or equipment rental shall be made for such delays in the work.

Contractor's Equipment

The Contractor shall provide all necessary equipment, tools, and appurtenances for the timely completion of the work. Contractor's equipment shall be in complete and safe operating condition and shall be appropriately maintained and operated during the project. No payment shall be made for standby time or equipment rental caused by a breakdown or failure of the Contractor's equipment. Equipment necessary for the work shall include, but not be limited to, the following items:

- Pump rig capable of lifting the line-swab tool at a minimum velocity of 3 feet/second at the bottom of the well
 - Fishing (debris retrieval) tools
 - 20-inch-nominal-diameter Nylon brush block (weighted)
 - 10- to 12-inch-nominal-diameter bailer
 - 19-inch-nominal-diameter single line swabbing tool
 - 20-inch-nominal-diameter by 10-foot separation dual-swab zone-isolation air-lift assembly.
 - One (minimum) 21,000-gallon (500-barrel) portable storage tank (e.g., Baker Tanks) for treatment, solids settling and temporary storage of well discharge water
 - Pumps for transferring and circulating fluids in tanks (e.g., "trash" pumps)
 - Temporary containment vessel for bailed fluids and solids removed from the well
 - Temporary piping and valves for well pump discharge and storage tank piping
 - Chemical pre-mix tank, minimum capacity 1,200 gallons
-



Materials

The following materials shall be utilized in the chemical treatment of the well. The quantities of the chemicals listed are estimated based on existing water levels and well dimensions. No substitutions of chemical type shall be allowed without the prior written approval of the OTR.

Chemical Requirement Estimate

Chemical	Purpose	Quantity
70% wt. Glycolic Acid*	Chelant / Biocide	220 gallons
28% wt. Hydrochloric Acid**	Mineral Acid	1,320 gallons
12.5% Sodium Hypochlorite	Disinfectant	55 gallons
Lime or Sodium Hydroxide	Neutralizer	As needed

* With surfactant and dispersant additives

* With corrosion inhibitor

*

Prior to mobilization, the Contractor shall provide to the OTR for approval a list of the types and quantities of chemicals to be used for the redevelopment work. The Contractor shall provide suitable mixing tanks, transfer pumps, and agitators as necessary to accurately prepare, dilute, and inject the chemicals. The Contractor shall, at the completion of the work, legally dispose of all empty chemical containers or return them to the manufacturer. The Contractor shall obtain OSHA Material Safety Data Sheets (MSDS) for all chemicals. Copies of MSDS sheets shall be provided to the OTR prior to mobilization, and the Contractor shall retain copies of MSDS sheets onsite at all times.

Procedures

Contractor shall, under the direction of the OTR or his representative, perform both mechanical and chemical redevelopment work on the well to remove deleterious material from the screens/gravel pack/aquifer matrices. The work shall be performed according to the following schedule, with allowances for the effectiveness of treatment as determined by the OTR.

- Task 1. Mobilize Contractor's equipment.
- Task 2. Remove existing vertical turbine pump and all downhole appurtenances, including the Baski Flow Control Valve [FCV]) from the well. Once removed from the well, the FCV shall be kept in the vertical upright position to prevent liquid leakage. Prior to reinstallation (Task 15), the OTR will perform leak testing of the FCV fittings.
- Task 3. After a period of no less than 24-hours following the removal of the pump from the well, the Contractor shall perform a video survey of the well. The video survey shall include downhole and sidescan views of the well screen and shall be performed as directed by the OTR.



-
- Task 4. Brush well screen using weighted Nylon brush. Each 20-foot section of well screen shall be brushed for 30 minutes.
- Task 5. Bail well to bottom to remove all material produced from the brushing operation. Bailed solids and fluids shall be placed in the temporary containment vessel.
- Task 6. Install temporary piping to route well discharge into the temporary storage tanks. The discharge piping shall contain valves, fittings, and ports to allow for acid neutralization of the discharge water, and routing of produced water from the temporary storage tanks to the disposal area (on-site backflush percolation pit at the Santa Margarita ASR Facility). The temporary storage tanks shall be connected in series, baffled or otherwise configured to allow and facilitate the settlement of solids in the produced water.
- Task 7. Using the dual-swab airlifting assembly fitted with air-line, pump while simultaneously swabbing each 10-foot screened section for 30 minutes, starting from the top of the screen and working down to the bottom. Water produced during the airlift pumping shall be routed to the fluids disposal area from the temporary storage tank.
- Task 8. Mix hydrochloric and glycolic acids proportionately in the 1,200 gallon (minimum) chemical pre-mix tank. Inject the mixture through the dual-swab assembly at each 20-foot section of screen in an amount proportional to the total screened interval. Chemicals shall be worked into the formation through vigorous swabbing for 30 minutes before proceeding to the next section. The introduction of chemicals and swabbing while chemicals are placed shall be performed in a continuous operation of not less than 12 hours. Once the chemicals are introduced, the Contractor shall allow the well to stand idle overnight.
- Task 9. Following introduction of the chemicals, removal of the dual-swab assembly from the well, and the initial overnight idle period, swab each 20-foot section of screen for 30 minutes using the line-swabbing tool. This procedure shall be repeated once. Equipment utilized during swabbing operations shall be capable of raising the swab at a velocity of 3 feet/second (minimum). The Contractor shall then allow the well to stand idle for a period no less than 12 hours following the initial swabbing of the acid solution. Following the second 12-hour idle period, line-swab each 20-foot section of screen for 30 minutes before moving on to the next 20-foot section of screen. This procedure shall also be repeated once.
- Task 10. Using the dual-swab assembly fitted with air-line, pump and simultaneously swab each 10-foot screened section for 60 minutes, or until the OTR determines that airlift/swabbing of each section is complete, starting from the top of the screen and working down to the bottom.
- Task 11. During the flushing of the acid solution from the well, Contractor shall neutralize the cleaning solution by placing soda ash or other acceptable base neutralizer in the storage tank under the direction of the OTR. Discharge water may be routed to the fluid disposal area only when the OTR has determined that the solution has been sufficiently neutralized for discharge (pH > 6.5).
-



-
- Task 12. Bail the well to bottom to remove any additional material produced during the agitation of the chemical solution. Bailed solids and fluids shall be placed in the temporary containment vessel.
- Task 13. After a period of no less than 24-hours following Task 12 bailing, the Contractor shall perform a video inspection of the well casing. The video survey shall include downhole and sidescan views of the well screen and shall be performed as directed by the OTR. The video survey shall verify that the well is free of structural damage and clear of all debris to total depth.
- Task 14. Upon completion of the video survey, Contractor shall prepare a 1,200-gallon mixture of 5,000-ppm chlorinated water. The mixture shall be adjusted to a pH of 7.0 to 8.0 prior to introduction into the well. The mixture shall be placed into the well and surged into each screened zone with a wire line surge block or other acceptable method. Each 20-foot section of well screen shall be surged for a minimum period of 30 minutes. The solution shall be allowed to stand overnight.
- Task 15. Contractor shall reinstall the District's pump assembly and related appurtenances. This task shall include the provision and installation of a 1/4-inch-diameter stainless steel air-line from the top of pump bowls through the discharge head (approximately 460 feet) and capped.
- Task 16. Following reinstallation of the pump assembly, flush the chlorinated well water into the temporary holding tanks until the produced water is free of chlorine. Complete flushing shall be evidenced by a free chlorine residual of less than 0.02 ppm chlorine. Contractor shall neutralize the chlorine residual to below 0.1 ppm using an acceptable dechlorinating agent (e.g., sodium thiosulfate) before discharging the water to the disposal area.
- Task 17. Demobilize Contractor's equipment, remove storage tank and remove all rubbish, empty containers, and waste material from site. The residues removed from the well during the project (i.e., from bailing, settled solids in Baker Tanks, etc.,) shall be legally disposed offsite by the Contractor.

Payment

Payment will be made according to the unit price schedule in the contract based on the actual unit quantities expended as determined by the OTR. Payment for lump sum items shall be made only upon satisfactory completion of the entire task.

Payment for work completed as part of Tasks 4, 5, 7, 9, and 10 **will be made on an hourly basis only for time spent performing "active" development or pumping.** Active development is defined as the actual time spent pumping, swabbing, airlifting/pumping, or both, of the well. Compensation will not be made for down time or time spent installing or removing pipe or tools, or for making connections.



QUOTE for ASR-1 WELL REHABILITATION

Task No.	Task Description	Units	Estimated Quantity	Unit Price	Total
1	Mobilization	Lump Sum	1	\$	\$
2	Pump Assembly Removal	Lump Sum	1	\$	\$
3	Pre-Rehab Video Survey	Lump Sum	1	\$	\$
4	Nylon Brushing	Hourly	5	\$	\$
5	Bailing	Lump Sum	1	\$	\$
6	Temporary Tanks, Piping, etc.	Lump Sum	1	\$	\$
7	Pre-Chemical Simultaneous Air-Lift Pumping/Swabbing	Hourly	10	\$	\$
8.1	Chemicals	Lump Sum	1	\$	\$
8.2	Chemical Injection	Lump Sum	1	\$	\$
9	Dry-Swabbing	Hourly	10	\$	\$
10	Post-Chemical Simultaneous Air-Lift Pumping/Swabbing	Hourly	20	\$	\$
11	Acid Neutralization	Lump Sum	1	\$	\$
12	Bailing	Lump Sum	1	\$	\$
13	Post-Rehab Video Survey	Lump Sum	1	\$	\$
14	Well Disinfection	Lump Sum	1	\$	\$
15	Reinstallation of Pump Assembly	Lump Sum	1	\$	\$
16	Chlorine Flushing	Lump Sum	1	\$	\$
17	Demobilization	Lump Sum	1	\$	\$
Total Price					\$
Total in Words:					



Chemical Supplier: _____

Name of Firm: _____ Estimated Start Date: _____

Representative: _____ Title: _____

Signature: _____ Date: _____

PROPOSAL IS ASSUMED TO BE VALID FOR 90 DAYS UNLESS OTHERWISE NOTED

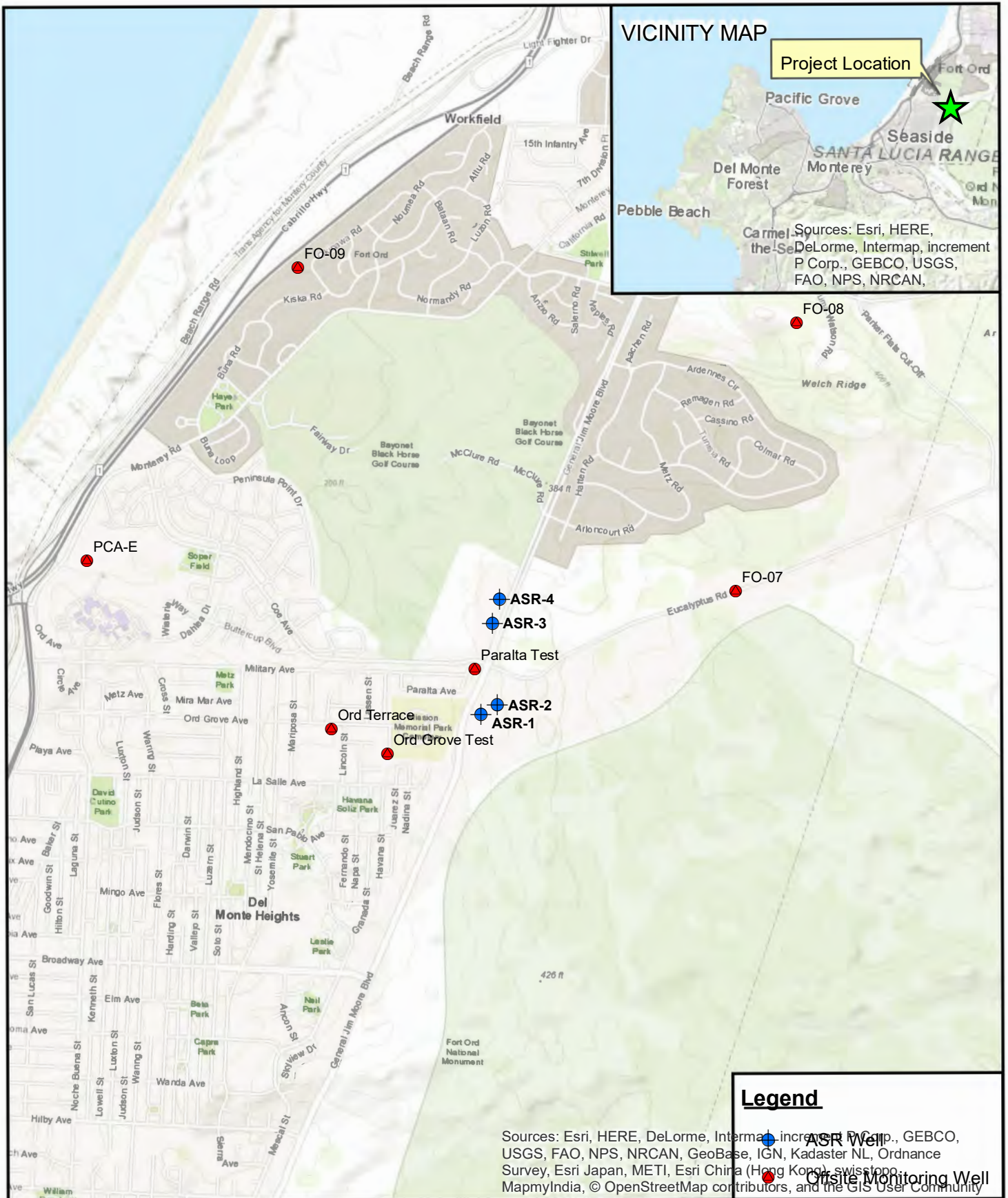
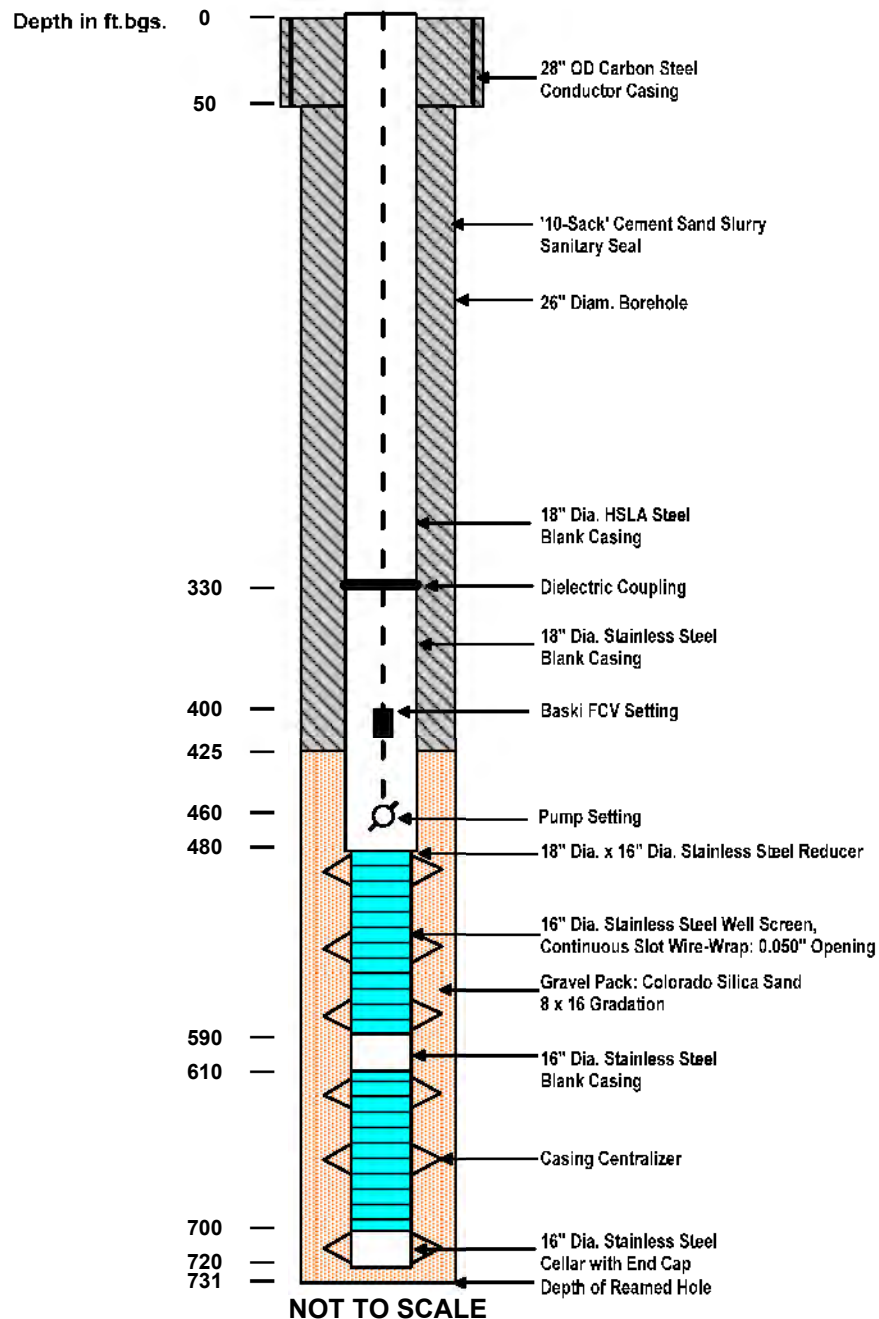


FIGURE 1. SITE LOCATION MAP
ASR-1 Rehabilitation Project
Monterey Peninsula Water Management District



Pump Assembly Notes:

Hp: 600
Bowls: 16ENL, 7 stage
Col. Pipe Dia: 12"
Col. Pipe Length: 20'
Assy. Type: Water Lube/Open Shaft
Baski FCV Setting: 400' - 410'
Top of Bowls: 460'
Bowl Length: 10.5'
Suction Length: 10'
Intake: 480.5'

Monterey Peninsula Water Management District
 ASR-1 Well Rehabilitation Project
 January 2020 (Project No. 18-0094)



QUOTE for ASR-1 WELL REHABILITATION

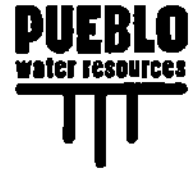
Task No.	Task Description	Units	Estimated Quantity	Unit Price	Total
1	Mobilization	Lump Sum	1	\$ 23,100	\$ 23,100
2	Pump Assembly Removal	Lump Sum	1	\$ 10,000	\$ 10,000
3	Pre-Rehab Video Survey	Lump Sum	1	\$ 1,100	\$ 1,100
4	Nylon Brushing	Hourly	5	\$ 400	\$ 2,000
5	Bailing	Lump Sum	1	\$ 1,800	\$ 1,800
6	Temporary Tanks, Piping, etc.	Lump Sum	1	\$ 2,700	\$ 2,700
7	Pre-Chemical Simultaneous Air-Lift Pumping/Swabbing	Hourly	10	\$ 500	\$ 5,000
8.1	Chemicals	Lump Sum	1	\$ 17,500	\$ 17,500
8.2	Chemical Injection	Lump Sum	1	\$ 5,160	\$ 5,160
9	Dry-Swabbing	Hourly	10	\$ 400	\$ 4,000
10	Post-Chemical Simultaneous Air-Lift Pumping/Swabbing	Hourly	20	\$ 500	\$ 10,000
11	Acid Neutralization	Lump Sum	1	\$ 2,600	\$ 2,600
12	Bailing	Lump Sum	1	\$ 1,500	\$ 1,500
13	Post-Rehab Video Survey	Lump Sum	1	\$ 1,100	\$ 1,100
14	Well Disinfection	Lump Sum	1	\$ 2,900	\$ 2,900
15	Reinstallation of Pump Assembly	Lump Sum	1	\$ 10,000	\$ 10,000
16	Chlorine Flushing	Lump Sum	1	\$ 2,200	\$ 2,200
17	Demobilization	Lump Sum	1	\$ 1,800	\$ 1,800
Total Price					\$ 104,460
Total in Words: <i>one hundred and four thousand four hundred and sixty dollars</i>					

Monterey Peninsula Water Management District
ASR-1 Well Rehabilitation Project
January 2020 (Project No. 18-0094)



Chemical Supplier: Amber Chemical
Name of Firm: Zim Industries Estimated Start Date: 4/6/20
Representative: Bob Zimmerer Title: V-P/Secretary
Signature: [Handwritten Signature] Date: 2/21/20

PROPOSAL IS ASSUMED TO BE VALID FOR 90 DAYS UNLESS OTHERWISE NOTED



January 28, 2020

Pacific Coast Well Drilling, Inc.

PO Box 184

Templeton, CA 93465

Attention: Tyson Davis

Subject: Request for Quote: Monterey Peninsula Water Management District ASR-1 Well Rehabilitation Project

Dear Tyson:

On behalf of the Monterey Peninsula Water Management District (MPWMD), Pueblo Water Resources, Inc. (PWR) is requesting a price quote to implement a rehabilitation program at MPWMD's ASR-1 Well. This well is a dual-purpose injection/extraction Aquifer Storage and Recovery (ASR) well. The intent of this work is to formally rehabilitate the well, which has experienced a significant decline in performance (both injection and extraction) since it was last rehabilitated in 2006. MPWMD desires to implement a formal rehabilitation program to ensure the hydraulic performance and pumping capacity of the well are as high as possible prior to placing into service for the upcoming 2020 pumping season.

The ASR-1 Well (formerly known as the Santa Margarita Test Injection Well) was drilled in 2001. The well was drilled via the reverse-rotary method with a polymeric drilling fluid. The well was completed to a total depth of approximately 720 feet with an 18- x 16-inch diameter 'telescoped' casing design reduced at a depth of approximately 480 feet. The upper blank casing section is constructed of High Strength Low Allow (HSLA) steel and the lower blank casing and screen sections are constructed of stainless steel. The well is screened between the depths of depths of 480 to 700 feet, consisting of continuous-slot wire-wrapped screen with 0.050-inch slot openings. The site location is shown on **Figure 1** and an as-built schematic of the well is shown on **Figure 2**.

A detailed scope of work to perform the desired work is attached. MPWMD desires to implement the project during Spring 2020 (April – May) so that the well can be placed back into service no later than June 1, 2020. Please provide cost estimates for the various tasks associated with the project on the included price quote sheet no later than **February 21, 2020**. Please also indicate your availability and schedule for performing the work. If selected, your firm will contract directly with MPWMD and Pueblo Water Resources, Inc. (PWR) will be serving as the Owner's Technical Representative (OTR) during the project.

PUEBLO WATER RESOURCES, INC

4478 Market Street, Suite 705 ■ Ventura, CA 93003 ■ 805-644-0470

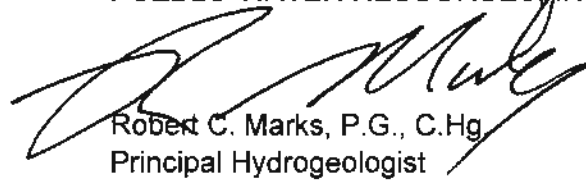
Pacific Coast Well Drilling
January 28, 2020 (12-0094)



We appreciate your consideration to provide assistance to the District on this important community water-supply project. If you require additional information regarding this project, please contact me.

Sincerely,

PUEBLO WATER RESOURCES, INC.



Robert C. Marks, P.G., C.Hg
Principal Hydrogeologist

Attachments: Scope of Work
Quote Form

cc: Jon Lear, MPWMD

Monterey Peninsula Water Management District
 ASR-1 Well Rehabilitation Project
 January 2020 (Project No. 18-0094)



QUOTE for ASR-1 WELL REHABILITATION

Task No.	Task Description	Units	Estimated Quantity	Unit Price	Total
1	Mobilization	Lump Sum	1	\$ 16,000.00	\$ 16,000.00
2	Pump Assembly Removal	Lump Sum	1	\$ 6,200.00	\$ 6,200.00
3	Pre-Rehab Video Survey	Lump Sum	1	\$ 1,800.00	\$ 1,800.00
4	Nylon Brushing	Hourly	5	\$ 350.00	\$ 1,750.00
5	Bailing	Lump Sum	1	\$ 550.00	\$ 550.00
6	Temporary Tanks, Piping, etc.	Lump Sum	1	\$ 26,000.00	\$ 26,000.00
7	Pre-Chemical Simultaneous Air-Lift Pumping/Swabbing	Hourly	10	\$ 350.00	\$ 3,500.00
8.1	Chemicals	Lump Sum	1	\$ 67,500.00	\$ 67,500.00
8.2	Chemical Injection	Lump Sum	1	\$ 2,800.00	\$ 2,800.00
9	Dry-Swabbing	Hourly	10	\$ 550.00	\$ 5,500.00
10	Post-Chemical Simultaneous Air-Lift Pumping/Swabbing	Hourly	20	\$ 450.00	\$ 9,000.00
11	Acid Neutralization	Lump Sum	1	\$ 1,200.00	\$ 1,200.00
12	Bailing	Lump Sum	1	\$ 1,000.00	\$ 1,000.00
13	Post-Rehab Video Survey	Lump Sum	1	\$ 1,800.00	\$ 1,800.00
14	Well Disinfection	Lump Sum	1	\$ 2,100.00	\$ 2,100.00
15	Reinstallation of Pump Assembly	Lump Sum	1	\$ 6,800.00	\$ 6,800.00
16	Chlorine Flushing	Lump Sum	1	\$ 2,000.00	\$ 2,000.00
17	Demobilization	Lump Sum	1	\$ 8,000.00	\$ 8,000.00
Total Price					\$ 163,500.00
Total in Words: One hundred sixty three thousand, five hundred dollars and zero cents.					

Monterey Peninsula Water Management District
ASR-1 Well Rehabilitation Project
January 2020 (Project No. 18-0094)



Chemical Supplier: Cotey Chemical

Name of Firm: Pacific Coast Well Drilling dba Precision Hydro

Estimated Start Date: 05/01/2020 (pending award)

Representative: Will Hansen

Title: Project Manager

Signature:

Date: 02-21-2020

PROPOSAL IS ASSUMED TO BE VALID FOR 90 DAYS UNLESS OTHERWISE NOTED

Jonathan Lear

To: Jonathan Lear
Subject: ASR-1 Rehab, quotes

Jon,

The quotes came on EOB on Friday 2/21. As you know, we solicited quotes from 3 qualified firms: Pacific Coast Well Drilling (PCWD)/Precision Hydro, Layne, and ZIM Industries. The solicitation letters and quote package are attached for reference. We received bids from both ZIM and PCWD, also attached. We did not receive a bid for Layne.

As shown, ZIM and PCWD quotes were approximately \$104.5K and \$163.5K, respectively. These results compare to our estimate of approximately \$100K +/- 25%.

Given these results, we recommend awarding the project to ZIM.

Let me know.

Thx,
RM

Robert C. Marks, P.G., C.Hg.
Principal Hydrogeologist

Pueblo Water Resources, Inc.
4478 Market St., Ste. 705
Ventura, CA 93003
P 805-644-0470 x2
F 805-644-0480
C 805-620-2034
rmarks@pueblo-water.com

ITEM: CONSENT CALENDAR**5. CONSIDER AUTHORIZATION TO CONTRACT WITH RJA MANAGEMENT SERVICES FOR FACILITATION OF BOARD STRATEGIC PLANNING SESSION**

Meeting Date:	March 16, 2020	Budgeted:	No
From:	David J. Stoldt, General Manager	Program/ Line Item No.:	N/A
Prepared By:	Dave Stoldt	Cost Estimate:	\$12,000

General Counsel Approval: N/A**Committee Recommendation:** The Administrative Committee reviewed this item on March 10, 2020 and recommended approval.**CEQA Compliance:** This action does not constitute a project as defined by the California Environmental Quality Act Guidelines section 15378.

SUMMARY: The Board has requested a facilitated strategic planning session to help develop near-term and long-term goals for the District. Such goal development will help inform policy priorities for the Board, identify potential budget impacts, and set a foundation for evaluation of the performance of the General Manager.

The Board's subcommittee that developed the new performance evaluation tool for the General Manager understood the City of Carmel's recent planning session to be a success and recommended the District hire the same facilitator, RJA Management Services. Their proposal is attached as **Exhibit 5-A**.

Because outcomes may have impacts on the annual budget, it is imperative to have such a session before the May budget workshop. Further, because the process will involve two steps – individual meetings with Directors, followed by a 4- to 6-hour group session – it is imperative to hire the facilitator in March.

RECOMMENDATION: The Board should authorize the hiring of RJA Management Services to provide facilitated strategic planning services and authorize the General Manager to enter into a contract not exceeding \$12,000 inclusive of out-of-pocket expenses.

EXHIBIT**5-A Proposal of RJA Management Services**

**RJA Management Services**

February 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, Inc. is interested in facilitating a *Strategic Planning Workshop* for the Monterey County Peninsula Water Management District Board of Directors and General Manager. Normally, these workshops are designed to:

- **Build Trust, Understanding and Commitment** to a common way of doing business;
- Define or clarify the organizational **Vision and Mission**;
- Clarify **Roles, Working Relationships, and Communication**;
- Review Organization **Goals, Strategic Initiatives, Timelines**, and,
- Discuss **Challenges** facing the Organization and **Opportunities** for meeting expectations.

Strategic Planning is a process for defining an organization's future direction and making decisions on how and where to allocate resources. Strategic Planning is a beginning, not an "end all." The ultimate plan can and will be modified as priorities and unanticipated events occur. RJA does not have "canned" strategic planning programs. Programs are developed specifically for an organization around current organizational issues, challenges and opportunities. Information gathering sessions are conducted with each Board Member, the General Manager and any other designee prior to formulating a final workshop agenda, developing workshop materials, and/or designing group exercises. Upon conclusion of the information sessions and workshop planning, I will facilitate the workshop and provide a final report.

Our fee for conducting the strategic planning workshop is \$9,605.00 plus expenses. The hourly consultant fee is \$185. Attached is a detailed breakdown of proposed tasks and costs. The proposal does not include costs associated with rental of a meeting facility and/or equipment, travel, lodging and meals. The District initially will be billed for consultant fees and expenses upon completion of the information gathering and workshop planning tasks, with final billing for consultant hours and expenses upon completion of the workshop. I am available to conduct the information gathering sessions the latter part of April and facilitate the workshop the first week in May.

The attached proposed cost is for up to nine information gathering sessions, one full-day workshop, and follow-up reporting. Any changes to this proposal are open for discussion and negotiation.

Once again, thank you for giving us the opportunity to submit a formal proposal to conduct the Monterey Peninsula Water Management District Board of Directors strategic planning workshop. My prior work facilitating strategic planning workshops, working knowledge of Monterey County, and recognized expertise in human resource management can be of value to the Monterey Peninsula Water Management District in this important endeavor. Please feel free to call me if you have any questions or need additional information.

Sincerely,



Dr. Richard L. Garcia
President

RLG:SB:jg

Attachment

**MONTEREY COUNTY WATER MANAGEMENT DISTRICT
BOARD OF DIRECTORS AND GENERAL MANAGER
2020 STRATEGIC PLANNING WORKSHOP
RJA ESTIMATED COST**

TASK/EXPENSE	HOURS	COST
Board of Directors/Staff Interviews	11	\$2,035.00
Workshop Preparation	14	\$2,590.00
Travel to and from Monterey Peninsula Water District (2 Trips)	8	\$1,480.00
Strategic Planning Workshop	8	\$1,480.00
Final Report	8	\$1,480.00
Clerical Support @ \$45 per hr.	12	\$540.00
Estimated Total Consultant/Clerical Time/Cost	61	\$9,605.00
Plus Clerical and Travel Expenses (photocopy, US postage, FedEx, lodging, meals, air fare, car rental, etc.)	TBD	TBD

ITEM: CONSENT CALENDAR**6. CONSIDER AUTHORIZING GENERAL MANAGER TO ENTER INTO CONTRACT FOR CEQA SERVICES RELATED TO MEASURE J PHASE 2**

Meeting Date:	March 16, 2020	Budgeted:	No
From:	David J. Stoldt, General Manager	Program/ Line Item No.:	N/A
Prepared By:	Dave Stoldt	Cost Estimate:	\$136,500

General Counsel Approval: N/A**Committee Recommendation:** The Administrative Committee reviewed this item on March 10, 2020 and took no action.**CEQA Compliance:** This action does not constitute a project as defined by the California Environmental Quality Act Guidelines section 15378.

SUMMARY: At its December 2019 meeting, the Board authorized additional consulting work related to Measure J/Rule 19.8. One area of work includes California Environmental Quality Act (CEQA) compliance for the possible acquisition of Cal-Am's Monterey Main water system assets, as well as the CEQA requirements for the Local Agency Formation Commission (LAFCO) process.

A request for qualifications (RFQ) was sent to three pre-qualified consulting firms on February 21, 2020. The firms are Denise Duffy & Associates, Rincon Consultants, and EMC Planning Group. Statements of Qualifications were received from Rincon and EMC. The approach, cost, and experience between the two proposers were uniquely different, as summarized under "DISCUSSION" below. This prompted the General Manager and District Counsel to consult about the differences and what approach was best suited to the Measure J process, resulting in the recommendation below.

RECOMMENDATION: Staff recommends the Board hire Rincon Consultants, Inc. to provide CEQA services in support of the acquisition of the Cal-Am Monterey Main water system and the LAFCO process, and authorize the General Manager to enter into a contract not exceeding \$136,500 inclusive of out-of-pocket expenses and contingency of approximately 5%.

DISCUSSION: Both consultants agreed that the acquisition of the Cal-Am assets is likely not a "project" under CEQA, but Rincon recommended a more robust full Environmental Impact Report (EIR) as the most legally defensible option, versus EMC's recommendation of a negative declaration. Rincon's approach to circulating an initial study alongside the notice of preparation was also more conservative.

Both firms are well qualified for this type of work. However, Rincon has provided CEQA services for two recent acquisitions of investor-owned water utilities, the City of Claremont which did not proceed past a bench trial and the City of Apple Valley which is currently in its bench trial for

which the Rincon Principal-In-Charge is presently providing expert testimony. This level of specific experience is likely what led Rincon to identify an additional aspect of the CEQA analysis that could construe potential rate decreases, and potential increases in water use, under public ownership as a “project” potentially requiring mitigation under CEQA. This issue was not an aspect of the Request for Qualifications, but had previously been identified by the District’s eminent domain attorneys as a potential future issue. The General Manager and District Counsel found the specific experience of Rincon to be more beneficial to the task at hand

EMC provided a budget of \$84,025 with optional tasks of \$15,000. Rincon’s budget is \$129,928 and assumes no more than 15 substantive comment letters on the draft EIR. Despite the difference in cost, the recommendation is to contract with Rincon, based on its recommended approach and its experience.

EXHIBIT

6-A Excerpts of the Request for Qualifications

EXHIBIT 6-A

Monterey Peninsula Water Management District

Request for Qualifications

CEQA Services

Related to Potential Acquisition of Monterey Water Supply
and
District Boundary Adjustment

Proposals are due by 5:00pm (Pacific Daylight Savings Time) on

March 10, 2020

1.0 INTENT

The District is requesting proposals for the preparation of CEQA documents regarding the District's potential acquisition of the private water system and related facilities located within and nearby the District. The water system is currently owned and operated by California American Water ("Cal-Am"), a wholly owned subsidiary of American Water Works Company, and is a Class A investor-owned public utility regulated by the California Public Utilities Commission

Measure J

On November 6, 2018 the voters within the Monterey Peninsula Water Management District (District) passed Measure J 56% to 44%. The measure directed that the following Rule 19.8 shall be added to the Monterey Peninsula Water Management District Rules and Regulations, Regulation I, General Provisions:

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

- 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.

The District Board determined that to meet the "if and when feasible" criterion, it would engage an outside consulting team to perform a feasibility analysis. The results, presented publicly in November 2019, are that acquisition appears economically feasible. That team was comprised of specialists in eminent domain law, system valuation, cost of service modeling, debt finance, and investor-owned utility operations. The feasibility analysis comprised Phase 1 of the evaluation.

In December 2019, the District Board authorized additional contracted services for Phase 2 entailing establishing a value, making an offer, considering adoption of a Resolution of Necessity (assuming the District's offer is not accepted). Phase 2 also includes CEQA analysis of the potential environmental effects of a takeover, as well as potential boundary line adjustments for the District, which would have to be approved by the Monterey County Local Agency Formation Commission (LAFCO). If, the District obtains the required LAFCO approval and, if the District Board adopts a Resolution of Necessity, Phase 3 would entail the District's filing an eminent domain action to acquire California American Water Company's (Cal-Am's) Monterey water system (or such portion of that system that the District may elect to acquire). The eminent domain action would determine the District's right to take Cal-Am's assets identified in the District's resolution of necessity (if challenged by Cal-Am, as appears highly likely) and, if the Court determines that the District does have the right to take those assets, the just compensation amount the District is required to pay to Cal-Am.

The Monterey Peninsula Water System

Cal-Am provides water and wastewater service to its Central Division. The Central Division is comprised of the Monterey County District, the Central Satellites, and the Monterey Wastewater District. The water system, which is comprised of the Monterey County District and the Central Satellites, serves approximately 41,000 customer connections and a population of approximately 99,794.

The “Main” system within the Monterey County District serves approximately 38,325 customers and includes customers within the incorporated cities of Carmel-by-the-Sea, Del Rey Oaks, Monterey, Pacific Grove, Sand City, and Seaside, and the unincorporated areas of Carmel Highlands, Carmel Valley and Pebble Beach.⁵ The Main system is generally located within the MPWMD boundaries. The Monterey County District also includes the areas of Bishop, serving approximately 385 customers, Hidden Hills, serving approximately 454 customers, and Ryan Ranch, serving approximately 212 customers, which are areas that are also within the MPWMD boundaries. The Central Satellite areas include the areas of Ambler, Ralph Lane, Chualar, Toro, and Garrapata, which are located outside of MPWMD boundaries and serve a total of approximately 1,086 customers. The Ambler, Toro, Ralph Lane, and Garrapata systems have been consolidated into the Monterey County District for ratemaking and tariff purposes. The subject of the potential acquisition is (1) the portion of the water system located within the boundaries of the District, including the Main, Ryan Ranch, Bishop, and Hidden Hills systems, herein referred to as the Monterey Water System, (2) approximately 43 connections located in the Yankee Point and Hidden Hills area, immediately adjacent to the District’s boundaries (which would have to be annexed into the District prior to acquisition) (the “Annexation Area”), and (3) certain Cal-Am owned properties and facilities located outside the District’s boundaries whose primary function is to serve customers located within the District’s boundaries (including without limitation a proposed desalination plant site located in the City of Marina and a transmission pipeline and appurtenant facilities that are designed to deliver water from the desalination plant to the District).

Please note, at this time, the District is only considering the potential feasibility of acquiring the water system. To date, no decision has been made. However, for the purposes of this request, please conservatively assume that all Monterey Water System assets described above (including infrastructure, real property, and rights to the water supply) may be acquired by the District. However, and even if the District were to move forward with the acquisition of the Monterey Water System facilities, the District does not propose any physical changes or capital improvements to the current system, nor is the District at this time proposing expanded operations or use of the system.

2.0 SCOPE OF SERVICES

- The District is requesting your firm’s qualifications for CEQA support for the adjustment to District boundaries (LAFCO process) and the acquisition itself (District Board consideration of a resolution of necessity). Services include: This acquisition is a “partial take.” Cal-Am has a colorable argument that it will be required to service its satellite systems after the take and doing so (together with the District’s service of the areas within its boundaries) will be somewhat less efficient and collectively will necessitate more service vehicle miles traveled (“VMTs”) and more attendant impacts due to air pollution, GHGs, and possibly even traffic. This type of impact, if it exists, is the sort of impact that California courts have found to be subject to CEQA. The District believes this impact is minimal and there are potential offsets to the potential for additional VMTs but ignoring CEQA entirely would be inappropriate. The District has not identified any other potential environmental impacts of its potential acquisition, but looks to the selected consultant to address any environmental issues the consultant believes the District may have overlooked. The District will look to the advice of the selected consultant whether a full EIR,

Negative Declaration, or Mitigated Negative Declaration is appropriate pursuant to CEQA and applicable provisions of the State CEQA Guidelines. Based upon the result of that preliminary analysis, the District would look to the selected consultant to prepare any required technical reports and the EIR (including taking primary responsibility for preparing responses to public comments thereon), Negative Declaration, or Mitigated Negative Declaration, as applicable.

- The second area of CEQA work is to meet the needs of LAFCO for a boundary reorganization to bring two small areas (Yankee Point and Hidden Hills) comprising approximately 43 service connections into the District boundaries and remove it from other governing agency boundaries (as appropriate).
- Identify key issues that may affect futures phases of the eminent domain process.
- Preserve confidentiality in all work product and communications to District and District Counsel.
- Provide schedule for work product, including interim milestones, with final product delivery by June 30, 2020. (Note: This timeline does not include any required public review periods. In addition, if the consultant determines a full EIR is required, it is understood that this proposed schedule will have to be extended.)
- Any and other services as needed and requested by the District

The timeline for completion of the CEQA process will likely be short with outcomes desired by the end of June (again, subject to required public review periods and extension if a full EIR is determined to be necessary). Therefore, we request that all interested parties verify that they are appropriately staffed and capable to assist the District immediately and expeditiously before submitting a proposal. If such timing is not possible due to statutory CEQA noticing and review requirements, please indicate.

3.0 CALENDAR

3.1 Issue RFQ	February 21, 2020
3.2 Statement of Qualifications Submittal Deadline	March 10, 2020 5:00pm
3.4 District Board Consideration and Award	March 16, 2020

4.0 POINTS OF CONTACT

4.1 Questions and correspondence regarding this solicitation shall be directed to:

Primary Contact: **Monterey Peninsula Water Management District**
David C. Laredo
District Counsel
606 Forest Avenue
Pacific Grove, CA 93950
Telephone: (831) 646-1502
Email: dave@laredolaw.net

4.2 Questions regarding this solicitation shall be submitted in writing (E-mail is acceptable). The questions will be researched and answers will be communicated to all known interested Proposers.

4.3 Only answers communicated by formal written addenda will be binding.

5.0 SCOPE OF QUALIFICATIONS

Prospective consultants must demonstrate viable capabilities in the proposed Scope of Services. Any relevant contractual agreements with third parties must be identified, and a copy of each agreement shall be submitted for review by District. Documents that contain trade secrets shall be labeled as such and shall be submitted under separate and confidential cover. The District shall return each confidential document to the Proposer following review. Prospective consultants must provide qualifications as described in Section 6, below.

6.0 STATEMENT OF QUALIFICATIONS REQUIREMENTS

6.1 CONTENT AND LAYOUT:

- 6.1.1 Proposer shall timely provide information as requested. The Statement of Qualifications shall be organized as described below; headings and section numbering utilized in the Statement of Qualifications shall be the same as those identified in the requirements below. Each Statement of Qualifications shall include at a minimum the following information in the format indicated. PROPOSALS ARE LIMITED TO 12 PAGES, exclusive of cover letter, table of contents, and appendices. Additional relevant material may be added by the Proposer.

Section A: Requirements

Cover Letter: Each Statement of Qualifications must be accompanied by a cover letter not exceeding two pages and should provide organization information and Contact information as follows:

Contact Info: The name, address, telephone number, and email address of Proposer's primary contact person during the solicitation process through potential contract award.

Table of Contents – Each Statement of Qualifications shall include a Table of Contents.

Section B: Qualifications

1. Briefly state why your firm is best qualified for this assignment.
2. Based on the limited information provided above, what is your approach to the first two tasks in the scope of services, above?

Section C: Experience

3. Describe your firm's recent success at similar engagements.
4. Provide brief case studies for the two engagements you believe are most comparable to the District's proposed scope of service

Section D: Future Scope

5. If the acquisition of the water system is shown to be feasible through the selected consultant's work during this phase, what role and scope of services do you foresee might be required of the Consultant in the future? (Contract terms for any future services such as these will be negotiated and established in the future.)
6. Are you able to explain or defend your work by providing expert testimony in a future legal proceeding?

Section E: Team

7. How do you propose to staff this engagement? Please provide a proposed project team and brief resumes. Please provide each team member's experience over the last five (5) years with similar engagements (including dates, name of client(s) served, and contact for reference).

Section F: Timeline

8. Based on your understanding of the scope of services, please provide a prospective timeline, with key milestones, assuming all final work product is desired by June 30, 2020. Interim events such as review by the entire consulting team, review of draft work by District Counsel and eminent domain counsel, and interim updates to the District board should be considered.

Section G: Fees

9. Please provide a not to exceed fee proposal. Please explain out-of-pocket policies and estimated out-of-pocket costs.

Section H: Conflicts and Litigation History (if any):

10. Please list any potential conflicts of interest your firm may have in acting as consultant for the District. Identify any engagements in the past 5 years with investor-owned water utilities, American Water Works Company and/or its subsidiaries, including without limitation California American Water Company.

Section I: Exceptions

11. Submit any and all exceptions to this Request for Qualifications, and clearly identify with "Exception to Monterey Peninsula Water Management District Request for Qualifications. Each Exception shall reference the page number and section number, as appropriate. Proposer should note that the submittal of an Exception does not obligate the District to revise the terms of the RFQ or Agreement.

ITEM: CONSENT CALENDAR**7. DECLARATION OF SURPLUS ASSETS**

Meeting Date:	March 16, 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 Approval: N/A**Committee Recommendation: The Administrative Committee reviewed this item on March 10, 2020 and recommended approval.****CEQA Compliance: This action does not constitute a project as defined by the California Environmental Quality Act Guidelines section 15378.**

SUMMARY: In accordance with Article 16, Section 6 of the California Constitution, the District, as a public entity, may dispose of property that it no longer needs provided that such property is transferred for fair and adequate value. The District may establish its own internal controls to ensure that value is accurately assessed. In the event the excess property has no value, the District may establish its own rules and protocol for disposal. On July 21, 2003, the Board of Directors adopted a Policy Regarding Disposal of Surplus Property. The guidelines set forth in the District's policy state that Surplus District property that is determined to have no value may be donated to a non-profit organization that is willing to accept it or disposed of at a landfill or by other appropriate manner. Items listed on **Exhibit 7-A** have been determined to be of no value and needs to be declared as surplus.

RECOMMENDATION: Declare the items listed on **Exhibit 7-A** as surplus assets to be disposed at the Monterey Regional Waste Management District.

EXHIBIT**7-A Surplus List**

EXHIBIT 7-A

	<u>Description</u>	<u>Serial No.</u>
1	HP ColorLaserJet CP2025 Printer	CNBST00005
2	Desk chair	N/A
3	4-door File Cabinet	N/A
4	2-door File Cabinet	N/A
5	Norstar M0X8 Module	N/A
6	Norstar M0X16	N/A
7	APC Back-UPS	N/A
8	Scanner	A0BCC10729
9	Norstar telephone set	N/A
10	Tripplite Power Supply	350VA
11	Samsung monitor	MY24H9L_B400716L
12	Samsung monitor	Z6FTHCLG600265N
13	Planar monitor	25B231700095
14	Asus Monitor	Q37G0246-011
15	Computer keyboard	404KGT91025
16	Gateway laptop	NKY1UAA0333121A7153400
17	Humax Digital Video Recorder	51T704091815025
18	Stihl MS 260 Chainsaw	00009673697SAL

Streamflow Monitoring Program Equipment

19	Datalogger BDR320	1444
20	Datalogger BDR320	2575
21	Datalogger BDR320	1854
22	Datalogger BDR320	2572
23	Datalogger BDR320	1476
24	Datalogger BDR320	1554
25	Datalogger BDR320	2316
26	Datalogger BDR320	1962
27	Datalogger BDR320	1960
28	Datalogger CR510	5224
29	Datalogger CR510	6707
30	Datalogger CR510	2658
31	Datalogger CR510	2655
32	Datalogger CR510	2652
33	Datalogger CR510	6619
34	Datalogger CR510	2653
35	Datalogger CR510	2659
36	Datalogger CR510	2651
37	Datalogger CR510	2656
38	Datalogger CR510	7769
39	Datalogger CR510	10594
40	Datalogger CR10X	18922
41	Power Supply Module BDR_PS	1992

Description	Serial No.
<i>Streamflow Monitoring Program Equipment</i>	
42	Power Supply Module BDR_PS 1621
43	Power Supply Module BDR_PS 1244
44	Power Supply Module BDR_PS 1622
45	Power Supply Module BDR_PS 1945
46	Power Supply Module BDR_PS 1830
47	Power Supply Module BDR_PS 1005
48	Power Supply Module BDR_PS 1140
49	Power Supply Module BDR_PS 1310
50	Power Supply Module CR510_PS12 25026
51	Power Supply Module CR510_PS12 22205
52	Power Supply Module CR510_PS12 6260
53	Power Supply Module CR510_PS12 21318
54	Power Supply Module CR510_PS12 7805
55	Power Supply Module CR510_PS12 21879
56	Power Supply Module CR510_PS12 19634
57	Power Supply Module CR510_PS12 6262
58	Power Supply Module CR510_PS12 4004
59	Power Supply Module CR510_PS12 8814
60	Power Supply Module CR510_PS12 1670
61	Power Supply Module CR510_PS12 10577
62	Pressure Transducer 1830 1202574
63	Pressure Transducer 1830 952390
64	Pressure Transducer 1830 2459957
65	Pressure Transducer 1830 1202582
66	Pressure Transducer 1830 1594498
67	Pressure Transducer 1830 1202583
68	Pressure Transducer 1830 2459958
69	Pressure Transducer 1830 1202577
70	Pressure Transducer 950 586905
71	Pressure Transducer 940 764132
72	Pressure Transducer 940 722216
73	Pressure Transducer 940 661544
74	Pressure Transducer 940 764127
<i>Streamflow Monitoring Program Equipment</i>	
<i>Wireless/Landline Modems & Ethernet-based Communication Devices</i>	
75	NL100 4808
76	COM210 1100
77	LS300 JP54350187001010
78	LS300 JP54210184001010
79	LS300 JP54210011001010
80	LS300 JP54210147001010
81	LS300 JP71470095001011
82	Raven XT 1420000224
83	Raven XT 1420000263
84	DC112 7691

<u>Description</u>	<u>Serial No.</u>
<i>Streamflow Monitoring Program Equipment Wireless/Landline Modems & Ethernet-based Communication Devices</i>	
85 Redwing	41057957
86 Redwing	41057935
87 Raven E32	729148378
88 Raven E32	729148418
89 Raven E32	715186012
90 SC932A	12403
91 SC932A	6598
92 SC932A	6214
93 SC932A	2237

ITEM: CONSENT CALENDAR**8. CONSIDER ADOPTION OF TREASURER'S REPORT FOR JANUARY 2020**

Meeting Date:	March 16, 2020	Budgeted:	N/A
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From:	David J. Stoldt, General Manager	Program/ Line Item No.:	N/A
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Prepared By:	Suresh Prasad	Cost Estimate:	N/A
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General Counsel Review: N/A**Committee Recommendation:** The Administrative Committee considered this item on March 10, 2020 and recommended approval**CEQA Compliance:** This action does not constitute a project as defined by the California Environmental Quality Act Guidelines Section 15378.

SUMMARY: Exhibit 8-A comprises the Treasurer's Report for January 2020. Exhibit 8-B and Exhibit 8-C are listings of check disbursements for the period January 1-31, 2020. Check Nos. 36393 through 36666, the direct deposits of employee's paychecks, payroll tax deposits, and bank charges resulted in total disbursements for the period in the amount of \$638,779.24. This amount included \$49,267.00 for conservation rebates. Exhibit 8-D reflects the unaudited version of the financial statements for the month ending January 31, 2020.

Please take note that this version of the financial report is newly created to help better understand the District's financial transactions in a more simplified format while significantly reducing the number of pages. The previous version of the report totaled 14 pages while this new version comprises the same information in just 2 pages.

RECOMMENDATION: District staff recommends adoption of the January 2020 Treasurer's Report and financial statements, and ratification of the disbursements made during the month.

EXHIBITS**8-A** Treasurer's Report**8-B** Listing of Cash Disbursements-Regular**8-C** Listing of Cash Disbursements-Payroll**8-D** Financial Statements

**MONTEREY PENINSULA WATER MANAGEMENT DISTRICT
TREASURER'S REPORT FOR JANUARY 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>	PB <u>Reclamation Money Market</u>
Beginning Balance	\$40,086.07	\$3,355,260.23	\$10,092,405.22	\$1,791,117.17	\$2,308,179.13	\$17,587,047.82	\$386,153.29
Fee Deposits	\$18,999.00	1,038,089.78				1,057,088.78	481,889.26
MoCo Tax & WS Chg Installment Pymt						0.00	
Interest Received			58,539.50	1,540.74	11,154.76	71,235.00	
Transfer - Money Market/LAIF						0.00	
Transfer - Money Market/Checking	600,000.00	(600,450.00)				(450.00)	
Transfer - Money Market/Multi-Bank						0.00	
Transfer - Money Market/Wells Fargo		292,074.01		(292,074.01)		0.00	
Transfer to CAWD						0.00	(375,000.00)
Voided Checks						0.00	
Bank Corrections/Reversals/Errors						0.00	
Bank Charges/Other	(520.88)					(520.88)	
Credit Card Fees	(1,891.60)					(1,891.60)	
Returned Deposits	-					0.00	
Payroll Tax/Benefit Deposits	(129,964.57)					(129,964.57)	
Payroll Checks/Direct Deposits	(192,382.56)					(192,382.56)	
General Checks	(314,019.63)					(314,019.63)	
Bank Draft Payments	-					0.00	
Ending Balance	\$20,305.83	\$4,084,974.02	\$10,150,944.72	\$1,500,583.90	\$2,319,333.89	\$18,076,142.36	\$493,042.55

EXHIBIT 8-B

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Check Report

By Check Number

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



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						
02838	Solinst Canada Ltd	01/30/2020	Regular	0.00	-612.67	36291
00249	A.G. Davi, LTD	01/03/2020	Regular	0.00	395.00	36393
15399	Accela Inc.	01/03/2020	Regular	0.00	32,720.62	36394
01188	Alhambra	01/03/2020	Regular	0.00	159.90	36395
00760	Andy Bell	01/03/2020	Regular	0.00	684.00	36396
00983	Beverly Chaney	01/03/2020	Regular	0.00	60.00	36397
00252	Cal-Am Water	01/03/2020	Regular	0.00	76.96	36398
00252	Cal-Am Water	01/03/2020	Regular	0.00	140.80	36399
04045	California Society of Municipal Finance Officers	01/03/2020	Regular	0.00	110.00	36400
01001	CDW Government	01/03/2020	Regular	0.00	4,290.00	36401
17804	Christopher Timmer	01/03/2020	Regular	0.00	70.90	36402
00224	City of Monterey	01/03/2020	Regular	0.00	697.75	36403
06268	Comcast	01/03/2020	Regular	0.00	959.05	36404
08109	David Olson, Inc.	01/03/2020	Regular	0.00	13,453.00	36405
00046	De Lay & Laredo	01/03/2020	Regular	0.00	16,806.41	36406
18734	DeVeera Inc.	01/03/2020	Regular	0.00	4,666.07	36407
15398	GovInvest	01/03/2020	Regular	0.00	4,900.00	36408
12655	Graphicsmiths	01/03/2020	Regular	0.00	279.60	36409
00993	Harris Court Business Park	01/03/2020	Regular	0.00	721.26	36410
00986	Henrietta Stern	01/03/2020	Regular	0.00	1,255.54	36411
00768	ICMA	01/03/2020	Regular	0.00	2,165.09	36412
04717	Inder Osahan	01/03/2020	Regular	0.00	1,255.54	36413
03857	Joe Oliver	01/03/2020	Regular	0.00	1,255.54	36414
05830	Larry Hampson	01/03/2020	Regular	0.00	195.66	36415
19101	M&S Building Supply, Inc.	01/03/2020	Regular	0.00	115.22	36416
05829	Mark Bekker	01/03/2020	Regular	0.00	1,018.00	36417
01012	Mark Dudley	01/03/2020	Regular	0.00	540.00	36418
00118	Monterey Bay Carpet & Janitorial Svc	01/03/2020	Regular	0.00	1,260.00	36419
00278	Monterey Tire Service	01/03/2020	Regular	0.00	765.23	36420
13396	Navia Benefit Solutions, Inc.	01/03/2020	Regular	0.00	948.32	36421
19100	Norton Rose Fulbright	01/03/2020	Regular	0.00	38,557.29	36422
00154	Peninsula Messenger Service	01/03/2020	Regular	0.00	525.00	36423
00282	PG&E	01/03/2020	Regular	0.00	1,941.68	36424
04736	Pitney Bowes Global Financial Svc, LLC	01/03/2020	Regular	0.00	398.10	36425
13430	Premiere Global Services	01/03/2020	Regular	0.00	36.76	36426
00752	Professional Liability Insurance Service	01/03/2020	Regular	0.00	36.37	36427
18544	Psomas	01/03/2020	Regular	0.00	3,130.00	36428
00159	Pueblo Water Resources, Inc.	01/03/2020	Regular	0.00	3,793.09	36429
00262	Pure H2O	01/03/2020	Regular	0.00	65.24	36430
00251	Rick Dickhaut	01/03/2020	Regular	0.00	531.50	36431
19107	Salmonid Restoration Federation	01/03/2020	Regular	0.00	1,000.00	36432
01020	Sara Reyes - Petty Cash Custodian	01/03/2020	Regular	0.00	251.98	36433
00766	Standard Insurance Company	01/03/2020	Regular	0.00	1,419.65	36434
01349	Suresh Prasad	01/03/2020	Regular	0.00	263.05	36435
00258	TBC Communications & Media	01/03/2020	Regular	0.00	3,500.00	36436
09425	The Ferguson Group LLC	01/03/2020	Regular	0.00	8,059.52	36437
00229	Tyler Technologies	01/03/2020	Regular	0.00	750.00	36438
18737	U.S. Bank Equipment Finance	01/03/2020	Regular	0.00	867.83	36439
00207	Universal Staffing Inc.	01/03/2020	Regular	0.00	1,055.20	36440
00750	Valley Saw & Garden Equipment	01/03/2020	Regular	0.00	105.29	36441
00221	Verizon Wireless	01/03/2020	Regular	0.00	930.90	36442
18163	Wex Bank	01/03/2020	Regular	0.00	222.42	36443
08105	Yolanda Munoz	01/03/2020	Regular	0.00	540.00	36444

EXHIBIT 8-B

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

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
00763	ACWA-JPIA	01/10/2020	Regular	0.00	384.16	36445
00767	AFLAC	01/10/2020	Regular	0.00	907.16	36446
01015	American Lock & Key	01/10/2020	Regular	0.00	15.16	36447
04349	American Water Resources Assoc.	01/10/2020	Regular	0.00	179.00	36448
04041	Cynthia Schmidlin	01/10/2020	Regular	0.00	691.33	36449
06001	Cypress Coast Ford	01/10/2020	Regular	0.00	62.90	36450
18734	DeVeera Inc.	01/10/2020	Regular	0.00	6,808.00	36451
00094	John Arriaga	01/10/2020	Regular	0.00	2,500.00	36452
07622	KISTERS North America, Inc.	01/10/2020	Regular	0.00	5,131.00	36453
00222	M.J. Murphy	01/10/2020	Regular	0.00	316.69	36454
00259	Marina Coast Water District	01/10/2020	Regular	0.00	388.62	36455
00259	Marina Coast Water District	01/10/2020	Regular	0.00	541.38	36456
01002	Monterey County Clerk	01/10/2020	Regular	0.00	50.00	36457
08700	Monterey Regional Waste Management District	01/10/2020	Regular	0.00	20.00	36458
00755	Peninsula Welding Supply, Inc.	01/10/2020	Regular	0.00	64.50	36459
00282	PG&E	01/10/2020	Regular	0.00	22,561.83	36460
04709	Sherron Forsgren	01/10/2020	Regular	0.00	869.02	36461
03979	Special Districts Association of Monterey County	01/10/2020	Regular	0.00	80.00	36462
09351	Tetra Tech, Inc.	01/10/2020	Regular	0.00	1,193.52	36463
17965	The Maynard Group	01/10/2020	Regular	0.00	1,516.04	36464
00207	Universal Staffing Inc.	01/10/2020	Regular	0.00	680.96	36465
00271	UPEC, Local 792	01/10/2020	Regular	0.00	902.50	36466
18163	Wex Bank	01/10/2020	Regular	0.00	539.61	36467
00252	Cal-Am Water	01/17/2020	Regular	0.00	152.25	36468
00281	CoreLogic Information Solutions, Inc.	01/17/2020	Regular	0.00	884.94	36469
18225	DUDEK	01/17/2020	Regular	0.00	8,228.75	36470
00758	FedEx	01/17/2020	Regular	0.00	18.51	36471
04356	Government Finance Officers Association	01/17/2020	Regular	0.00	160.00	36472
00083	Hayashi & Wayland Accountancy Corp.	01/17/2020	Regular	0.00	15,000.00	36473
00277	Home Depot Credit Services	01/17/2020	Regular	0.00	141.65	36474
09129	Monterey County Hospitality Association (MCHA)	01/17/2020	Regular	0.00	445.00	36475
00282	PG&E	01/17/2020	Regular	0.00	282.35	36476
08925	Quinn Company	01/17/2020	Regular	0.00	2,081.66	36477
00987	SDRMA - Prop & Liability Pkg	01/17/2020	Regular	0.00	47.50	36478
00258	TBC Communications & Media	01/17/2020	Regular	0.00	1,881.25	36479
04719	Telit Io T Platforms, LLC	01/17/2020	Regular	0.00	235.24	36480
00225	Trowbridge Enterprises Inc.	01/17/2020	Regular	0.00	500.16	36481
00269	U.S. Bank	01/17/2020	Regular	0.00	3,672.14	36482
	Void	01/17/2020	Regular	0.00	0.00	36483
00207	Universal Staffing Inc.	01/17/2020	Regular	0.00	851.20	36484
13080	West Marine Products	01/17/2020	Regular	0.00	758.49	36485
19446	American Fisheries Society	01/23/2020	Regular	0.00	105.00	36646
01001	CDW Government	01/23/2020	Regular	0.00	139.00	36647
17804	Christopher Timmer	01/23/2020	Regular	0.00	17.99	36648
06268	Comcast	01/23/2020	Regular	0.00	195.16	36649
11822	CSC	01/23/2020	Regular	0.00	5,000.00	36650
06001	Cypress Coast Ford	01/23/2020	Regular	0.00	1,003.05	36651
00192	Extra Space Storage	01/23/2020	Regular	0.00	885.00	36652
13431	Lynx Technologies, Inc	01/23/2020	Regular	0.00	900.00	36653
00222	M.J. Murphy	01/23/2020	Regular	0.00	149.75	36654
00117	Marina Backflow Company	01/23/2020	Regular	0.00	150.00	36655
00242	MBAS	01/23/2020	Regular	0.00	8,400.00	36656
00278	Monterey Tire Service	01/23/2020	Regular	0.00	421.70	36657
00282	PG&E	01/23/2020	Regular	0.00	26.15	36658
00282	PG&E	01/23/2020	Regular	0.00	10.10	36659
00282	PG&E	01/23/2020	Regular	0.00	19.66	36660
00766	Standard Insurance Company	01/23/2020	Regular	0.00	1,419.65	36661
17964	SWRCB	01/23/2020	Regular	0.00	1,638.00	36662
00207	Universal Staffing Inc.	01/23/2020	Regular	0.00	851.20	36663
04340	Valley Trophies & Detectors	01/23/2020	Regular	0.00	89.59	36664
06009	yourservicesolution.com	01/23/2020	Regular	0.00	422.00	36665

EXHIBIT 8-B

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

Check Report

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
01195	California Dept. of Fish & Wildlife	01/27/2020	Regular	0.00	1,831.50	36666
Total Regular:					264,752.63	

EXHIBIT 8-B

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

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
Payment Type: Bank Draft						
00266	I.R.S.	01/03/2020	Bank Draft	0.00	11,428.66	DFT0001550
00266	I.R.S.	01/03/2020	Bank Draft	0.00	2,448.44	DFT0001551
00267	Employment Development Dept.	01/03/2020	Bank Draft	0.00	4,350.37	DFT0001552
00266	I.R.S.	01/03/2020	Bank Draft	0.00	241.60	DFT0001553
00256	PERS Retirement	01/08/2020	Bank Draft	0.00	14,597.60	DFT0001555
00769	Laborers Trust Fund of Northern CA	01/10/2020	Bank Draft	0.00	27,830.00	DFT0001556
00266	I.R.S.	01/17/2020	Bank Draft	0.00	12,543.48	DFT0001558
00266	I.R.S.	01/17/2020	Bank Draft	0.00	2,578.52	DFT0001559
00267	Employment Development Dept.	01/17/2020	Bank Draft	0.00	4,928.42	DFT0001560
00266	I.R.S.	01/17/2020	Bank Draft	0.00	596.16	DFT0001561
00266	I.R.S.	01/31/2020	Bank Draft	0.00	11,731.92	DFT0001563
00266	I.R.S.	01/31/2020	Bank Draft	0.00	2,509.10	DFT0001564
00267	Employment Development Dept.	01/31/2020	Bank Draft	0.00	4,458.79	DFT0001565
00266	I.R.S.	01/31/2020	Bank Draft	0.00	526.28	DFT0001566
00256	PERS Retirement	01/31/2020	Bank Draft	0.00	14,597.60	DFT0001567
00256	PERS Retirement	01/31/2020	Bank Draft	0.00	14,597.63	DFT0001578
Total Bank Draft:					129,964.57	

	Bank Code APBNK	Summary		
Payment Type	Payable Count	Payment Count	Discount	Payment
Regular Checks	150	113	0.00	265,365.30
Manual Checks	0	0	0.00	0.00
Voided Checks	0	2	0.00	-612.67
Bank Drafts	28	16	0.00	129,964.57
EFT's	0	0	0.00	0.00
	178	131	0.00	394,717.20

EXHIBIT 8-B

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

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
Bank Code: REBATES-02-Rebates: Use Only For Rebates						
Payment Type: Regular						
19403	Alexander Cavins	01/21/2020	Regular	0.00	500.00	36486
19399	Alison Rigby	01/21/2020	Regular	0.00	500.00	36487
19401	Ampablo Garcia	01/21/2020	Regular	0.00	500.00	36488
19409	Andrew Peszynski	01/21/2020	Regular	0.00	125.00	36489
19398	Anita Madison	01/21/2020	Regular	0.00	500.00	36490
19393	Annalee Fowler	01/21/2020	Regular	0.00	500.00	36491
19420	Annamarie Stanton	01/21/2020	Regular	0.00	125.00	36492
19419	Annamarie Stanton	01/21/2020	Regular	0.00	200.00	36493
19415	Barbara Pi?a	01/21/2020	Regular	0.00	125.00	36494
19390	Benjamin & Lori Collins	01/21/2020	Regular	0.00	500.00	36495
19423	Benjamin Lazare	01/21/2020	Regular	0.00	99.00	36496
19417	Britt Anderson	01/21/2020	Regular	0.00	125.00	36497
19377	CAROL CHATTERS	01/21/2020	Regular	0.00	500.00	36498
19394	Charles & Angela Dietrick	01/21/2020	Regular	0.00	500.00	36499
19387	Charles Mattoch	01/21/2020	Regular	0.00	500.00	36500
19391	Christopher Jennings	01/21/2020	Regular	0.00	500.00	36501
19385	Christopher Martenson	01/21/2020	Regular	0.00	500.00	36502
19427	CHRISTOPHER SMITH	01/21/2020	Regular	0.00	150.00	36503
19396	David K. Jones	01/21/2020	Regular	0.00	500.00	36504
19373	Dawn Greil	01/21/2020	Regular	0.00	500.00	36505
19407	Diana Rosenthal	01/21/2020	Regular	0.00	125.00	36506
19433	Donald & Catherine Weber	01/21/2020	Regular	0.00	75.00	36507
19437	Edgar C. & Marlene Leavenworth Trs	01/21/2020	Regular	0.00	150.00	36508
19381	Eileen Da Pena	01/21/2020	Regular	0.00	500.00	36509
19443	Gary R. Williams	01/21/2020	Regular	0.00	125.00	36510
19380	Gerad Berthet	01/21/2020	Regular	0.00	500.00	36511
19375	HELEN LEIKAM	01/21/2020	Regular	0.00	500.00	36512
19436	JoAnn Riso	01/21/2020	Regular	0.00	75.00	36513
19404	Jodi Joselyn	01/21/2020	Regular	0.00	125.00	36514
19428	Judith M. Mead	01/21/2020	Regular	0.00	75.00	36515
19402	Julie & Leon Larimer	01/21/2020	Regular	0.00	500.00	36516
19426	KAREN WALTHER	01/21/2020	Regular	0.00	75.00	36517
19441	Kari Brown	01/21/2020	Regular	0.00	150.00	36518
19400	Kelly Green-Garner	01/21/2020	Regular	0.00	500.00	36519
19438	Ken Arola	01/21/2020	Regular	0.00	225.00	36520
19410	Ken Hale	01/21/2020	Regular	0.00	125.00	36521
19406	Kenneth Deluca	01/21/2020	Regular	0.00	125.00	36522
19384	Kenneth T. Deluca	01/21/2020	Regular	0.00	500.00	36523
19389	Lacy Kirkland	01/21/2020	Regular	0.00	500.00	36524
19414	Lawrence Swank	01/21/2020	Regular	0.00	125.00	36525
19169	Linda Giordano Weakley	01/21/2020	Regular	0.00	650.00	36526
19405	LISA CHIANTELLI	01/21/2020	Regular	0.00	125.00	36527
19435	Lisa Phares	01/21/2020	Regular	0.00	75.00	36528
19408	Liz Claret	01/21/2020	Regular	0.00	125.00	36529
19424	Manuel Alba	01/21/2020	Regular	0.00	180.00	36530
19418	Maria Davi	01/21/2020	Regular	0.00	125.00	36531
19442	Marjorie Allen	01/21/2020	Regular	0.00	125.00	36532
19412	Melissa Ward	01/21/2020	Regular	0.00	125.00	36533
19378	MICHAEELEN MORAZ	01/21/2020	Regular	0.00	500.00	36534
19440	Mike & Susan Newton	01/21/2020	Regular	0.00	150.00	36535
19383	Morgan Bartra	01/21/2020	Regular	0.00	500.00	36536
19432	Nancy Selfridge	01/21/2020	Regular	0.00	75.00	36537
19430	Nancy Stokes	01/21/2020	Regular	0.00	75.00	36538
19411	Nathan Piotrkowski	01/21/2020	Regular	0.00	125.00	36539
19444	Nathaniel Males	01/21/2020	Regular	0.00	250.00	36540
19388	Nicholas Kromer	01/21/2020	Regular	0.00	500.00	36541
19416	Nikolay Yanev	01/21/2020	Regular	0.00	125.00	36542
19372	Noreen Manahan	01/21/2020	Regular	0.00	500.00	36543
19429	Patricia James	01/21/2020	Regular	0.00	75.00	36544

EXHIBIT 8-B

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

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
19413	Patrick V. Brown	01/21/2020	Regular	0.00	125.00	36545
19376	PAULA BELIKOVE	01/21/2020	Regular	0.00	500.00	36546
19434	Peterson Conway	01/21/2020	Regular	0.00	75.00	36547
19386	Richelle Drollinger	01/21/2020	Regular	0.00	500.00	36548
19382	Rob Colwell	01/21/2020	Regular	0.00	500.00	36549
19374	Sara Jagetic	01/21/2020	Regular	0.00	500.00	36550
19421	Shaunna Murray	01/21/2020	Regular	0.00	125.00	36551
19379	Summer Coe	01/21/2020	Regular	0.00	500.00	36552
19425	TERRI WOODWARD	01/21/2020	Regular	0.00	75.00	36553
19439	Timothy C. Farmer	01/21/2020	Regular	0.00	75.00	36554
19395	Verlea & David Kellogg	01/21/2020	Regular	0.00	500.00	36555
19431	Wendell R. Ayers	01/21/2020	Regular	0.00	75.00	36556
19397	Wilfried Adams	01/21/2020	Regular	0.00	500.00	36557
19422	William J. Tibbey	01/21/2020	Regular	0.00	88.00	36558
13357	YUE MA	01/21/2020	Regular	0.00	75.00	36559
19392	Zed Alhadi	01/21/2020	Regular	0.00	500.00	36560
19242	Alexis Shammass	01/21/2020	Regular	0.00	500.00	36561
19269	Alfred Porter	01/21/2020	Regular	0.00	125.00	36562
19249	Angela Sanchez Perez	01/21/2020	Regular	0.00	500.00	36563
19252	Anne Hess	01/21/2020	Regular	0.00	500.00	36564
19228	Annie Palma	01/21/2020	Regular	0.00	500.00	36565
19238	Archie & Lynda Martinez	01/21/2020	Regular	0.00	500.00	36566
19268	Athena Ateshian	01/21/2020	Regular	0.00	125.00	36567
19289	Barbara Mullin	01/21/2020	Regular	0.00	375.00	36568
19275	Barbara Silva	01/21/2020	Regular	0.00	75.00	36569
19295	Bradley Anderson	01/21/2020	Regular	0.00	150.00	36570
19246	Cecil T. Caves	01/21/2020	Regular	0.00	500.00	36571
19218	Charles Lewis	01/21/2020	Regular	0.00	1,125.00	36572
19273	Constance Hellam	01/21/2020	Regular	0.00	75.00	36573
19227	Cosino Favaloro	01/21/2020	Regular	0.00	500.00	36574
19224	Dagoberto Romero	01/21/2020	Regular	0.00	500.00	36575
18649	Dana McVey	01/21/2020	Regular	0.00	125.00	36576
19234	David Kustin	01/21/2020	Regular	0.00	625.00	36577
19220	Dinesh Nayak	01/21/2020	Regular	0.00	500.00	36578
19251	Donald J. Porter	01/21/2020	Regular	0.00	500.00	36579
19279	Dorothy Maceira	01/21/2020	Regular	0.00	75.00	36580
18153	ED & MARY MELVIN	01/21/2020	Regular	0.00	625.00	36581
19254	Eileen M Jones	01/21/2020	Regular	0.00	500.00	36582
19265	Elliot Maiorana	01/21/2020	Regular	0.00	125.00	36583
19270	Erin Drake-Prior	01/21/2020	Regular	0.00	200.00	36584
19241	Frances Hills	01/21/2020	Regular	0.00	500.00	36585
19266	Gary Delahanty	01/21/2020	Regular	0.00	125.00	36586
19278	George R. Shayne	01/21/2020	Regular	0.00	75.00	36587
19264	Gillian Kleman	01/21/2020	Regular	0.00	125.00	36588
19293	Henry Reynoso	01/21/2020	Regular	0.00	150.00	36589
19231	Irene Leyva	01/21/2020	Regular	0.00	500.00	36590
19294	Jane Heider	01/21/2020	Regular	0.00	75.00	36591
19284	Jay Sinclair	01/21/2020	Regular	0.00	75.00	36592
19257	Jeffrey Wallace	01/21/2020	Regular	0.00	125.00	36593
19233	Jill Petker	01/21/2020	Regular	0.00	500.00	36594
19271	John & Doris Senger	01/21/2020	Regular	0.00	75.00	36595
19285	John & Julia Taylor	01/21/2020	Regular	0.00	225.00	36596
19280	Joseph Wible	01/21/2020	Regular	0.00	150.00	36597
19261	Josh Ohanian	01/21/2020	Regular	0.00	125.00	36598
19287	Joshua Davidson	01/21/2020	Regular	0.00	75.00	36599
19089	Judith Robinson	01/21/2020	Regular	0.00	500.00	36600
19282	Karen Prupes Wiskoff	01/21/2020	Regular	0.00	225.00	36601
19222	Kelley Sedoryk	01/21/2020	Regular	0.00	500.00	36602
19236	Kelsie Farish	01/21/2020	Regular	0.00	500.00	36603
19274	Linda Michaels	01/21/2020	Regular	0.00	75.00	36604
19239	Linda Stoner	01/21/2020	Regular	0.00	500.00	36605

EXHIBIT 8-B

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

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
19247	Lisa Benjamin	01/21/2020	Regular	0.00	625.00	36606
19298	Lisa Moberg	01/21/2020	Regular	0.00	125.00	36607
19259	Lynn Cingari	01/21/2020	Regular	0.00	125.00	36608
19221	Madjer Martins	01/21/2020	Regular	0.00	500.00	36609
19267	Manoj Ramakrishnan	01/21/2020	Regular	0.00	125.00	36610
19283	Marianne Taflinger	01/21/2020	Regular	0.00	75.00	36611
19286	Mark E. Peters	01/21/2020	Regular	0.00	75.00	36612
19232	Mark M. Herbst	01/21/2020	Regular	0.00	500.00	36613
19258	Mark M. Herbst	01/21/2020	Regular	0.00	125.00	36614
19235	Mark Twisselman	01/21/2020	Regular	0.00	500.00	36615
19263	Mark Wilby	01/21/2020	Regular	0.00	125.00	36616
19291	Martha Brumback	01/21/2020	Regular	0.00	500.00	36617
19256	Mary Dainton	01/21/2020	Regular	0.00	125.00	36618
19219	Max Troyer	01/21/2020	Regular	0.00	650.00	36619
19250	Michael S. Clark	01/21/2020	Regular	0.00	500.00	36620
19276	Monica Browning	01/21/2020	Regular	0.00	150.00	36621
19297	Nanette Vlahusich	01/21/2020	Regular	0.00	125.00	36622
19229	Norma & Pedro Serrano	01/21/2020	Regular	0.00	500.00	36623
19253	Patrick M. & Roberta M. Freeman	01/21/2020	Regular	0.00	500.00	36624
19226	Pedro M. Aquino Diaz	01/21/2020	Regular	0.00	500.00	36625
19243	Philip E. Old	01/21/2020	Regular	0.00	500.00	36626
19237	Quincy Fingerote	01/21/2020	Regular	0.00	500.00	36627
19277	Robin Rainwater	01/21/2020	Regular	0.00	75.00	36628
19260	Ron Peck	01/21/2020	Regular	0.00	125.00	36629
19255	Shawn Anderson	01/21/2020	Regular	0.00	125.00	36630
19245	Silvio & Angele Borello	01/21/2020	Regular	0.00	500.00	36631
19281	Stanley D. Post	01/21/2020	Regular	0.00	75.00	36632
19223	Stephen & Cynthia Vagnini	01/21/2020	Regular	0.00	500.00	36633
19272	Steve Honegger	01/21/2020	Regular	0.00	75.00	36634
19217	Steven L. Wyneken & Woodrow L. Evans	01/21/2020	Regular	0.00	1,000.00	36635
19288	Stuart & Susan Smith	01/21/2020	Regular	0.00	250.00	36636
19244	Sunny Smith	01/21/2020	Regular	0.00	500.00	36637
19296	Suzanne Walton	01/21/2020	Regular	0.00	150.00	36638
19248	Tamara A. Hadley	01/21/2020	Regular	0.00	500.00	36639
19225	Terri DeBono	01/21/2020	Regular	0.00	500.00	36640
19230	Terry & Betsy Davis	01/21/2020	Regular	0.00	500.00	36641
19262	Vanessa P. Jackson	01/21/2020	Regular	0.00	125.00	36642
19292	Virginia Lucido	01/21/2020	Regular	0.00	75.00	36643
19290	Wolf Family Investments	01/21/2020	Regular	0.00	75.00	36644
19240	Yun S. Kim	01/21/2020	Regular	0.00	500.00	36645
				Total Regular:	49,267.00	

Bank Code REBATES-02 Summary

Payment Type	Payable Count	Payment Count	Discount	Payment
Regular Checks	165	160	0.00	49,267.00
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
	165	160	0.00	49,267.00

All Bank Codes Check Summary

Payment Type	Payable Count	Payment Count	Discount	Payment
Regular Checks	315	273	0.00	314,632.30
Manual Checks	0	0	0.00	0.00
Voided Checks	0	2	0.00	-612.67
Bank Drafts	28	16	0.00	129,964.57
EFT's	0	0	0.00	0.00
	343	291	0.00	443,984.20

Fund Summary

Fund	Name	Period	Amount
99	POOL CASH FUND	1/2020	443,984.20
			443,984.20

Payroll Bank Transaction Report



Monterey Peninsula Water Management Dist

By Payment Number

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

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
4845	01/03/2020	Regular	1024	Stoldt, David J	0.00	5,720.87	5,720.87
4846	01/03/2020	Regular	1025	Tavani, Arlene M	0.00	2,161.44	2,161.44
4847	01/03/2020	Regular	1044	Bennett, Corryn D	0.00	2,194.77	2,194.77
4848	01/03/2020	Regular	1018	Prasad, Suresh	0.00	3,983.84	3,983.84
4849	01/03/2020	Regular	1019	Reyes, Sara C	0.00	1,831.06	1,831.06
4850	01/03/2020	Regular	1075	Valencia, Mariel C	0.00	1,609.92	1,609.92
4851	01/03/2020	Regular	1042	Hamilton, Maureen C.	0.00	3,364.30	3,364.30
4852	01/03/2020	Regular	6063	Hampson, Larry M	0.00	1,370.42	1,370.42
4853	01/03/2020	Regular	1009	James, Gregory W	0.00	3,177.58	3,177.58
4854	01/03/2020	Regular	1011	Lear, Jonathan P	0.00	3,934.59	3,934.59
4855	01/03/2020	Regular	1012	Lindberg, Thomas L	0.00	2,598.36	2,598.36
4856	01/03/2020	Regular	1043	Suwada, Joseph	0.00	2,090.94	2,090.94
4857	01/03/2020	Regular	1045	Atkins, Daniel N	0.00	1,910.98	1,910.98
4858	01/03/2020	Regular	1004	Chaney, Beverly M	0.00	2,618.62	2,618.62
4859	01/03/2020	Regular	1005	Christensen, Thomas T	0.00	3,427.92	3,427.92
4860	01/03/2020	Regular	1007	Hamilton, Cory R	0.00	2,299.85	2,299.85
4861	01/03/2020	Regular	6064	Li, Trevin	0.00	285.85	285.85
4862	01/03/2020	Regular	1048	Lumas, Eric M	0.00	1,761.37	1,761.37
4863	01/03/2020	Regular	1001	Bravo, Gabriela D	0.00	2,523.71	2,523.71
4864	01/03/2020	Regular	1076	Jakic, Tricia	0.00	2,283.83	2,283.83
4865	01/03/2020	Regular	1010	Kister, Stephanie L	0.00	2,772.13	2,772.13
4866	01/03/2020	Regular	1017	Locke, Stephanie L	0.00	3,555.25	3,555.25
4867	01/03/2020	Regular	1040	Smith, Kyle	0.00	2,225.46	2,225.46
4868	01/03/2020	Regular	1047	Timmer, Christopher	0.00	2,129.55	2,129.55
4869	01/17/2020	Regular	1024	Stoldt, David J	0.00	5,760.09	5,760.09
4870	01/17/2020	Regular	1025	Tavani, Arlene M	0.00	2,426.81	2,426.81
4871	01/17/2020	Regular	1044	Bennett, Corryn D	0.00	2,272.14	2,272.14
4872	01/17/2020	Regular	1018	Prasad, Suresh	0.00	4,093.86	4,093.86
4873	01/17/2020	Regular	1019	Reyes, Sara C	0.00	2,104.23	2,104.23
4874	01/17/2020	Regular	1075	Valencia, Mariel C	0.00	1,669.86	1,669.86
4875	01/17/2020	Regular	1042	Hamilton, Maureen C.	0.00	3,560.53	3,560.53
4876	01/17/2020	Regular	6063	Hampson, Larry M	0.00	2,889.50	2,889.50
4877	01/17/2020	Regular	1009	James, Gregory W	0.00	3,233.85	3,233.85
4878	01/17/2020	Regular	1011	Lear, Jonathan P	0.00	4,020.83	4,020.83
4879	01/17/2020	Regular	1012	Lindberg, Thomas L	0.00	2,827.02	2,827.02
4880	01/17/2020	Regular	1043	Suwada, Joseph	0.00	2,090.65	2,090.65
4881	01/17/2020	Regular	1045	Atkins, Daniel N	0.00	1,967.58	1,967.58
4882	01/17/2020	Regular	1004	Chaney, Beverly M	0.00	2,882.53	2,882.53
4883	01/17/2020	Regular	1005	Christensen, Thomas T	0.00	3,703.65	3,703.65
4884	01/17/2020	Regular	1007	Hamilton, Cory R	0.00	2,588.75	2,588.75
4885	01/17/2020	Regular	6064	Li, Trevin	0.00	674.01	674.01
4886	01/17/2020	Regular	1048	Lumas, Eric M	0.00	1,811.77	1,811.77
4887	01/17/2020	Regular	1001	Bravo, Gabriela D	0.00	2,993.39	2,993.39
4888	01/17/2020	Regular	1076	Jakic, Tricia	0.00	2,438.36	2,438.36
4889	01/17/2020	Regular	1010	Kister, Stephanie L	0.00	3,089.40	3,089.40
4890	01/17/2020	Regular	1017	Locke, Stephanie L	0.00	3,759.19	3,759.19
4891	01/17/2020	Regular	1040	Smith, Kyle	0.00	2,276.52	2,276.52
4892	01/17/2020	Regular	1047	Timmer, Christopher	0.00	2,180.40	2,180.40
4893	01/31/2020	Regular	1024	Stoldt, David J	0.00	5,743.36	5,743.36
4894	01/31/2020	Regular	1025	Tavani, Arlene M	0.00	2,171.76	2,171.76
4895	01/31/2020	Regular	1044	Bennett, Corryn D	0.00	2,197.58	2,197.58
4896	01/31/2020	Regular	1018	Prasad, Suresh	0.00	3,991.62	3,991.62
4897	01/31/2020	Regular	1019	Reyes, Sara C	0.00	1,833.47	1,833.47
4898	01/31/2020	Regular	1075	Valencia, Mariel C	0.00	1,541.89	1,541.89
4899	01/31/2020	Regular	1042	Hamilton, Maureen C.	0.00	3,376.16	3,376.16
4900	01/31/2020	Regular	6063	Hampson, Larry M	0.00	2,941.23	2,941.23
4901	01/31/2020	Regular	1009	James, Gregory W	0.00	3,190.47	3,190.47

EXHIBIT 8-C

Payment Number	Payment Date	Payment Type	Employee Number	Employee Name	Check Amount	Direct Deposit		Total Payment
						Amount	78	
4902	01/31/2020	Regular	1011	Lear, Jonathan P	0.00	3,949.46		3,949.46
4903	01/31/2020	Regular	1012	Lindberg, Thomas L	0.00	2,606.14		2,606.14
4904	01/31/2020	Regular	1043	Suwada, Joseph	0.00	1,962.49		1,962.49
4905	01/31/2020	Regular	1045	Atkins, Daniel N	0.00	1,918.44		1,918.44
4906	01/31/2020	Regular	1004	Chaney, Beverly M	0.00	2,622.65		2,622.65
4907	01/31/2020	Regular	1005	Christensen, Thomas T	0.00	3,441.53		3,441.53
4908	01/31/2020	Regular	1007	Hamilton, Cory R	0.00	2,307.62		2,307.62
4909	01/31/2020	Regular	6064	Li, Trevin	0.00	136.21		136.21
4910	01/31/2020	Regular	1048	Lumas, Eric M	0.00	1,767.10		1,767.10
4911	01/31/2020	Regular	1001	Bravo, Gabriela D	0.00	2,530.13		2,530.13
4912	01/31/2020	Regular	1076	Jakic, Tricia	0.00	2,289.72		2,289.72
4913	01/31/2020	Regular	1010	Kister, Stephanie L	0.00	2,777.79		2,777.79
4914	01/31/2020	Regular	1017	Locke, Stephanie L	0.00	3,569.65		3,569.65
4915	01/31/2020	Regular	1040	Smith, Kyle	0.00	2,232.23		2,232.23
4916	01/31/2020	Regular	1047	Timmer, Christopher	0.00	2,136.33		2,136.33
Total:					0.00	192,382.56		192,382.56



MONTEREY PENINSULA WATER MANAGEMENT DISTRICT
STATEMENT OF REVENUES AND EXPENDITURES
FOR THE MONTH JANUARY 31, 2020

	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
REVENUES							
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ 1,139,505	\$ 2,050,000	\$ 1,062,370
Water supply charge	-	-	-	-	1,951,463	3,400,000	1,930,663
User fees	340,063	131,933	78,921	550,917	2,646,110	5,000,000	2,417,091
Mitigation revenue	-	-	-	-	-	-	-
Capacity fees	-	-	130,762	130,762	399,015	400,000	403,704
Permit fees	-	14,300	-	14,300	128,704	231,000	159,772
Investment income	17,349	17,362	36,525	71,235	142,727	180,000	123,771
Miscellaneous	-	-	7	7	5,913	15,000	1,322
Sub-total district revenues	357,412	163,595	246,215	767,222	6,413,437	11,276,000	6,098,692
Project reimbursements	-	20,074	(492)	19,582	1,512,931	1,411,000	451,653
Legal fee reimbursements	-	150	-	150	450	16,000	2,550
Grants	3,982	16,288	-	20,269	260,078	468,000	926
Recording fees	-	1,650	-	1,650	20,740	6,000	2,211
Sub-total reimbursements	3,982	38,162	(492)	41,651	1,794,199	1,901,000	457,341
From Reserves	-	-	-	-	-	4,862,350	-
Total revenues	361,393	201,757	245,723	808,873	8,207,636	18,039,350	6,556,033
EXPENDITURES							
Personnel:							
Salaries	97,293	60,303	115,062	272,658	1,530,919	2,754,600	1,503,703
Retirement	8,387	5,275	10,112	23,773	477,158	593,500	420,824
Unemployment Compensation	960	-	-	960	3,417	3,000	2,060
Auto Allowance	138	138	415	692	3,462	6,000	3,462
Deferred Compensation	214	214	643	1,071	5,357	9,400	5,296
Temporary Personnel	1,256	797	1,011	3,064	52,875	55,100	37,793
Workers Comp. Ins.	2,652	229	1,957	4,838	29,755	71,300	30,810
Employee Insurance	14,176	9,058	13,552	36,786	257,861	479,100	258,549
Medicare & FICA Taxes	1,787	863	1,800	4,450	28,977	49,100	25,908
Personnel Recruitment	-	-	-	-	550	3,000	489
Other benefits	310	197	250	756	1,176	1,500	766
Staff Development	348	320	308	976	8,486	28,500	9,506
Sub-total personnel costs	127,522	77,393	145,109	350,024	2,399,994	4,054,100	2,299,168
Services & Supplies:							
Board Member Comp	-	-	-	-	15,390	33,900	17,550
Board Expenses	941	623	770	2,335	3,394	5,100	1,333
Rent	985	230	915	2,130	13,660	23,200	12,451
Utilities	1,028	620	837	2,485	18,352	33,200	17,777
Telephone	1,212	693	707	2,612	23,830	50,700	39,480
Facility Maintenance	1,035	665	833	2,533	33,088	41,200	21,970
Bank Charges	989	627	1,246	2,862	11,757	3,900	2,781
Office Supplies	386	296	311	994	9,134	17,400	8,369
Courier Expense	262	166	211	640	3,841	6,100	2,186
Postage & Shipping	205	157	165	527	2,717	6,800	2,372
Equipment Lease	356	226	286	868	7,403	13,900	7,793
Equip. Repairs & Maintenance	38	24	30	92	4,377	7,000	3,361
Photocopy Expense	-	-	-	-	-	-	-
Printing/Duplicating/Binding	-	-	-	-	-	500	31
IT Supplies/Services	5,266	3,339	4,239	12,844	154,194	150,000	111,958
Operating Supplies	157	861	122	1,139	7,958	16,900	8,993
Legal Services	6,082	4,957	5,717	16,756	103,876	400,000	177,909
Professional Fees	12,679	8,040	10,205	30,923	196,328	360,600	197,642



MONTEREY PENINSULA WATER MANAGEMENT DISTRICT
STATEMENT OF REVENUES AND EXPENDITURES
FOR THE MONTH JANUARY 31, 2020

	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
Transportation	1,632	88	535	2,255	20,532	35,000	15,655
Travel	566	359	456	1,381	9,210	31,100	16,579
Meeting Expenses	2,087	1,324	1,680	5,091	7,209	6,100	2,400
Insurance	2,417	1,533	1,945	5,895	41,028	65,100	34,994
Legal Notices	-	-	-	-	-	3,100	-
Membership Dues	455	2,339	366	3,160	31,219	33,400	29,711
Public Outreach	59	37	47	143	2,616	2,500	1,321
Assessors Administration Fee	-	-	-	-	-	20,000	-
Miscellaneous	-	-	-	-	379	3,000	379
Sub-total services & supplies costs	38,836	27,205	31,623	97,665	721,491	1,369,700	734,993
Project expenditures	28,272	12,851	52,737	93,860	2,824,032	11,550,000	3,157,842
Fixed assets	-	-	-	-	25,482	213,900	279,758
Contingencies	-	-	-	-	-	70,000	-
Election costs	-	-	-	-	-	-	-
Debt service: Principal	-	-	-	-	-	-	-
Debt service: Interest	-	-	-	-	63,748	230,000	65,400
Flood drought reserve	-	-	-	-	-	-	-
Capital equipment reserve	-	-	-	-	-	49,500	-
General fund balance	-	-	-	-	-	302,150	-
Pension reserve	-	-	-	-	-	100,000	-
OPEB reserve	-	-	-	-	-	100,000	-
Other	-	-	-	-	-	-	-
Sub-total other	28,272	12,851	52,737	93,860	2,913,263	12,615,550	3,503,001
Total expenditures	194,630	117,449	229,470	541,549	6,034,748	18,039,350	6,537,162
Excess (Deficiency) of revenues over expenditures	\$ 166,763	\$ 84,307	\$ 16,253	\$ 267,324	\$ 2,172,887	\$ -	\$ 18,871

ITEM: PUBLIC HEARING**12. CONSIDER ADOPTION OF MID-YEAR FISCAL YEAR 2019-2020 BUDGET ADJUSTMENT**

Meeting Date: March 16, 2020 **Budgeted:** N/A

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

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

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

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

SUMMARY: Annually, the District considers its financial position after the end of the first 7-8 months of the fiscal year (FY). District staff has reviewed income and spending patterns from July 1, 2019 through the end of February 29, 2020 and determined that adjustments to the FY 2019-2020 Budget is required. The FY 2019-2020 Budget was adopted on June 17, 2019. Included in the budget adjustment process was a review of staffing levels, supplies, outside services, project expenditures, current work assignments and other factors affecting the current budget. The table below summarizes the proposed changes to the budget:

Monterey Peninsula Water Management District
2019-2020
Mid-Year Budget Adjustment-Summary

<u>Revenue</u>	<u>Adopted</u>	<u>Change</u>	<u>Amended</u>
Property Tax	\$2,050,000	\$0	\$2,050,000
Permit Fees - WDD	175,000	0	175,000
Permit Fees - WDS	56,000	0	56,000
Capacity Fee	400,000	100,000	500,000
User Fees	5,000,000	0	5,000,000
Water Supply Charge	3,400,000	0	3,400,000
Interest	180,000	50,000	230,000
Other	15,000	0	15,000
Subtotal District Revenues	11,276,000	150,000	11,426,000
Reimbursements - CAW	1,229,700	270,000	1,499,700
Reimbursements - Watermaster	35,000	0	35,000
Reimbursements - Reclamation	20,000	0	20,000
Reimbursements - Other	126,300	0	126,300
Reimbursements - Recording Fees	6,000	0	6,000
Reimbursements - Legal Fees	16,000	0	16,000
Grants	468,000	0	468,000
Subtotal Reimbursements	\$1,901,000	\$270,000	\$2,171,000

Carry Forward/Use of Reserves	4,862,350	3,328,900	8,191,250
Total Revenues	<u>\$18,039,350</u>	<u>\$3,748,900</u>	<u>\$21,788,250</u>

<u>Expenditures</u>	<u>Adopted</u>	<u>Change</u>	<u>Amended</u>
Personnel	\$4,054,100	(\$55,000)	\$3,999,100
Supplies & Services	1,369,700	55,000	1,424,700
Project Expenditures	10,550,000	4,007,700	14,557,700
Fixed Assets	213,900	0	213,900
Debt Service	230,000	0	230,000
Capital Equip. Reserve	49,500	0	49,500
General Fund Balance	302,150	(258,800)	43,350
Pension Reserve	100,000	0	100,000
OPEB Reserve	100,000	0	100,000
Reclamation Project	1,000,000	0	1,000,000
Contingency	70,000	0	70,000
Total	<u>\$18,039,350</u>	<u>\$3,748,900</u>	<u>\$21,788,250</u>

As the table above indicates, project expenditures increased by \$4,007,700. Most of the expenditure increases were previously authorized by the Board after the original budget adoption and are now incorporated into the mid-year budget. Detailed information regarding all other proposed changes, as well as their effect on reserves, is detailed in the background section of this report.

RECOMMENDATION: Following a presentation by District staff and a public hearing, staff recommends adoption of the proposed mid-year budget adjustment for FY 2019-2020.

BACKGROUND: The Board of Directors adopted the original FY 2019-2020 budget on June 17, 2019. The paragraphs below summarize the original budget, proposed mid-year adjustments to the budget and projected reserves accounts.

Revenues

The 2019-2020 adopted budget anticipated revenue sources in the amount of \$18,039,350. Through February 29, 2020, actual revenue collections totaled \$8,607,809 or about 48% of the budgeted amount. Revenues for the first half of this FY year are in line with previous year figures. District staff has analyzed the revenue activity for the first 8 months of the FY, as well as activities scheduled for the remainder of the FY, and recommends various adjustments to the revenue portion of the budget as shown in **Exhibit 12-A** and discussed below:

- Increase of \$100,000 in capacity fee based on actual collections through the first half of the FY.
- Increase of \$50,000 in interest income based on actual collections for first half of the FY plus additional income generated at 2% on invested funds throughout the remainder of the FY.
- Increase of \$270,000 in reimbursement revenue based on increase in project expenditure for the remainder of FY.

The cumulative effect of these revenue adjustments is an increase of \$420,000 in projected revenues for FY 2019-2020.

Expenditures

The original budget envisioned expenditures of \$18,039,350 in the fiscal year ending June 30, 2020. Through February 29, 2020, actual expenditures totaled \$6,799,879, or approximately 38% of the budgeted amount. The spending pattern at mid-way point of the fiscal year is not unusual because most of the project expenditures for the first half of each fiscal year are low. District staff has analyzed the expenditure activity for the first 8 months of the fiscal year, as well as activities scheduled for the remainder of the fiscal year, and recommends various adjustments to the expenditure portion of the budget as discussed below:

- The personnel services portion of the budget decreased by \$55,000 as shown on **Exhibit 12-B**.
- The supplies and services portion of the budget increased by \$55,000 as shown on **Exhibit 12-C**.
- There were no changes to the capital assets as shown on **Exhibit 12-D**.
- As presented on **Exhibit 12-E**, project expenditures increased by a net amount of \$4,007,700. Some of the larger adjustments are as follows:
 1. Increase of \$200,000 for Pure Water Monterey operating reserve based on the increase in cost of water per acre foot.
 2. Reduction of \$200,000 for Cal-Am Desal Project financing work as the work is no longer needed.
 3. Increase of \$800,000 for Monterey Water System Acquisition Feasibility Study related to Phase 2 of the Measure J and Rule 19.8 previously authorized by the Board in December 2019.
 4. Increase of \$3,150,000 for ASR Treatment Facility work due to the increase in project costs previously authorized by the Board in October 2019.
 5. Increase of \$270,000 for ASR operations costs due to well rehabilitation work and increase in power costs. These costs are reimbursed by Cal-Am ratepayers.
 6. Other adjustments to the project expenditures as noted in the exhibit.

The cumulative effect of the adjustments to the expenditure side of the budget is a net increase of \$4,007,700. Additional use of reserve in the amount of \$3,328,900 is need to balance the mid-year budget.

Reserves

The District's reserve balance is projected to be as follows:

Monterey Peninsula Water Management District Analysis of Reserves 2019-2020

	Projected Balance 6/30/2019	Actual Balance 6/30/2019	FY 2019-2020 Budget	Est. Balance 06/30/2020
Reserves				

Litigation/Insurance Reserve	250,000	250,000	0	\$250,000
Capital Equipment Reserve	532,000	532,000	21,000	\$553,000
Flood/Drought Reserve	328,944	328,944	0	\$328,944
Debt Reserve	221,656	222,098	0	\$222,098
Pension Reserve	100,000	100,000	100,000	\$200,000
OPEB Reserve	100,000	100,000	100,000	\$200,000
General Operating Reserve	12,397,965	15,482,297	(8,119,400)	\$7,362,897
Totals	<u>\$13,930,565</u>	<u>\$17,015,339</u>	<u>(\$7,898,400)</u>	<u>\$9,116,939</u>

The above adjustments will result in an estimated reserve balance of 9,116,939 at June 30, 2020 as shown on **Exhibit 12-F**. This amount meets the minimum 5% of the operating budget established by the Board during the 2005-06 budget process. The original adopted budget had a projected reserve balance of \$14,077,665 for the FY.

EXHIBITS

12-A Revenues

12-B Personnel Costs

12-C Supplies & Services Costs

12-D Capital Assets

12-E Project Expenditures

12-F Reserves Analysis

EXHIBIT 12-A

**Monterey Peninsula Water Management District
Mid-Year Budget Adjustment - Revenues
2019-2020**

<u>Description</u>	<u>Original Budget</u>	<u>Adjustment</u>	<u>Amended Budget</u>
Capacity Fee	400,000	100,000	500,000
Interest	180,000	50,000	230,000
Reimbursements - CAW	1,229,700	270,000	1,499,700
Carry Forward/Reserves	4,862,350	3,328,900	8,191,250
Total	<u>6,672,050</u>	<u>3,748,900</u>	<u>10,420,950</u>

EXHIBIT 12-B

**Monterey Peninsula Water Management District
Mid-Year Budget Adjustment
Personnel Costs
2019-2020**

<u>Description</u>	<u>Original Budget</u>	<u>Adjustment</u>	<u>Amended Budget</u>
Salaries & Wages	540,300	(50,000)	490,300
Retirement	117,300	(5,000)	112,300
Medical Insurance	83,600	(5,000)	78,600
Medical Insurance - Retirees	78,000	5,000	83,000
			0
Total	<u>\$819,200</u>	<u>(\$55,000)</u>	<u>\$764,200</u>

EXHIBIT 12-C

**Monterey Peninsula Water Management District
Mid-Year Budget Adjustment
Supplies & Services
2019-2020**

<u>Division</u>	<u>Description</u>	<u>Original Budget</u>	<u>Adjustment</u>	<u>Amended Budget</u>
ASD	Facility Maintenance	40,000	15,000	55,000
ASD	IT Services/Supplies	150,000	40,000	190,000
GMO	Membership Dues	27,000	1,500	28,500
GMO	Professional Fees	185,100	(3,500)	181,600
GMO	Public Outreach	2,500	2,000	4,500
Total		<u>\$404,600</u>	<u>\$55,000</u>	<u>\$459,600</u>

EXHIBIT 12-E

**Monterey Peninsula Water Management District
Mid-Year Budget Adjustment-Project Expenditures
2019-2020**

<u>Division</u>		<u>Description</u>	<u>Original Budget</u>	<u>Adjustment</u>	<u>Amended Budget</u>
GMO	1-5-1	C. Operating Reserve (1,000 ac ft) PWM	2,000,000	200,000	2,200,000
GMO	1-9-1	Cal-Am Desal Project	250,000	(200,000)	50,000
GMO	1-14-1	Monterey Water System Acquisition Feasibility Study - Phase 2	400,000	800,000	1,200,000
ERD	2-1-1	A. Operate and maintain 4 well systems	10,000	(5,000)	5,000
ERD	2-1-1	B. Operate and maintain District project systems	15,000	(5,000)	10,000
ERD	2-1-2	1. Seed collection and propagation	5,000	(3,000)	2,000
ERD	2-1-2	B. Riparian corridor maintenance (projects/equipment)	3,000	(1,500)	1,500
ERD	2-1-4	Address Vegetation Hazards and Remove Trash	20,000	(14,000)	6,000
ERD	2-2-1	A. Work at lower San Carlos restoration project	30,000	(28,000)	2,000
ERD	2-3-4	C. Water Resources Assistants - Weekend Weir Operations	8,500	(8,500)	0
ERD	2-3-4	D. Fishereis Aides - 7-day Weir Operations	28,100	(28,100)	0
WRD	1-1-3	PWM/MPWSP Operations Model (CRBHM & SGBM)	50,000	(50,000)	0
WRD	1-2-1	c. Site expansion construction - (phase 2)	2,450,000	3,150,000	5,600,000
WRD	1-2-1	2 c Electrical power	150,000	150,000	300,000
WRD	1-2-1	2 f ASR 1 Rehabilitation	0	120,000	120,000
WRD	1-4-1	Water Rights Permits Fees	6,000	10,000	16,000
WRD	2-5-3	1. Miscellaneous equipment	10,000	(2,000)	8,000
WRD	2-5-3	3. Hydstra Time Series Software Annual Support	2,500	2,800	5,300
WRD	2-5-3	4. Hydstra consulting - report customization/website	6,000	(6,000)	0
WRD	2-5-3	5. Purchase cellular modems	5,000	(5,000)	0
WRD	2-5-3	6. Upgrade MPWMD Gaging Stations	10,000	10,000	20,000
WDD	4-2-2	E. Conservation & efficiency workshops/training	15,000	(5,000)	10,000
WDD	4-2-2	L. Pressure Reducing Valve Program	15,000	(15,000)	0
WDD	4-2-2	N. Conservation printed material	5,000	(4,000)	1,000
WDD	4-2-2	O. Rain Barrel Giveaway Program	5,000	(5,000)	0
WDD	4-2-3	C. Non-CAW (MPWMD funded)	25,000	(20,000)	5,000
WDD	4-2-3	E. DAC Turf Replacement	30,000	(30,000)	0
Total			<u>\$5,554,100</u>	<u>\$4,007,700</u>	<u>\$9,561,800</u>

EXHIBIT 12-F

Monterey Peninsula Water Management District Analysis of Reserves 2019-2020

Reserves	Projected Balance 6/30/2019	Actual Balance 6/30/2019	FY 2019-2020 Budget	Est. Balance 06/30/2020
Litigation/Insurance Reserve	250,000	250,000	0	\$250,000
Capital Equipment Reserve	532,000	532,000	21,000	\$553,000
Flood/Drought Reserve	328,944	328,944	0	\$328,944
Debt Reserve	221,656	222,098	0	\$222,098
Pension Reserve	100,000	100,000	100,000	\$200,000
OPEB Reserve	100,000	100,000	100,000	\$200,000
General Operating Reserve	12,397,965	15,482,297	(8,119,400)	\$7,362,897
Totals	<u>\$13,930,565</u>	<u>\$17,015,339</u>	<u>(\$7,898,400)</u>	<u>\$9,116,939</u>
Current Fiscal Year Use of Reserves			\$ (5,848,450)	
Current Fiscal Year Excess Revenue (per fund)			\$ 43,350	
Carry Forward Projects from Prior Year			(2,314,300)	
Net General Reserve for Current Fiscal Year			<u>\$ (8,119,400)</u>	

ITEM: PUBLIC HEARING**13. CONSIDER ADOPTION OF APRIL THROUGH JUNE 2020 QUARTERLY WATER SUPPLY STRATEGY AND BUDGET**

Meeting Date:	March 16, 2020	Budgeted:	N/A
From:	David J. Stoldt, General Manager	Program/ Line Item No.:	N/A
Prepared By:	Jonathan Lear	Cost Estimate:	N/A

General Counsel Review: N/A**Committee Recommendation:** N/A**CEQA Compliance:** Notice of Exemption, CEQA, Article 19, Section 15301 (Class 1)**ESA Compliance:** Consistent with the September 2001 and February 2009 Conservation Agreements between the National Marine Fisheries Service and California American Water to minimize take of listed steelhead in the Carmel River and Consistent with SWRCB WR Order Nos. 95-10, 98-04, 2002-0002, and 2016-0016.

SUMMARY: The Board will accept public comment and take action on the **April through June 2020** Quarterly Water Supply Strategy and Budget for California American Water's (CalAm's) Main and Satellite Water Distribution Systems (WDS), which are within the Monterey Peninsula Water Resources System (MPWRS). The proposed budgets, which are included as **Exhibits 13-A and 13-B**, show monthly production by source of supply that is required to meet projected customer demand in CalAm's Main and Laguna Seca Subarea systems, i.e., Ryan Ranch, Bishop, and Hidden Hills, during the **April through June 2020** period. The proposed strategy and budget is designed to maximize the long-term production potential and protect the environmental quality of the Seaside Groundwater and Carmel River Basins.

Exhibit 13-A shows the anticipated production by CalAm's Main system for each production source and the actual production values for the water year to date through the end of **February 2020**. Cal-Am's annual Main system production for Water Year (WY) 2020 will not exceed 10,130 acre-feet (AF). Sources available to meet customer demand are 1,820 AF from the Coastal Subareas of the Seaside Groundwater Basin as set by the Seaside Basin Adjudication Decision and 8,310 AF from the Carmel River as set by WRO 2016-16. Additional water projects and water rights available are an estimated 800 AF from ASR Phase 1 and 2 recovery, 300 AF from the Sand City Desalination Plant, and an average of 225 AF from CalAm's Table 13 water rights. Under Table 13 water rights, CalAm is allowed to produce water for in-basin uses when bypass flows are in excess of permit conditions. The schedule of production from the Carmel Valley Alluvial Aquifer is consistent with State Water Resources Control Board (SWRCB) Order Nos. 95-10, 98-04, 2002-0002, and 2016-0016. In compliance with WRO 2016-0016, any water diverted under these rights must be used to reduce unlawful diversion from the Carmel River Basin.

Exhibit 13-B shows the anticipated production by CalAm's Laguna Seca Subarea systems for

each production source, and the actual production values for WY 2019 to date through the end of February 2020. According to the Seaside Basin Adjudication Decision, CalAm's production has been reduced to 0 AF. It is recognized that CalAm will need to produce water to serve its customers and this table is produced as a ministerial component of tracking the implementation of the Adjudication Decision. CalAm has filed in the most recent general rate case with the California Public Utility Commission to intertie the main system and satellite systems to solve this issue.

RECOMMENDATION: The Board should receive public input, close the Public Hearing, and discuss the proposed quarterly water supply budget. District staff recommends adoption of the proposed budget. The budget is described in greater detail in **Exhibit 13-C, Quarterly Water Supply Strategy Report: April – June 2020**.

BACKGROUND: The Water Supply Strategy and Budget prescribes production within CalAm's Main and Laguna Seca Subarea systems and is developed on a quarterly schedule. Staff from the District, CalAm, the National Marine Fisheries Services (NMFS), State Water Resources Control Board's Division of Water Rights (SWRCB-DWR), and the California Department of Fish and Wildlife (CDFW) cooperatively develop this strategy to comply with regulatory requirements and maximize the environmental health of the resource system while meeting customer demand. To the greatest extent pumping in the Carmel Valley is minimized in the summer months and the Seaside wells are used to meet demand by recovering native water and banked Carmel River water. Also, it was agreed that CalAm will operate its wells in the Lower Carmel Valley in a downstream to upstream order.

If flows exceed 20 cfs at the District's Don Juan Gage, CalAm is allowed to produce from its Upper Carmel Valley Wells, which are used to supply water for injection into the Seaside Groundwater Basin. The permitted diversion season for ASR is between December 1 and May 31. Diversions to storage for ASR will be initiated whenever flows in the river are above permit threshold values. For planning purposes, the QWB group schedules diversions to ASR storage based on operational days that would occur in an average streamflow year. CalAm may also divert under Table 13 Water Rights for in-basin use within Carmel Valley when flows are adequate. This schedule is estimated with average year streamflow conditions and daily demand for Carmel Valley. There is also a projected goal of producing 25 AF of treated brackish groundwater from the Sand City Desalination Plant in each of these three months.

Rule 101, Section B of the District Rules and Regulations requires that a Public Hearing be held at the time of determination of the District water supply management strategy. Adoption of the quarterly water supply strategy and budget is categorically exempt from the California Environmental Quality Act (CEQA) requirements as per Article 19, Section 15301 (Class 1). A Notice of Exemption will be filed with the Monterey County Clerk's office, pending Board action on this item.

EXHIBITS

13-A Quarterly Water Supply Strategy and Budget for Cal-Am Main System: January – March 2020

13-B Quarterly Water Supply Strategy and Budget Report: January – March 2020

13-C Staff Note from the February 5, 2020 Seaside Watermaster Board Meeting

EXHIBIT 13-A

California American Water Main Distribution System
Quarterly Water Supply Strategy and Budget: April - June 2020
Proposed Production Targets by Source and Projected Use in Acre-Feet

SOURCE/USE	MONTH			YEAR-TO-DATE		
	Apr-20	May-20	Jun-20	Oct-19 to Feb-20	% of YTD	% of Annual Budget
Source						
	Low Flow Trigger					
Carmel Valley Aquifer						
Upper Subunits	0	0	0	497		
Lower Subunits	835	697	665	2,089	83%	35%
ASR Diversion	0	0	0	418		
Table 13 Diversion (Service)	0	0	0	88		
Total	835	697	665	3,091		
Total to count against CDO	835	697	665			
Seaside Groundwater Basin						
Coastal Subareas	100	350	380	890	89%	49%
ASR Recovery	0	0	0	0		
Sand City Desalination	25	25	25	37	30%	12%
Pure Water Monterey	0	0	0	0		
Total	125	375	405	928		
Use						
Customer Service	960	1,072	1,070	3,513	92%	35%
Table 13 In Basin use	0	0	0			
ASR Injection	0	0	0	418		
Total	960	1,072	1,070			

Notes:

- The annual budget period corresponds to the Water Year, which begins on October 1 and ends on September 30 of the following Calendar Year.
- Total monthly production for "Customer Service" in CAW's main system was calculated by multiplying total annual production (10,130 AF) times the average percentage of annual production for April, May, and June (8.2%, 9.0%, and 8.9%, respectively). According to District Rule 160, the annual production total was based on the assumption that production from the Coastal Subareas of the Seaside Groundwater Basin would not exceed 1,820 AF and production from Carmel River sources, without adjustments for water produced from water resources projects, would not exceed 8,310 AF in WY 2019. The average production percentages were based on monthly data for customer service from WY 2013 to 2015.
- Maximum daily diversion values for ASR are based on an average diversion rate of approximately 18.5 AF per day from CAW's sources in the Carmel River Basin. Total monthly production is estimated by multiplying the maximum daily production by operational days per month for "Above Average" flow conditions at the Sleepy Hollow Weir.
- The production targets for CAW's wells in the Seaside Coastal Subareas are based on the assumption that sufficient flow will occur in the Carmel River at the targeted levels, to support ASR injection. It is planned that Coastal Subarea pumping will not occur, or will be proportionally reduced, if ASR injection does not occur at targeted levels.
- The production targets for CAW's wells in the Seaside Coastal Subareas are based on the need for CAW to produce its full Standard Allocation to be in compliance with SWRCB WRO No. 2016-0016.
- It should be noted that monthly totals for Carmel Valley Aquifer sources may be different than those shown in MPWMD Rule 160, Table XV-3. These differences result from monthly target adjustments needed to be consistent with SWRCB WRO 98-04, which describes how Cal-Am Seaside Wellfield is to be used to offset production in Carmel Valley during low-flow periods. Adjustments are also made to the Quarterly Budgets to ensure that compliance is achieved on an annual basis with MPWMD Rule 160 totals.
- Table 13 values reflect source/use estimates based on SWRCB Permit 21330, which allows diversions from the CVA for "In Basin use" (3.25 AFD) when flows in the River exceed threshold values. In accordance with Water Rights Permits 21330 and CDO2009-0060, water produced and consumed under this right is subtracted from the CVA annual base amount. Actual values will be dependant on the number of days flows exceed minimum daily instream flow requirements.

EXHIBIT 13-B

Quarterly Water Supply Strategy and Budget Report California American Water Main Water Distribution System: April – June 2020

1. Management Objectives

The Monterey Peninsula Water Management District (District) desires to maximize the long-term production potential and protect the environmental quality of the Carmel River and Seaside Groundwater Basins. In addition, the District desires to maximize the amount of water that can be diverted from the Carmel River Basin and injected into the Seaside Groundwater Basin while complying with the instream flow requirements recommended by the National Marine Fisheries Service (NMFS) to protect the Carmel River steelhead population. To accomplish these goals, a water supply strategy and budget for production within California American Water's (CalAm's) Main and Laguna Seca Subarea water distribution systems is reviewed quarterly to determine the optimal strategy for operations, given the current hydrologic and system conditions, and legal constraints on the sources and amounts of water to be produced.

2. Quarterly Water Supply Strategy: April - June 2020

On March 5, 2020 staff from the District, CalAm, the National Marine Fisheries Services (NMFS), State Water Resources Control Board's Division of Water Rights (SWRCB-DWR), and the California Department of Fish and Wildlife (CDFW) met and discussed the proposed water supply strategy and related topics for upcoming quarter.

Carmel River Basin CalAm will operate its wells in the Lower Carmel Valley in a downstream to upstream sequence, as needed to meet customer demand. It was recognized by the group that WY 2020 began as if it was going to be another wet year, but the dry February and lower than average prediction from NOAA Weather Services had changed the water year type. The River dropped below flow triggers for diversion of ASR and Table 13 on January 20 and with the dry forecast additional ASR injection will likely not occur. For this quarterly water budget, it was agreed that CalAm would plan to produce water from the wells in the Upper Carmel Valley to support system demand will only occur when the river is out of the "Low Flow" regime. It was assumed that the low flow trigger would be met at some point during this quarter and without knowing if more rainfall would push the trigger into June, the group decided to assume the trigger would happen in May 2020. The group will be watching streamflow and when the low flow trigger occurs, to the maximum extent, pumping will be shifted away from the river wells and the Seaside well field will be used to meet system demand in the summer months. Any new sources of water reduce the water available to be pumped from the river on a one to one basis consistent with SBO 2016-0016.

Seaside Groundwater Basin Because flows in the Carmel River have fallen below values required for ASR diversions, CalAm has shut down wells in the Seaside basin to save Native Seaside Groundwater for summer months. Some of the Seaside wells are run during ASR

diversions to maintain pressures and meet some Seaside demand. CalAm will continue to rest the Seaside wells until the low flow trigger occurs. At that time, the Seaside wells will be utilized to recover Seaside Native Groundwater for this quarter of the water year. There is a possibility the Pure Water Monterey (PWM) will have built up the operational reserve, which is required to occur prior to extraction of PWM water. If the requirement to build up the PWM operational reserve is met, CalAm will begin to recover a mixture of Seaside Native Groundwater and PWM water. There is also a goal to produce 25 AF of treated brackish groundwater from the Sand City Desalination Plant in each of these three months.

It is recognized that, based on recent historical use, CalAm's production from the Laguna Seca Subarea during this period cannot be reduced to zero, as is set by CalAm's allocation specified in the Seaside Basin Adjudication Decision. In this context, the production targets represent the maximum monthly production that should occur so that CalAm remains within its adjudicated allocation for the Laguna Seca Subarea. Under the amended Seaside Basin Decision, CalAm is allowed to use production savings in the Coastal Subareas to offset over-production in the Laguna Seca Subarea. However, the quarterly budget was developed so that CalAm would produce all native groundwater in the Coastal Subareas and Laguna Seca production would be over the Adjudication allotment. On February 5, 2020 the Seaside Groundwater Basin Watermaster Board voted to allow CalAm to claim carryover credits to cover the pumping over the Laguna Seca allotment in the interim prior to establishing a physical solution. Because of this decision, the Quarterly Water Budget Group decided that the table presenting the Laguna Seca allotment of zero would no longer be necessary as the Watermaster is now planning to handle the pumping over allotment with a different mechanism. The staff note from the Watermaster Board meeting is included as **Exhibit 13-C**.

SEASIDE GROUNDWATER BASIN WATERMASTER

TO: Board of Directors

FROM: Robert S. Jaques, Technical Program Manager

DATE: February 5, 2020

SUBJECT: Request from California American Water for Discussion of Issues Pertaining to Potential Moratorium of New/Expanded Service in the Laguna Seca Subarea (LSSA)

RECOMMENDATIONS:

Make the following findings:

- (1) the Decision provides for Producers to over pump their allocations by levying a Replenishment Assessment on the amount of such over pumping;
- (2) California American Water is allowed by the Decision to over pump its allocation basin-wide, subject to a Replenishment Assessment, with no differentiation as to production in the LSSA versus the other subareas;
- (3) the Watermaster does not identify any adverse impacts associated with California American Water's planned schedule for phasing out its pumping from the LSSA, and therefore does not object to it; and
- (4) the Watermaster recognizes that California American Water's continued pumping from the LSSA at current rates until the interties to California American Water's Main System are constructed is an interim condition that would not necessitate imposing a moratorium on new or expanded service in the LSSA

BACKGROUND:

Based on input from Monterey Peninsula Water Management District, California American Water requested that the Watermaster determine whether or not the Adjudication Decision (the Decision) provides for California American Water to over pump its Laguna Seca Subarea (LSSA) allocation and not be in violation of the Decision, and whether such over pumping would cause any harm to the Basin. This request is the result of California American Water's initial belief that its pumping allocation in the LSSA had fallen to zero after the triennial ramp-downs in pumping were implemented. Under California American Water's belief, it felt it needed to take whatever steps it could in order to minimize its LSSA pumping while still serving its customers in that area. Consequently, California American Water filed an application with the California Public Utilities Commission (PUC) for authorization to implement a moratorium on new or expanded service connections for users served by California American Water's LSSA wells.

The TAC discussed this topic at its January 8, 2020 meeting, and that discussion is summarized below.

DISCUSSION

At the January 8 TAC meeting Mr. O'Halloran of California American Water explained that California American Water's intention in proposing a moratorium resulted from their understanding that they had no further pumping allocation available to them in the Laguna Seca Subarea. He went on to say that California American Water is working toward construction of an intertie to serve its Ryan Ranch and Bishop Units from California American Water's Main System. California American Water anticipates that this intertie will be completed in the fall of 2020. The Hidden Hills Unit (which is served by California American Water's Bay Ridge well) would continue to be served by pumping from the Laguna Seca Subarea.

Principle points made during the TAC's discussion of this topic included:

- California American Water's objective is to avoid having a moratorium, if it will not be in violation of the Decision and if no harm to the Basin will occur by not having a moratorium.
- California American Water confirmed that after the intertie to serve the Ryan Ranch and Bishop Units from its Main System is constructed, the Hidden Hills unit would continue to be served by pumping from California American Water's Bay Ridge Well in the LSSA.
- A few years from now, California American Water plans to construct a separate intertie to serve the Hidden Hills unit from its Main System. After both interties are completed, California American Water would completely discontinue pumping from the Laguna Seca subarea.
- The Adjudication Decision provides for producers to overpump their allocations by subjecting them to Replenishment Assessment charges.
- California American Water's request involves some issues of interpretation of the Adjudication Decision, as well as some technical issues. The TAC should weigh-in on the technical issues and defer to the Board on issues involving interpretation of the Adjudication Decision.
- The technical issues pertain to what adverse impacts, if any, will result from deferring until the fall of 2020 California American Water's cessation of the majority of its LSSA pumping, with California American Water's LSSA pumping thereafter only to serve its Hidden Hills Unit until the intertie to serve the Hidden Hills Unit is constructed.

Watermaster Staff Input (jointly from the Administrative Officer and the Technical Program Manager):

- The Adjudication Decision (Decision) makes no mention of moratoriums. Thus, California American Water imposing a moratorium on Laguna Seca Subarea (LSSA) wells is not inconsistent with the Decision, and in so doing would be at the sole discretion of California American Water.
- The Decision specifies allocation quantities for producers in the Coastal Subareas (Northern and Southern) and the LSSA, however, annual replenishment assessments and carryover are not calculated on a subarea-by-subarea basis, but basin-wide as established by the court and legal counsels at the inception of the Watermaster in 2006. The reason that these calculations are done on a basin-wide basis is due to the anomalies in the Decision which are described in the attachment.
- This means that California American Water is allowed by the Decision to over pump its allocation basin-wide, subject to a Replenishment Assessment, with no differentiation as to production in the LSSA versus the other subareas.

The TAC unanimously approved a motion stating that:

- (1) the TAC does not identify any adverse impacts associated with California American Water's planned schedule for phasing out its pumping from the LSSA, and therefore does not see any reason to object to it from a technical basis, and
- (2) the TAC recognizes that continued pumping at current rates until the interties to California American Water's Main System are constructed is an interim condition that would not necessitate imposing a moratorium on new or expanded service in the LSSA.

ATTACHMENTS:

Brief description of Anomalies in the Decision which pertain to how replenishment assessments are calculated

Anomalies in the Decision

(Note: This Attachment contains excerpts from a March 18, 2019 Memorandum that was presented to the Board at its June 5, 2019 meeting and which is contained in Attachment 10 of the Watermaster's 2019 Annual Report)

The Adjudication Decision which created the Watermaster breaks the Seaside Basin down into these four subareas:

- Northern Coastal Subarea
- Southern Coastal Subarea
- Northern Inland Subarea
- Laguna Seca Subarea

The Decision used the Natural Safe Yield (NSY) approach to establish the total quantity of water that Producers may ultimately pump from the Basin on an ongoing basis. These are referred to as their long-term Operating Yields (OYs). The Decision laid out how the long-term OYs are to be allocated amongst the various Producers. Under the NSY approach used in the Decision, Alternative Producers have first rights to the NSY, and Standard Producers share in the amount of NSY remaining after the Alternative Producer allocations have been made. The 5,600 AFY Basinwide initial OY consisted of an OY of 4,611 AFY for the Coastal Subareas and an OY of 989 AFY for the Laguna Seca Subarea.

Section III.A.17 of the Decision states that for the Basin as a whole the NSY is between 2,581 and 2,913 AFY, that for the Coastal Subarea the NSY is between 1,973 and 2,305 AFY, and that for the Laguna Seca Subarea the NSY is 608 AFY.

However, Section III.A.20 of the Decision states that the initially assumed Basinwide NSY is 3,000 AFY. In the range of values stated in the Decision for the Coastal Subarea (1,973 to 2,305 AFY), if the upper value of 2,305 AFY is added to the 608 AFY for the Laguna Seca Subarea, the resultant NSY is only 2,913 AFY for these two Subareas. This is slightly less than the Basinwide NSY of 3,000 AFY cited in Section III.A.20. This is an anomaly in the Decision.

Because of this anomaly the Watermaster has, ever since its inception, assumed that the intent of the Decision was to set the Basinwide NSY at 3,000 AFY, and that the ranges of values for NSY cited in Section III.A.17 were simply to provide background information. Consequently, allocations and replenishment assessments for over production have always been calculated on the Basin as a whole, and not on a subarea-by-subarea basis.

ITEM: ACTION ITEM**14. CONSIDER APPROVAL FOR GRANT FUNDING FOR HASTINGS RESERVATION FORD REPLACEMENT ON FINCH CREEK**

Meeting Date:	March 16, 2020	Budgeted:	Yes
From:	David J. Stoldt General Manager	Program/ Line Item No.:	ERD/Fisheries 2-3-9
Prepared By:	Beverly Chaney	Cost Estimate:	\$100,000

General Counsel Approval: N/A

Committee Recommendation: The Water Supply Planning Committee reviewed this item twice: once on March 28, 2019 and a second time on February 5, 2020 and recommended approval. Administrative Committee reviewed this item on February 13, 2020 and recommended talking to Monterey County to try to secure a different funding source for the project.

CEQA Compliance: This grant is exempt as defined by the California Environmental Quality Act Guidelines section 15301(i). Project permitting will be handled by UCB.

SUMMARY: Finch Creek, in upper Carmel Valley, is the primary tributary to Cachagua Creek, and is potentially one of the most productive, highest habitat value creeks downstream of Los Padres Dam. In normal and above water years, much of Finch Creek remains wetted, allowing steelhead to survive the summer and contribute to the overall success of the Carmel River watershed's steelhead population.

In 2014, the District identified the wet stream crossing (ford) at UC Berkeley's (UCB) Hastings Natural History Reservation on Finch Creek was identified as the 6th worst steelhead barrier in the District's 2014 Steelhead Barrier Assessment Report, which was funded through a District IRWM grant. Removal of this barrier would allow unrestricted passage to an additional 3.5 miles of quality stream habitat in wet years.

This project was considered at the February Water Supply Committee and was approved 3-0. The Administrative Committee had two primary concerns with the project: 1) the project location is outside District boundaries, and 2) they wanted to see if Monterey County could help fund it. The item was pulled from the regular board meeting agenda until staff could address the two issues.

The Administrative Committee requested that staff seek funding from Monterey County for the project. Sarah Hardgrave, Assistant to Supervisor Mary Adams, reached out to District staff regarding the county funding. No source of county funds is currently available. The concept of applying for a Monterey County Fish and Wildlife Commission grant was researched, but funding is not currently available, and the size of the grants is considerably smaller than what is needed to fund this project.

RECOMMENDATION: Authorize the General Manager to approve the grant to the Regents of the University of California, Berkeley campus, for the work related to the replacement of the Finch Creek Ford at the Hastings Natural History Reservation for a not-to-exceed amount of \$100,000.

IMPACT TO STAFF/RESOURCES: Funds for this project are included in the FY 2019-2020 budget under “Aquatic Resources Fisheries” line item 2-3-9 Ford Removal @ Hastings Reservation”, Account 24-04-785870, \$100,000.

DISCUSSION: While this site is just outside the District boundary, it is in the Carmel River Watershed and thus plays an important role in the success of the Carmel River steelhead population as both adults and juvenile steelhead migrate between Finch Creek and the greater Carmel River and Carmel Valley. Successful spawning in Finch Creek translates to a greater population of steelhead in the entire watershed. Other projects outside our boundaries that benefited the overall watershed have been funded in the past.

The District was awarded a large Department of Water Resources grant in 2010 to oversee the Proposition 84 Integrated Regional Water Management (IRWM) Plan, a multi-project, multi-agency endeavor that looked at a number of projects both inside and outside District boundaries. Assessment of Steelhead Passage Barriers in the Carmel River Watershed was part of the IRWM (IRWM Project 3). The ford at the Hastings Reservation was identified as one of the worst barriers in the four Carmel River tributaries studied and removal and replacement of the ford was recommended by District fisheries staff. Other identified barriers in the watershed are also in the process of being removed. Funding for these projects has come from various sources that are no longer available.

The concept of a partnership between the District, UCB/ Hastings Reserve, and the State Coastal Conservancy (SCC) to fund the planning, permitting and construction of a replacement crossing on Finch Creek was conceived in 2019 and is still the best option for moving forward. By the end of 2019 both UCB and the SCC were ready to move forward with the project. They need the grant money from the District to stay on-track this spring with the planning and permitting stage. Construction is planned for fall of 2020 with possible project completion by the end of this year.

EXHIBIT

14-A Proposal from Regents University of California, Hastings Reservation, Finch Creek Ford Replacement Grant Request dated December 19, 2019

EXHIBIT 14-A**Sponsored Projects Office**

University of California, Berkeley
1608 Fourth St, Suite 200
Berkeley, CA 94710



Principal Investigator: Jennifer Hunter

Sponsor: Monterey Peninsula Water Management District

Title: Finch Creek Ford Replacement - Planning

Reference: Phoebe 24175

Please accept the enclosed proposal submitted on behalf of The Regents of the University of California, Berkeley campus. Should this proposal be selected for funding, the award documents should be issued using the information provided below.

Endorsed for the Regents by:

12/19/19

Jessie Brown
Contract and Grant Officer
Sponsored Projects Office

If you have any questions or need additional information regarding this proposal, please contact:

Jessie Brown
Contract and Grant Officer
Phone: (510) 642-8120
Email: jwbrown@berkeley.edu

<p>AWARDS SHOULD BE MADE TO:</p> <p>The Regents of the University of California</p> <p>c/o Sponsored Projects Office University of California, Berkeley 1608 Fourth Street Berkeley, CA 94710</p> <p>email address for electronics awards: spoawards@berkeley.edu</p> <p>Main Office: (510) 642-0120 Fax: (510) 642-8236 Website: http://spo.berkeley.edu</p>	<p>CHECKS SHOULD BE MADE PAYABLE TO:</p> <p>The Regents of the University of California</p> <p>CHECKS SHOULD BE SENT TO:</p> <p>Contracts & Grants Accounting attn: Elizabeth Chavez, Interim CGA Director University of California, Berkeley 2195 Hearst Avenue, Room 130F Berkeley, CA 94720-1103 Telephone: (510) 642-1371 Fax: (510) 643-7628 email: cgaawards@berkeley.edu</p>
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PROJECT NARRATIVE

The Hasting Natural History Reservation is located in the upper Carmel River Valley. Hastings has been a biological field station of UC Berkeley since 1937, and is one of the oldest field stations in the world. Hastings has been the site of hundreds of research studies documenting biological processes, geology and the cultural history of our region. The reserve is 2,500 acres in size and includes oak woodlands, chaparral and hardwood forest habitats.

Hastings also has three creeks that flow through the reserve, fed from a 22 mi² watershed. (Figure 1). While all three are considered to be seasonal creeks, the largest, Finch Creek, a tributary of Cachagua Creek, periodically flows year-round. In 1988 the University purchased a 2 acre parcel adjacent to the reserve at 38501 E. Carmel Valley Rd. to house the incoming Hastings Reserve director. This parcel included a low concrete ford crossing Finch Creek. In 1995 the ford was inundated and undercut during a flood. It was reinforced in 1996 with additional concrete and stone to protect existing utility lines and to maintain the structural integrity of the crossing. Since this time there has been significant sediment deposition upstream of the ford, and channel incision downstream of the ford has created a 6' plunge pool.

During high flows Finch Creek flows over the ford, and during low flows the creek runs through four small (10"-12") culverts imbedded in the concrete under the surface of the ford. Threatened Central California coast steelhead migrate from the ocean to spawning grounds in Finch Creek annually and during the late winter months large fish are regularly seen moving through the creek. During periods of high flow the ford is considered a "partial barrier" because adult steelhead are able to pass over the ford, however during low-flow conditions the ford becomes a complete barrier to fish migration (Figure 2).

An assessment by the Monterey Peninsula Water Management District in 2014 identified the Finch Creek ford as the 6th most significant barrier to steelhead passage in four of the major tributaries of the Carmel River watershed. Nearly four miles of excellent spawning and rearing habitat exist upstream of the ford. Since this time other fish passage barriers have been improved or replaced, while the Finch Creek ford remains a major impediment to steelhead migration in the upper watershed. The District and the Carmel River Steelhead Association (CRSA) perform annual rescues of young-of-the-year and juvenile steelhead in the Cachagua Creek watershed in late spring, before seasonal drying. This year the CRSA rescued over 2,600 fish from four sites along Finch Creek, including ~ 1,400 fish upstream of the ford.

The proposed project will begin the process of replacing the Finch Creek crossing to ensure that fish passage to the upper Carmel River watershed can be maintained, in both high- and low-flow years. We are acquiring funds for the planning and engineering phase of the Finch Creek Ford Replacement Project. We propose to engage a contractor to evaluate the geotechnical, hydrological and hydraulic aspects of replacing the current ford with a vehicular bridge that will facilitate passage by steelhead and other aquatic species; as well as, restore normal hydrological processes. The contractor will be responsible for providing 65% plans, submitting these plans to the appropriate agencies for permits, in coordination with UC Berkeley's department of Capital Projects. The contractor will ultimately provide 100% plans, after incorporating input from the

permit agencies and other project stakeholders. The State Coastal Conservancy (SCC) and Trout Unlimited have pledged staff support to assist the University as necessary.

The proposed grant would be instrumental in allowing us to remove of the ford. Hastings does not receive significant financial support from UC Berkeley. Each year we receive a small stipend to help offset operational costs, which translates to less than 10% of our annual budget. The remainder of our costs are paid from user fees and charitable donations. In most years, Hastings operates on a deficit, relying on endowment funds, and periodic large gifts to sustain reserve operations. Hastings has only two employees, and unlike on-campus resources, we are responsible for maintaining all of our facilities, vehicles and communications infrastructure. In the absence of grant funds, we will not have the resources to remove the ford. At present we have the support of the SCC, which administers a settlement fund set up to offset California American Water's excessive diversions from the Carmel River. Subsequent to the planning phase, SCC staff will seek board approval to grant UC Berkeley the balance of funds needed for the construction phase of the project.

BROADER IMPACTS

The ford replacement will not only rectify a piece of failing infrastructure and improve spawning habitat for a imperiled species, but will also provide a unique study and research opportunity for students ranging from elementary to university graduate student level. The mission of the Hastings Reserve is to provide opportunities for research and education. Each year Hastings hosts hundreds of K-12 students, undergraduate courses, and graduate student retreats. These groups regularly inquire about the potential to be involved in data collection for on-going research projects, in order to learn new survey and monitoring techniques. However, current research at Hastings, provides few opportunities to involve visiting students.

The replacement of the ford on Finch Creek will have consequences for aquatic communities up- and downstream of the ford, and will significantly change the hydrology of the stream. We will work with researchers at UC Berkeley to develop a rapid-assessment monitoring protocol, beginning winter/spring 2020 to establish baseline flow and aquatic food web distribution. This effort will include surveying the following: 1. channel geometry, 2. sediment characteristics, 3. large woody debris, 4. the benthic macroinvertebrate community, 5. juvenile steelhead, 6. invasive species and 7. riparian vegetation. These protocols will be provided to visiting student groups to involve student-scientists in our ongoing monitoring work. Additionally, we will train a cohort of interns to help with supervision and survey planning.

We will also work with NOAA fisheries and UC Berkeley scientists to develop an antenna array to allow us to monitor the passage of tagged steelhead below the proposed vehicle bridge. In summer, 2019 NOAA deployed 73 PIT tags in young steelhead upstream of the ford, allowing mark-recapture opportunities in Finch Creek and beyond. It is our hope that steelhead monitoring in Finch Creek will augment other long-term aquatic monitoring programs throughout the watershed and provide additional information about migration timing, and population dynamics of steelhead in the upper watershed.

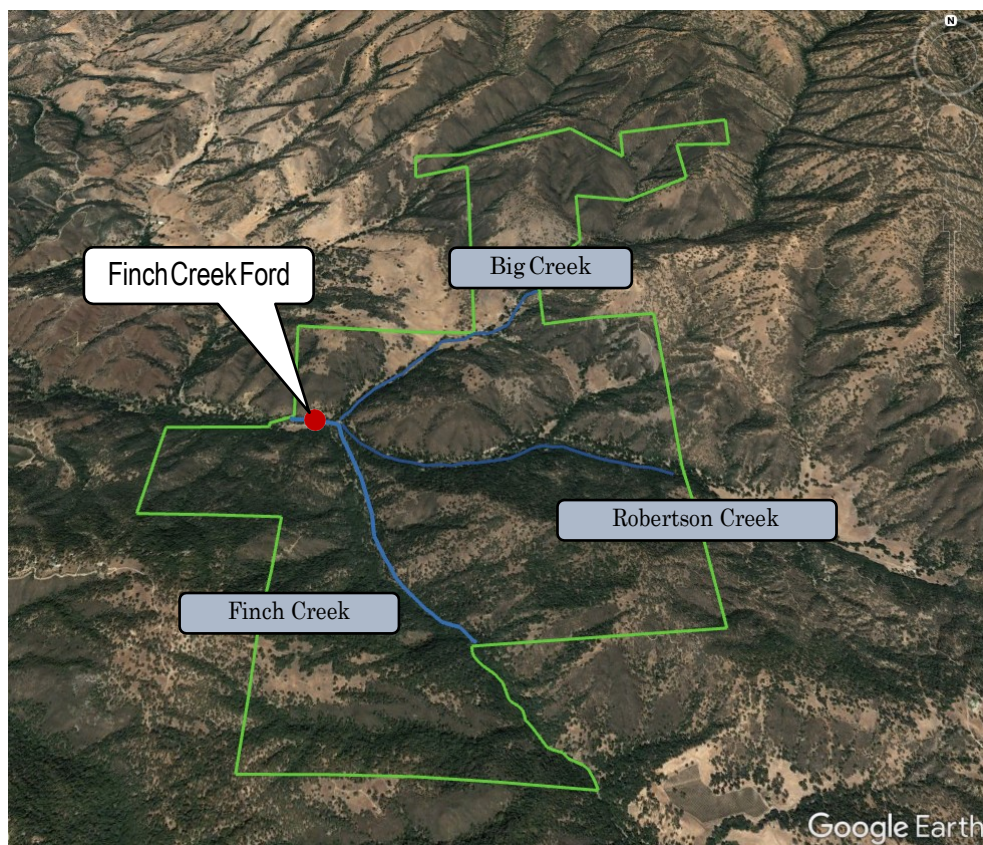


Figure 1. Hastings Reserve boundaries, with creeks. The Finch Creek ford is located near the entrance of the reserve (36.3788024, -121.5664295).

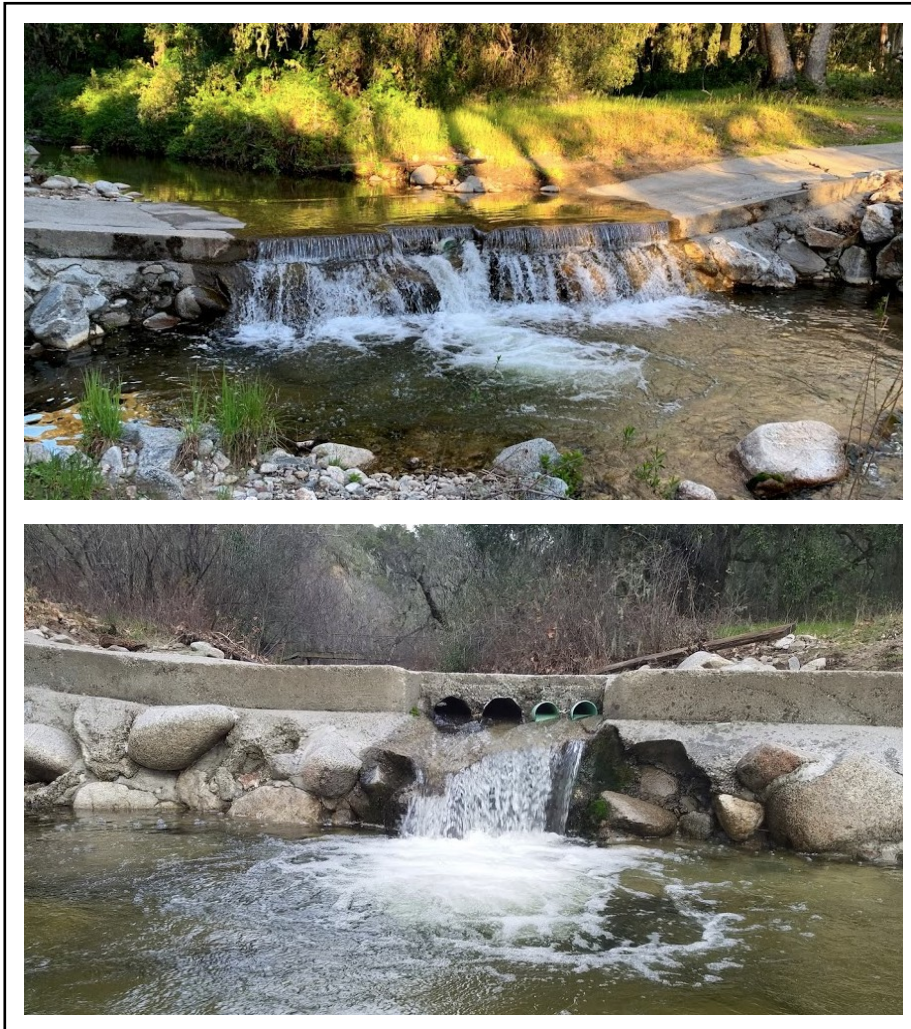


Figure 2: Finch Creek ford during high and low flows.

PHOEBE #:	24175	Federal	N	PERIOD 1	PERIOD 1	TOTAL	14
Principal Investigator:	Jennifer Hunter	NIH Cap	N	Direct:	100,000	02-01-2020	02-01-2020
RFP/Solicitation:	N/A - emailed solicitation	Proj. Periods		Indirect:	-	12-31-2021	12-31-2021
TOTAL BUDGET:	\$100,000	2 Years		Total:	100,000	23.0 Months	23.0 Months
OTHER THAN PERSONNEL	Description	CS IDC INF		Amount	Total	Total	
OTHER COSTS: Other:	Contractors/Suppliers	N	0%	100,000	100,000	100,000	
SUBTOTAL: OTHER COSTS		UC-Berkeley			100,000	100,000	
TOTAL DIRECT COSTS		UC-Berkeley			100,000	100,000	
IDC #1 - NONE		UC-Berkeley	0.0%	-	-	-	
TOTAL COSTS		UC-Berkeley			100,000	100,000	
DIRECT COSTS (NIH)	Direct Costs minus Subcontract F&A):				100,000		100,000

DHHS Cost Allocation Services, Arif M. Karim, 415-437-7820

BUDGET JUSTIFICATION

Other Direct Costs

Contractors/Suppliers: We are requesting \$100,000 to engaging an environmental consulting firm. This contractor will perform necessary geotechnical, hydraulic and hydrologic analyses, and generate a design for a new vehicular bridge or culvert. This new crossing will meet County of Monterey design standards and provide for improved fish passage conditions in accordance with design guidance provided by NOAA Fisheries and the California Department of Fish and Wildlife. The contractor will be responsible for providing at least 65% plans, submitting these plans to the appropriate agencies for permits, and ultimately providing 100% plans, after incorporating input from the permit agencies and other project stakeholders.

Any grant funds remaining after the planning phase is completed will be used for project construction costs.

Indirect Cost Rate

The Monterey Peninsula Water Management District does not allow for indirect costs.

Jennifer S. Hunter

Hastings Natural History Reservation
 University of California, Berkeley
 38601 E. Carmel Valley Rd
 Carmel Valley, CA 93924
 email: jshunter@berkeley.edu
 tel: (831) 659-2664

EDUCATION

- | | |
|---------------------------------|---|
| Ph.D. in Ecology (2008) | University of California, Davis
Dissertation: Adaptations to intraguild competition in mesocarnivores.
Advisor: Tim Caro |
| B.S. in Wildlife Science (2002) | University of Washington
Thesis: Spatial movement in black and white ruffed lemurs (<i>Vareica variegata</i>)
Advisor: Steve West |

PROFESSIONAL APPOINTMENTS

Resident Director	Hastings Natural History Reservation	2018-Present
	University of California, Berkeley	
Associate Specialist	University of California, Berkeley	2017-2018
Project Leader	Panthera	2015-2018
Academic Coordinator	University of California, Berkeley	2014-2017
Research Analyst	Monterey Bay Aquarium	2012-2015
Stewardship Volunteer	Audubon California	2009-2010
Graduate Student Researcher	University of California, Davis	2008-2009
Graduate Student Researcher	University of California, Davis	2004
Field Instructor	State University of New York	2002-2004, 2006

RESEARCH EXPERIENCE

2015-2018	East Bay Mountain Lion Project: Mountain lion ecology and human-wildlife conflict in a highly fragmented landscape
2006-2008	Predator response to aposematic signaling by striped skunks
2004-2007	Antipredator behavior of cheetahs in Serengeti National Park
2002-2005	Affiliative and agonistic interactions between semi-free ranging coastal bottlenose dolphins
2000	Spatial associations and vocalizations in groups of black and white ruffed lemurs
1999	Interspecific avoidance by Namibian carnivores

PEER-REVIEWED PUBLICATIONS

Smith J, **Hunter J**, Gaynor K, Keller C, Palmer M, Suraci J, Atkins J, Castañeda I, Cherry M, Garvey P, Huebner S, Morin D, Teckentrup L, Weterings M, Beaudrot L. *In review*. Snapshots across scales: camera traps provide new insights into predator-prey ecology. *Frontiers in Ecology and the Environment*.

Bidder O, di Virgilio A, **Hunter J**, McInturff A, Gaynor K, Smith A, Rossell F. *Accepted*. A novel approach for studying canid scent marking: leveraging advances in data science and biologging techniques. *Scientific Reports*.

Hunter J.S. 2015. King mackerel & Spanish mackerel: U.S. Atlantic, U.S. Gulf of Mexico. Monterey Bay Aquarium Seafood Watch Program. 63pp.

Hunter JS. 2014. Cobia: US Wild-caught. Monterey Bay Aquarium Seafood Watch Program. 62pp.

Hunter JS. 2013. Mahi mahi and Wahoo: US troll fishery. Monterey Bay Aquarium Seafood Watch Program. 42pp.

Hunter JS. 2013. Mahi mahi: Ecuador, Peru and Costa Rica. Monterey Bay Aquarium Seafood Watch Program. 49pp.

Caro T, Stankowich T, Kiffner C, **Hunter J.** 2013. Are spotted skunks conspicuous or cryptic? *Ethology, Ecology & Evolution* 25:144-160.

Hunter JS. 2009. Familiarity breeds contempt: Effects of striped skunk color, shape and abundance on wild carnivore behavior. *Behavioral Ecology* 20: 1315-1322

Hunter JS, Caro TM. 2008. Patterns of interspecific competition in American carnivore families. *Ethology, Ecology and Evolution* 20: 295-324. (Invited article)

Sergio F, Caro TM, Brown D, Clucas B, **Hunter JS**, Ketchum J, McHugh K, Hiraldo F. 2008. Top predators as conservation tools: ecological rationale, assumptions and efficacy. *Annual Review of Ecology, Evolution and Systematics* 39: 1-19

Hunter JS, Durant SM, Caro TM. 2007. Factors affecting scavenger arrival at carcasses in Serengeti National Park. *African Journal of Ecology* 45: 275-281.

Hunter JS, Durant SM, Caro TM. 2007. To flee or not to flee: Scavenger avoidance by cheetahs at kills. *Behavioral Ecology and Sociobiology* 61: 1033-1042.

Hunter JS. 2002. Sex differences in vertical ranging in black and white ruffed lemurs (*Varecia variegata*) in Ranomafana National Park, Madagascar. *American Journal of Primatology* 57 (S1): 30.

SELECT PRESENTATIONS

The Hastings Reserve. 2019. School of Natural Science Seminar Series. Cal State Monterey Bay. Seaside, CA

The Hastings Reserve. 2019. Camel Valley Public Library. Carmel Valley, CA

Skunk's Life. 2019. Monterey County Regional Park District. Camel-by-the-Sea, CA

The Hastings Reserve. 2018. Carmel Foundation, Carmel-by-the-Sea, CA

Skunk's Life. 2018. Oakland 4H Club Seminar, Oakland, CA

Skunks: The Most Interesting Animals in the World. 2018. Wild St. Helena Seminar Series, Napa, CA.

Skunks! 2017. Wild Napa Seminar Series, Napa, CA.

East Bay Mountain Lion Project. 2017. East Bay Regional Park District Stewardship Meeting, San Leandro, CA.

King mackerel, Spanish mackerel. 2015. Monterey Bay Aquarium Seafood Watch Program, Monterey, CA.

Cobia. 2014. Monterey Bay Aquarium Seafood Watch Program, Monterey, CA.

Mahi mahi, wahoo. 2013. Monterey Bay Aquarium Seafood Watch Program, Monterey, CA.

Carnivore avoidance of striped skunks. 2009. Sierra Nevada Aquatic Research Laboratory Seminar Series. Mammoth Lakes, CA.

TEACHING EXPERIENCE

University of California, Berkeley

Research in Trail Design (independent study). Course Instructor 2019

State University of New York

Tropical Marine Ecology (Field Course). Field Instructor 2002-2004, 2006.

Field Methods (Field Course). Field Instructor. 2002-2004, 2006.

University of California, Davis

Behavioral Ecology (WFC 141). Invited Speaker (Warning signals and aposematism). 2008.

Principles of Environmental Science (ESP 110). Invited Speaker (Conserving carnivore habitat). 2007.

HONORS AND FELLOWSHIPS

Biodiversity and Ecosystem Services Training Network Fellow, 2008, Arizona State University

Alliance for Graduate Education and the Professoriate Fellow, 2007, University of California, Davis

Valentine Eastern Sierra Reserve Research Grant, 2007, University of California, Santa Barbara

Institutional Support Fellowship, 2006, University of California, Davis

Graduate Research Fellowship, 2003-2005, National Science Foundation

Non-Resident Tuition Fellowship, 2002, University of California, Davis

Dean's List, 1997-2002, University of Washington

Minority Achievement Award Scholarship, 1997, Western Washington University (*Declined*)

EDITORIAL SERVICE

Animal Behaviour

Behavioral Ecology

Biology Letters

Ecological Research

Journal of Mammalogy

Journal of Wildlife Management

Cornell University

Arctic

Behavioral Ecology and Sociobiology

Ecography

Journal of Animal Ecology

Journal of Natural History

Journal of Zoology

PROFESSIONAL AFFILIATIONS

California Mountain Lion Working Group

Society for Conservation Biology
Ecological Society of America
IUCN Small Carnivore Specialist Group



CIRMEI MIDDU SCHOOL

C D U G R R S



Dan Morgan, Principal

Carmel Unified School District

Jennifer Kasper, Assistant Principal

Sarah Greco, Counselor

Melissa Magreta, Counselor

12/16/19

To whom it may concern,

The Carmel River Watershed is an important part of the learning experience for students at Carmel Unified Schools. Six of the seven Carmel Unified Schools lie within the Carmel River Watershed and the river is an integral part of the student experience at all Carmel Unified Schools. The proposed project to the Monterey Water Management District at Hastings Natural History Research Reserve has many valuable opportunities for elementary, middle school, and high school students to study Finch Creek as it travels into the Carmel River. This project would open the doors for many valuable hands-on, inquiry lessons about water chemistry, ecology, history, and natural history.

Last September over 200 seventh graders from Carmel Middle School visited Hasting Natural History Research Reserve as part of the Monterey Bay Outdoor Education Week for the first time in many, many years. Students, teachers, and administrators valued the trip because they were able to connect science, history, and natural history with the unique environment of Carmel Valley. This educational partnership between CUSD and Hastings is something that we want to continue, and a lesson focused around our watershed at Hastings would be a great addition. In conclusion, I support the proposed project and am interested in working with Hastings reserve to develop experiences around the Carmel River Watershed that will students will not forget. Please do not hesitate to contact me if there are any questions.

D eely

dsteely@carmelunified.org

Science Teacher

Habitat Liaison

Instructional Coach

Carmel Unified School District



Carmel River Watershed Conservancy
PO Box 223833, Carmel, CA 93922

Board of Directors:

Michael Waxer, Past President
 Lorin Letendre, President
 Paul Bruno, Vice President
 Abbie Beane, Interim Exec Director
 Andy Magnasco, Treasurer
 Jennifer Duggan, Secretary
 Catherine Stedman
 Jen Hunter
 Scott Hennessy

Re: Finch Creek Ford Replacement Project grant proposal
 December 11, 2019

Dear Monterey Peninsula Water Management District:

The Carmel River Watershed Conservancy (CRWC) is offering its support for the Finch Creek Ford Replacement Project grant proposal (2019). CRWC's primary objective is to restore the health and beauty of the Carmel River, and that includes its threatened species. One of those species is the threatened Central California coast steelhead, which is also a key indicator species for watershed health. This project will address the urgent need to remove the sixth most significant barrier to fish passage among the remaining barriers in the Carmel River and its tributaries. Also, the Carmel River Task Force, which CRWC chairs, lists as one of its highest priorities the removal of fish passage barriers. The Finch Creek ford currently inhibits steelhead from migrating from the ocean back upstream to their spawning grounds.

Hastings Natural History Reservation is well positioned to carry out this work given its history as a UC Berkeley field station for more than 80 years. Hastings brings a unique set of knowledgeable researchers and has supported hundreds of research studies focused on biological processes. The location is perfectly suited to carry out this type of work.

The need for this project is significant. In 1999 the Carmel River, which provides incredible utility and recreation for our region, was listed among the top 10 most endangered rivers in the U.S. While all of our hard work has put the River on a path to restoration, our watershed continues to experience extreme conditions including drought years. In 2019, we saw a record number of steelhead resume their natural migration patterns, however, a record number of juvenile steelhead were also rescued by the Carmel River Steelhead Association, and nearly 15% of those were in Finch Creek alone. It is critical that we continue to support efforts that restore the River to its natural condition.

Sincerely,

Abbie Beane
 Interim Executive Director



David Stoldt, General Manager
The Monterey Peninsula Water Management District
5 Harris Court, Building G
Monterey, CA 93940

December 19, 2019

RE: Removal of Fish Barrier on Finch Creek, Hastings Reserve

Dear Mr. Stoldt:

I am writing you in support of a proposed project to remove a barrier to salmon migration on Finch Creek, an important tributary to the Carmel River. Your agency has generously agreed to help fund the removal and replacement of a concrete ford on the Hastings Natural Reserve. Your funding will be critical to plan and design a replacement structure. This project will have multiple benefits including providing fish migration on all flows, restoration of natural sediment transport; as well as, providing reliable all-weather access to the field station's housing. As you may know, the Coastal Conservancy administers the Carmel River Settlement Account, on behalf of NOAA and its partners. We feel that this is a high priority project and a good candidate for funding from the Settlement Account. Therefore, once designs reach a 65% level of completion and permits are obtained, we intend to recommend to the Conservancy board of directors that the Settlement fund be used to complete the project. And UC administration at the Berkeley campus has committed to match our funding commitment by covering its project staff costs. We are very excited to see this project move forward in 2020.

Please contact me at 510 286-7028 if you have any questions or concerns.

Sincerely,

A handwritten signature in dark ink, appearing to read "Tom Gandesbery".

Tom Gandesbery
Project Manager

cc: Jen Hunter, Hastings Reserve

ITEM: ACTION ITEM**15. CONSIDER ADOPTION OF RESOLUTION 2020-03 DECLARING THE WEEK OF MARCH 16-22, 2020, TO BE *FIX A LEAK WEEK*****Meeting Date:** March 16, 2020 **Budgeted:** N/A**From:** David J. Stoldt,
General Manager **Program/
Line Item No.:****Prepared By:** Stephanie Locke **Cost Estimate:** N/A**General Counsel Review:** No**Committee Recommendation:** N/A**CEQA Compliance:** This action does not constitute a project as defined by the California Environmental Quality Act Guidelines Section 15378.

SUMMARY: The U.S. Environmental Protection Agency's (EPA's) WaterSense® program promotes its annual Fix a Leak Week in March as part of its efforts to encourage Americans to use water efficiently. The District, as a WaterSense Partner, supports the EPA's program and encourages the immediate repair of every leak. Our local water waste restrictions and the high cost of water on the Monterey Peninsula make it sensible for everyone to pay attention to their water use, including keeping a watchful eye for wasteful drips and leaks and for unusually high water bills that could indicate an unobvious leak.



During the week of March 16-22, 2020, the District urges everyone to take the Ten Minute WaterSense Challenge to detect and chase down leaks (**Exhibit 15-A**). If a leak is found, fix it immediately. Little drips can easily add up to lots of dollars. Similarly, if the public notices water leaks in the streets or dripping fire hydrants or water meters, report leaks by emailing conserve@mpwmd.net or call the Water Waste Hotline at 831-658-5653 or call California American Water at 888-673-6301.

DISCUSSION: Fix a Leak Week is celebrated in March of each year as a time to remind Americans to check their household fixtures and irrigation systems for leaks.

The Facts on Leaks:

- The average household's leaks can account for more than 10,000 gallons of water wasted every year, or the amount of water needed to wash 270 loads of laundry.
- Household leaks can waste more than 1 trillion gallons annually nationwide. That's equal to the annual household water use of more than 11 million homes.
- Ten percent of homes have leaks that waste 90 gallons or more per day.

- Common types of leaks found in the home include worn toilet flappers, dripping faucets, and other leaking valves. All are easily correctable.
- High water pressure in the home can result in leaks in the pipes, irrigation system, water fixtures and appliances. Pressure reducing valves on the water line should be periodically repaired or replaced after checking the pressure at the house.
- Fixing easily corrected household water leaks can save homeowners about 10 percent on their water bills.
- Keep your home leak-free by repairing dripping faucets, toilet flappers, and showerheads. In most cases, fixture replacement parts don't require a major investment.
- Most common leaks can be eliminated after retrofitting a household with new WaterSense labeled fixtures and other high-efficiency appliances.

Leak Detection:

- A good method to check for leaks is to examine your winter water usage. It's likely that a family of four has a serious leak problem if its winter water use exceeds 12,000 gallons per month.
- Check your water meter before and after a two-hour period when no water is being used. If the meter does not read exactly the same, you probably have a leak.
- One way to find out if you have a toilet leak is to place a drop of food coloring in the toilet tank or use a Leak Detection Kit from MPWMD. If the color shows up in the bowl within 10 minutes without flushing, you have a leak. Make sure to flush immediately after this experiment to avoid staining the tank.

Faucets and Showerheads:

- A leaky faucet that drips at the rate of one drip per second can waste more than 3,000 gallons per year. That's the amount of water needed to take more than 180 showers!
- Leaky faucets can be fixed by checking faucet washers and gaskets for wear and replacing them if necessary. If you are replacing a faucet, look for the [WaterSense label](#).
- A showerhead leaking at 10 drips per minute wastes more than 500 gallons per year. That's the amount of water it takes to wash 60 loads of dishes in your dishwasher.
- Most leaky showerheads can be fixed by ensuring a tight connection using pipe tape and a wrench. If you are replacing a showerhead, look for one that has earned the WaterSense label.

Toilets:

- If your toilet is leaking, the cause is often an old, faulty toilet flapper. Over time, this inexpensive rubber part decays, or minerals build up on it. It's usually best to replace the whole rubber flapper—a relatively easy, inexpensive do-it-yourself project that pays for itself in no time. MPWMD offers free replacement flappers.
- If you do need to replace the entire toilet, look for a [WaterSense labeled model](#). If the average family replaces its older, inefficient toilets with new WaterSense labeled ones, it could save 13,000 gallons per year. Retrofitting the house could save the family nearly \$2,400 in water and wastewater bills over the lifetime of the toilets.

Outdoors:

- An irrigation system should be checked each spring before use to make sure it was not damaged by frost or freezing.
- An irrigation system that has a leak 1/32nd of an inch in diameter (about the thickness of a dime) can waste about 6,300 gallons of water per month.
- To ensure that your in-ground irrigation system is not leaking water, consult with a WaterSense irrigation partner who has passed a certification program focused on water efficiency; [look for a WaterSense irrigation partner](#).
- Check your garden hose for leaks at its connection to the spigot. If it leaks while you run your hose, replace the nylon or rubber hose washer and ensure a tight connection to the spigot using pipe tape and a wrench.

RECOMMENDATION: Staff recommends that the Board adopt Resolution 2020-03 (**Exhibit 15-B**) declaring the week of March 16, 2020 through March 22, 2020, to be Fix a Leak Week.

EXHIBITS

15-A Ten Minute WaterSense Challenge

15-B Resolution 2020-03 Declaring March 16-22, 2020, as Fix a Leak Week in the Monterey Peninsula Water Management District

EXHIBIT 15-A



DETECT AND CHASE DOWN LEAKS



Did You Know

that easy-to-fix water leaks account for more than 1 trillion gallons of water wasted each year in U.S. homes? In fact, the average household leaks more than 10,000 gallons of water per year, or the amount of water it takes to wash 270 loads of laundry, and could be costing you an extra 10 percent on your water bills.

In just 10 minutes, you can search your home for leaks and crack down on water waste. Many common household leaks are quick to find and easy to fix. Worn toilet flappers, dripping faucets, and leaking showerheads all are easily correctable and can save on your utility bill expenses and water in your community.

So put on your detective hat, lace up your running shoes, and take this 10-minute challenge to detect and chase down leaks!

www.epa.gov/watersense/fixaleak



Start by Gathering Clues

These clues can help you detect leaks before you even start investigating your home.

1

Check Your Utility Bill

A place to start is to examine your utility bill for January or February. It's likely that a family of four has a serious leak problem if its winter water use exceeds 12,000 gallons (or 16CCF) per month. You can also look for spikes - is your water use a lot higher this month than it was last month? Learn more about your water bill: <http://1.usa.gov/1Qw3Eg9>.

2

Read Your Water Meter

Find your water meter, which is usually near the curb in front of your home but can be inside your home (e.g., in the basement) in cold climates. Use a screwdriver to remove the lid on your meter, which is heavy and usually marked "water."

Now that you've found the meter, take a reading during a period when no water is being used. If the meter does not read exactly the same after two hours, you probably have a leak. Here's a tip on how to read a water meter: <http://bit.ly/1TeYnMu>.

3

Take a Toilet Test

Put a few drops of food coloring into the tank at the back of your toilet and let it sit for 10 minutes. If color shows up in the bowl, you have a leak. Make sure to flush afterward to avoid staining, and consider replacing your old toilet flapper if it is torn or worn.

While you're waiting to see if your toilet has a leak, walk around your house with the checklist on the next page and see if you can chase down any other water wasters.

EXHIBIT 15-A

Here are some of the places leaks may be hiding in your home.

Some leaks require a simple fix—a worn toilet flapper, loose pipe connection, or showerhead with stray spray. But you may want to consult a licensed plumber to stop your running toilet, broken sprinklers, water heater drips, or malfunctioning water supply lines. Take a quick inventory of clues to water waste:

IN THE BATHROOM

- ☐ Toilets: Listen for running water and conduct the food coloring test described on the first page.
- ☐ Faucets: Listen for drips and turn on the tap to check for water going the wrong direction.
- ☐ Showerheads: Turn on and look for drips or stray sprays that can be stopped with tape.
- ☐ In the tub: Turn on the tub, then divert the water to the shower and see if there's still a lot of water coming from the tub; that could mean the tub spout diverter needs replacing.
- ☐ Under the sink: Check for pooling water under pipes and rust around joints and edges.

IN THE KITCHEN

- ☐ Faucet: Listen for drips and tighten aerators or replace fixtures if necessary.
- ☐ Sprayer: Check to make sure water is spraying smoothly and clean openings as needed.
- ☐ Under the sink: Check for pooling water under pipes and rust around joints and edges.
- ☐ Appliances: Check for pooling water underneath dishwashers and refrigerators with ice makers, which could indicate a supply line leak.

IN THE LAUNDRY OR UTILITY ROOM

- ☐ Under the sink: Check for pooling water under pipe connections.
- ☐ Clothes washer: Check for pooling water, which could indicate a supply line leak.

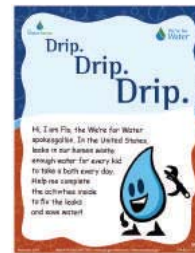
IN THE BASEMENT OR UTILITY ROOM

- ☐ Water heater: Check beneath the tank for pooling water, rust, or other signs of leakage.

DON'T FORGET TO GO OUTSIDE

- ☐ At the spigot: Ensure tight connections with the hose and see if the hose washer needs replacing.
- ☐ In-ground irrigation system: Check for broken sprinklers or nozzles spraying in the wrong direction. You may want to consult an irrigation auditor certified by a WaterSense labeled program to improve system efficiency: <http://1.usa.gov/1YbFMjK>.

FOR THE KIDS



Kids aren't just the leaders of tomorrow, they're the dreamers and do-er's of today. "Test Your WaterSense" and try other fun activities at Flo's Kids Zone at: <http://1.usa.gov/1IzAJGv>

THROUGHOUT THE HOUSE

Check for signs of moisture or mold on your walls, ceilings, or floors. This could indicate that a pipe is wreaking havoc behind the scenes and requires the attention of a professional.

If you want to do a more detailed investigation for leaks, check out the Arizona Municipal Water Users Association Smart Home Water Guide at www.smarthomewaterguide.org.

If any of your fixtures needs replacing, remember to look for the WaterSense label when purchasing plumbing products. WaterSense labeled products are independently certified to use at least 20 percent less water and perform as well or better than standard models.

For more information, visit <http://1.usa.gov/1Qqw75T>.

MARK AN X FOR LEAKS



EXHIBIT 15-B**RESOLUTION NO. 2020-03**

**A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE
MONTEREY PENINSULA WATER MANAGEMENT DISTRICT
DECLARING MARCH 16-22, 2020, TO BE “FIX A LEAK WEEK”**

WHEREAS, water is a precious life resource which must be conserved and protected to ensure a healthy and vibrant community; and

WHEREAS, the Monterey Peninsula has severe water use restrictions on its two sources of supply, the Carmel River and the Seaside Groundwater Basin; and

WHEREAS, residents of the Monterey Peninsula are among the lowest water consumers in the state, but protection of our limited water resources requires additional water conservation be achieved; and

WHEREAS, on average, household water leaks can account for 10,000 gallons of water wasted each year, which is enough to fill a small swimming pool. In addition, minor residential water leaks account for more than one trillion gallons of wasted water in U.S. homes annually; and

WHEREAS, correcting easily fixed leaks in the home is not only good for our water supply and environment, it helps the residents of the Monterey Peninsula reduce their water usage and save money; and

WHEREAS, do-it-yourself fixes such as replacement of worn faucet washers and gaskets, leaky toilet flappers, garden hoses and loose spigots can save significant amounts of water; and

WHEREAS, to remind water users to check their household and business plumbing fixtures and irrigation systems for leaks, the United States Environmental Protection Agency’s WaterSense program initiated a national Fix a Leak Week for the week of March 16-22, 2020; and

WHEREAS, the Monterey Peninsula Water Management District promotes water conservation, water use efficiency and the elimination of water waste.

NOW, THEREFORE BE IT RESOLVED by the Board of Directors of the Monterey Peninsula Water Management District that March 16-22, 2020, shall be declared “Fix a Leak Week.”

On a motion by Director _____ and seconded by Director _____ the foregoing resolution is duly adopted this 16th day of March, 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 16th day of March, 2020.

Witness my hand and seal of the Board of Directors this ____ day of March, 2020.

David J. Stoldt, Secretary to the Board

ITEM: INFORMATIONAL ITEM/STAFF REPORT**16. REPORT ON ACTIVITY/PROGRESS ON CONTRACTS OVER \$25,000**

Meeting Date:	March 16, 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 March 10, 2020.**CEQA Compliance:** This action does not constitute a project as defined by the California Environmental Quality Act Guidelines Section 15378.

SUMMARY: Attached for review is **Exhibit 16-A**, monthly status report on contracts over \$25,000 for the period January 2020. This status report is provided for information only, no action is required.

EXHIBIT**16-A** Status on District Open Contracts (over \$25k)

EXHIBIT 16-A

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Monterey Peninsula Water Management District Status on District Open Contracts (over \$25K) For The Period January 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 Rutan & Tucker, LLP	Rule 19.8 Eminent Domain Legal Services Phase II	12/16/2019	\$ 200,000.00	\$ -		\$ -			PO02236
2 Norton Rose Fulbright	Cal-Am Desal Structuring & Financing Order	4/20/2015	\$ 307,103.13	\$ 38,557.29		\$ 38,557.29			PO02197
3 Pueblo Water Resources, Inc.	ASR SMWTF Engineering Services During Construction	10/21/2019	\$ 148,100.00	\$ 3,578.85		\$ 3,578.85			PO02163
4 Specialty Construction, Inc.	ASR SMWTF Construction	10/21/2019	\$ 4,649,400.00	\$ 237,226.40		\$ 237,226.40			PO02162
5 Psomas	ASR Construction Management Services	8/19/2019	\$ 190,280.00	\$ 3,130.00	\$ 9,202.00	\$ 12,332.00		Current period billing related to ASR construction management services	PO02160
6 U.S. Bank Equipment Finance	Copier machine leasing - 60 months	7/15/2019	\$ 52,300.00	\$ 4,420.71	\$ 867.83	\$ 5,288.54	6/30/2024	Current period billing for photocopy machine lease	PO02108
7 Monterey One Water	Supplemental EIR Costs for PWM Expansion Project	3/18/2019	\$ 750,000.00	\$ -		\$ -			PO02095
8 Monterey One Water	Pre-Construction Costs for PWM Expansion Project	11/13/2017	\$ 360,000.00	\$ 312,617.94		\$ 312,617.94			PO02094
9 Deveera Inc.	IT Managed Services	9/16/2019	\$ 46,120.00	\$ 18,448.00	\$ 4,612.00	\$ 23,060.00	6/30/2020	Current period billing for IT managed services	PO02091
10 Hayashi Wayland Accountancy Group	Audit services	6/19/2017	\$ 64,500.00	\$ 37,000.00	\$ 15,000.00	\$ 52,000.00	6/30/2020	Current period billing for auditing services	PO02075
11 Lynx Technologies, Inc	Geographic Information Systems contractual services	6/17/2019	\$ 35,000.00	\$ 13,725.00	\$ 900.00	\$ 14,625.00		Current period gis services	PO02065
12 Regional Government Services	Human Resouces contractual services	6/17/2019	\$ 70,000.00	\$ 26,589.20	\$ 4,451.50	\$ 31,040.70		Current period hr services	PO02064
13 Pueblo Water Resources, Inc.	ASR operations support	7/15/2019	\$ 70,000.00	\$ 4,763.48	\$ 1,890.00	\$ 6,653.48		Current period billing related to ASR operational support services	PO02063
14 MBAS	ASR Water Quality	7/15/2019	\$ 60,000.00	\$ 11,451.75	\$ 13,935.00	\$ 25,386.75		Current period billing for ASR water quality sampling	PO02062
15 TBC Communications & Media	Public Outreach services retainer	6/17/2019	\$ 42,000.00	\$ 24,500.00		\$ 24,500.00			PO02055
16 The Ferguson Group LLC	2019-20 - Legislative and Administrative Services	6/17/2019	\$ 100,000.00	\$ 48,476.35	\$ 8,071.99	\$ 56,548.34		Current period retainer	PO02028
17 John Arriaga	Contract for Legislative and Administrative Services - FY 19-20	6/17/2019	\$ 35,000.00	\$ 15,000.00	\$ 2,500.00	\$ 17,500.00		Current period retainer	PO02026
18 DUDEK	Consulting Services for Prop 1 grant proposal	4/15/2019	\$ 95,600.00	\$ 82,626.30	\$ 9,408.75	\$ 92,035.05		Current period billing related to Prop 1 grant proposal services	PO01986
19 Denise Duffy & Associates	Consulting Services IRWM plan update	12/17/2018	\$ 55,000.00	\$ 53,322.32		\$ 53,322.32			PO01985
20 United States Geologic Survey	Carmel River Basin Hydrologic Model	3/18/2019	\$ 75,000.00	\$ 51,240.00	\$ 19,637.50	\$ 70,877.50		Current period billing for Carmel River hydrologic modeling work	PO01973
21 Pueblo Water Resources, Inc.	Design water treatment facilities ASR Santa Margarita	2/21/2019	\$ 300,662.00	\$ 299,684.94		\$ 299,684.94			PO01912
22 Colantuono, Highsmith, & Whatley, PC	Legal Services for MCWD vs PUC Matter for FY 2018-2019	7/1/2018	\$ 60,000.00	\$ 54,161.30		\$ 54,161.30	6/30/2020		PO01874
23 Ecology Action of Santa Cruz	IRWM HEART Grant	4/16/2018	\$ 152,600.00	\$ 86,362.33		\$ 86,362.33			PO01824
24 Pueblo Water Resources, Inc.	ASR Backflush Basin Expansion, CM services	7/16/2018	\$ 96,034.00	\$ 68,919.39		\$ 68,919.39			PO01778
25 Rural Community Assistance Corporation	IRWM DAC Needs Assessment	4/16/2018	\$ 100,000.00	\$ 61,705.57		\$ 61,705.57			PO01777
26 Mercer-Fraser Company	Sleepy Hollow Intake upgrade project	7/16/2018	\$ 1,802,835.00	\$ 1,631,080.87		\$ 1,631,080.87			PO01726
27 Fort Ord Reuse Authority	ASR Backflush basin expansion project UXO support	7/16/2018	\$ 55,215.00	\$ 5,005.64		\$ 5,005.64			PO01686

EXHIBIT 16-A

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**Monterey Peninsula Water Management District
Status on District Open Contracts (over \$25K)
For The Period January 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
28	Pueblo Water Resources, Inc.	ASR operations support	1/24/2018	\$ 70,000.00	\$ 68,652.56		\$ 68,652.56		PO01645
29	Pueblo Water Resources, Inc.	Seaside Groundwater Basin Geochemical Study	1/24/2018	\$ 68,679.00	\$ 36,795.25		\$ 36,795.25	Current period services related to Geochemical study	PO01628
30	Big Sur Land Trust	Update of the IRWMP Plan	4/16/2018	\$ 34,000.00	\$ 12,305.67		\$ 12,305.67		PO01620
31	Pueblo Water Resources, Inc.	SSAP Water Quality Study	8/21/2017	\$ 94,437.70	\$ 44,318.11		\$ 44,318.11		PO01510
32	Normandeau Associates, Inc.	Assistance with IFIM Study	11/13/2017	\$ 35,000.00	\$ 24,050.00		\$ 24,050.00		PO01509
33	Accela Inc.	Acquisition of Water Demand Database System	11/13/2017	\$ 676,377.00	\$ 669,227.81		\$ 669,227.81	6/30/2020	PO01471
34	Balance Hydrologics, Inc	Design Work for San Carlos Restoration Project	6/19/2017	\$ 51,360.00	\$ 50,894.32		\$ 50,894.32		PO01321
35	AECOM Technical Services, Inc.	Los Padres Dam Alternatives Study	1/25/2017	\$ 700,700.00	\$ 505,766.50		\$ 505,766.50		PO01268
36	Denise Duffy & Assoc. Inc.	MMRP Services for Monterey Pipeline	1/25/2017	\$ 80,000.00	\$ 73,144.06		\$ 73,144.06		PO01202
37	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
38	Whitson Engineers	Carmel River Thawleg Survey	9/19/2018	\$ 52,727.43	\$ 49,715.00		\$ 49,715.00		PO01076
39	HDR Engineering, Inc.	Los Padres Dam Fish Passage Study	4/18/2016	\$ 310,000.00	\$ 295,003.20		\$ 295,003.20		PO01072
40	Michael Hutnak	GS Flow Modeling for Water Resouces Planning	8/19/2013	\$ 56,800.00	\$ 55,940.00		\$ 55,940.00		PO00123
41	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**17. STATUS REPORT ON MEASURE J/RULE 19.8 PHASE II SPENDING**

Meeting Date:	March 16, 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 March 10, 2020.**CEQA Compliance:** This action does not constitute a project as defined by the California Environmental Quality Act Guidelines Section 15378.

SUMMARY: Attached for review is **Exhibit 17-A**, monthly status report on Measure J/Rule 19.8 Phase II spending for the period January 2020. This status report is provided for information only, no action is required.

EXHIBIT**17-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 January 2020**

	Contract	Date Authorized	Contract Amount	Prior Period Spending	Current Period Spending	Total Expended To Date	Spending Remaining	Project No.
1	Eminent Domain Legal Counsel	12/16/2019	\$ 225,000.00	\$ -	\$ -	\$ -	\$ 225,000.00	PA00005-01
2	CEQA Work	12/16/2019	\$ 450,000.00	\$ -	\$ -	\$ -	\$ 450,000.00	PA00005-02
3	Appraisal Services	12/16/2019	\$ 200,000.00	\$ -	\$ -	\$ -	\$ 200,000.00	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	\$ -	\$ 1,176.00	\$ 1,176.00	\$ 38,824.00	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	12/16/2019	\$ 59,000.00	\$ -	\$ -	\$ -	\$ 59,000.00	PA00005-20
	Total		\$ 1,241,000.00	\$ -	\$ 1,176.00	\$ 1,176.00	\$ 1,239,824.00	

ITEM: INFORMATIONAL ITEM/STAFF REPORT**18. MONTHLY PROGRESS REPORT – SANTA MARGARITA WATER TREATMENT FACILITY.****Meeting Date: March 16, 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: N/A****CEQA Compliance: This action does not constitute a project as defined by the California Environmental Quality Act Guidelines Section 15378.**

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

Work conducted after the previous progress report to the Board of Directors:

- Completed mezzanine floor.
- Completed the concrete footings for the columns and the north retaining wall.
- Installed conduit underneath the building electrical room.
- Completed the electrical room floor.
- Began Concrete Masonry Unity block installation.
- Installed new energy dissipater for blowoff to backflush basin.
- Installed permanent drains from existing building to the backflush basin.
- Sixty-nine submittals have been received; fifty-six of those submittals have been reviewed and closed.
- Three change orders totaling \$15,757 have been accepted.
 - Traffic rated meter vault (\$4,074.90)
 - Rigid steel 90s (\$4,445.36)
 - Double door (\$7,236.69)
- The construction schedule shows the facility will be ready for Cal Am to conduct its SCADA installation and implementation beginning July 23, 2020. The critical path item is the Motor Control Center. The Critical Path Method schedule was reviewed and changes requested.

EXPENDITURES:

	Board Authorization	Commitments	Remaining
Base Contract	\$4,797,500.00	\$632,494.80 (13%) ¹	4,165,002.20
Contingency (10%) ¹	\$479,750.00	\$15,757.00 (0.3%) ¹	\$463,993.00 (9.7%)

¹ Percent of base contract

ITEM: INFORMATIONAL ITEM/STAFF REPORT**19. LETTERS RECEIVED****Meeting Date: March 16, 2020** **Budgeted: N/A****From: David J. Stoldt,
General Manager** **Program/
Line Item No.: N/A****Prepared By: Arlene Tavani** **Cost Estimate: N/A****General Counsel Review: N/A****Committee Recommendation: N/A****CEQA Compliance: This action does not constitute a project as defined by the California Environmental Quality Act Guidelines Section 15378.**

A list of letters submitted to the Board of Directors or General Manager and received between February 14, 2020 and March 6, 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.

Author	Addressee	Date	Topic
Steven Westhoff	David J Stoldt	3/4/2020	Water Demand Committee – Action Item 2
Hans Usler	David J Stoldt	2/24/2020	Supporting Military Missions when Forecasting Future Supply and Water Demand for the Monterey Peninsula
Melodie Chrislock	MPWMD Board	2/19/2020	Cal Am Rates and Surcharges.pdf; 10 years of increases.jpg
Hans Usler	David J Stoldt	2/18/2020	Water Allocation request for Garden Road affordable housing projects

ITEM: INFORMATIONAL ITEM/STAFF REPORT**20. COMMITTEE REPORTS**

Meeting Date:	March 16, 2020	Budgeted:	N/A
From:	David J. Stoldt, General Manager	Program/ Line Item No.:	N/A
Prepared By:	Arlene Tavani	Cost Estimate:	N/A

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

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

Attached for your review as **Exhibits 20-A through 20-D**, are final minutes of the committee meetings listed below.

EXHIBITS

20-A	February 13, 2020 Administrative Committee Meeting Minutes
20-B	January 16, 2020 Water Demand Committee Meeting Minutes
20-C	January 14, 2020 Water Supply Planning Committee Meeting Minutes
20-D	October 24, 2020 Public Outreach Committee Meeting Minutes



EXHIBIT 20-A

FINAL MINUTES

Monterey Peninsula Water Management District Administrative Committee February 13, 2020

Call to Order

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

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

Staff present: David Stoldt, General Manager
Jonathan Lear, Water Resources Manager
Maureen Hamilton, Water Resources Engineer
Stephanie Locke, Water Demand Manager
Tom Lindberg, Associate Hydrologist
Sara Reyes, Sr. Office Specialist

Oral Communications

None

Items on Board Agenda for February 19, 2020

On a motion by Evans and second by Edwards, the committee voted to (1) adopt items 1, 2, 3, 7, 8, 9, 10, 12, 13 and 15 as a single Consent item, and (2) to approve these items as recommended by staff. The motion was approved on a vote of 3 – 0 by Evans, Edwards and Byrne.

1. **Consider Adoption of Minutes of January 15, 2020 Committee Meeting**
Approved.
2. **Consider Purchase of Internet License for Water Wise Gardening in Monterey County**
Approved.
3. **Consider Approval of Expenditure for Purchase of Ford F150 4x4 Truck**
Approved.
4. **Consider Expenditure of Budgeted Funds for Water Conservation Equipment**
On a motion by Evans and second by Byrne, the committee voted to recommend the Board approve the expenditure of \$25,815 of budgeted funds to renew the District's stock of water conservation equipment. The motion was approved on a vote of 2 – 1 by Evans and Byrne. Edwards voted against the motion.
5. **Consider Sponsorship of Demonstration Garden at City of Carmel-by-the-Sea's Public Works Department on Junipero Street in Carmel**

On a motion by Edwards and second by Evans, the committee voted to recommend the Board authorize the expenditure of \$4,000 of budgeted funds to support the City of Carmel's installation of a demonstration garden at Public Works. The motion was approved on a 3 – 0 vote by Edwards, Evans and Byrne.

6. Consider Approval for Grant Funding for Hastings Reservation Ford Replacement on Finch Creek

Jennifer S. Hunter, PhD, Resident Director with the Hastings Natural History Reservation, presented a PowerPoint to the Committee.

On a motion by Edwards and second by Evans, the committee voted to recommend the Board table this matter to a future date and requested the project manager look into other options available for funding. If no other funding is found, then Ms. Hunter was invited back to discuss what other options, if any became available and the Board could discuss at that time.

7. Consider Expenditure of Funds for Preparation of a 20-Year Summary Report of Bioassessment Sampling
Approved.

8. Consider Adoption of Treasurer's Report for December 2019
Approved.

9. Receive and File Second Quarter Financial Activity Report for Fiscal Year 2019-2020
Approved.

10. Consider Approval of Second Quarter Fiscal Year 2019-2020
Approved.

11. Consider Request for Delay of Payment of Capacity Fees Payment for Non-Profit Public Benefit Project – Peninsula Shelter Project, 1292 Olympia Avenue, Seaside

On a motion by Evans and second by Edwards, the committee voted to recommend the Board adopt the Findings of Approval to allow delayed payment of Capacity Fees for the Peninsula Shelter Project at 1292 Olympia Avenue in Seaside. Additionally, the committee recommended the Board approve an interest rate of 4% that would be charged in the event the project transfers to a for-profit organization in the future. The amount of interest will be stated in the deed restriction recorded on the property. Delayed Capacity Fees, with interest, would become due if and when the property is no longer operated by a California Non-Profit Public Benefit Corporation. The motion was approved on a 3 – 0 vote by Evans, Edwards and Byrne.

12. Consider change to Placement on Salary Schedule – Administrative Services Manager – 2019 MOU Confidential Staff Unit
Approved.

13. Report on Activity/Progress on Contracts Over \$25,000
Approved.

14. Monthly Progress Report – Santa Margarita Water Treatment Facility

The committee agreed there was not a need to see the monthly report since no substantive changes had occurred since the Board received an update at their January 23, 2020 meeting.

Other Items

15. Review Second Quarter Legal Services Activity Report for Fiscal Year 2019-2020

Approved.

16. Approve 2020 Committee Meeting Schedule

On a motion by Evans and second by Edwards, the committee voted to approve the meeting dates with a change to a start time of 4:00. The motion was approved on a 3 – 0 vote by Evans, Edwards and Byrne.

17. Review Draft February 19, 2020 Regular Board Meeting Agenda

A revised agenda was distributed to the committee and changes were presented by the General Manager. No changes were made by the committee.

18. Update on Status of County of Monterey Electronic Permit Processing

An update was presented to the committee by Rob Carver and Ethan Hare who are serving on the Monterey County's Permit Streamlining Task Force. Mr. Carver and Mr. Hare stated they have been working with District staff to automate the online permit application process. No action was taken by the committee.

19. Suggest Items to be Placed on Future Agendas

No items were presented.

Adjournment

The meeting adjourned at 4:41PM.

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EXHIBIT 20-B

FINAL MINUTES Water Demand Committee of the Monterey Peninsula Water Management District January 16, 2020

Call to Order

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

Committee members present: Alvin Edwards, Chair
Jeanne Byrne

Committee members absent: Molly Evans

Staff members present: David Stoldt, General Manager
Stephanie Locke, Water Demand Division Manager
Arlene Tavani, Executive Assistant

District Council present: David Laredo

Comments from the Public: No comments.

Action Items

1. **Consider Adoption of December 17, 2019 Committee Meeting Minutes**
On a motion by Byrne and second of Edwards, the minutes were adopted on a unanimous vote of 2 – 0 by Byrne and Edwards.
2. **Consider Resolution 2020-01, Amending Rule 25.5, Table 4: High Efficiency Appliance Credits, to Allow Rainwater/Graywater Systems in all Residential Applications**
Byrne offered a motion to recommend that the Board of Directors approve Resolution 2020-01. The motion was seconded by Edwards and approved on a vote of 2 – 0 by Byrne and Edwards.
3. **Consider Sponsorship of Demonstration Garden at City of Carmel-by-the-Sea's Public Works Department on Junipero Street in Carmel**
On a motion by Edwards and second of Byrne, the committee voted to recommend that the Board of Directors approve sponsorship of the Demonstration Garden in an amount of \$4,000. The motion was approved on a vote of 2 – 0 by Edwards and Byrne.
4. **Consider Draft Ordinance No. 185, Amending District Rule 24 to Allow Special Fixture Unit Accounting for Second Bathrooms in Existing Dwelling Units and to Permanently Adopt Sub-Metering Requirements and Exemptions for Accessory Dwelling Units**
No action was taken by the committee. Staff will modify the language so that the rule would not apply to complexes of less than four units. Staff will also conduct the CEQA analysis before bringing this back to a future committee meeting.

Discussion Items

5. Suggest Items to be Placed on Future Agendas

No discussion.

Adjournment: The meeting was adjourned at 4:40 pm.

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EXHIBIT 20-C

FINAL MINUTES

Water Supply Planning Committee of the Monterey Peninsula Water Management District February 5, 2020

Call to Order: The meeting was called to order at 3:30 pm.

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

Committee members absent: None

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

District Counsel present Heidi Quinn, DeLay and Laredo

Comments from the Public: No comments.

Add New Item to the Agenda: On a motion by Adams and second by Evans, the committee voted 3 – 0 to add a new Discussion Item 7: Review February 4, 2020 Letter from the City Maangers. The motion was approved by Adams, Evans and Riley.

Action Items

1. **Consider Adoption of January 14, 2020 Committee Meeting Minutes**
Adams offered a motion that was seconded by Evans to approve the January 14, 2020 committee meeting minutes. The motion was approved on a unanimous vote of 3 – 0 by Adams, Evans and Riley.
2. **Consider Adoption of 2020 Committee Meeting Schedule**
Evans offered a motion to adopt the 2020 Committee meeting schedule. The motion was seconded by Adams and approved on a vote of 3 – 0 by Evans, Adams and Riley.
3. **Consider Approval for Grant funding for Hastings Reservation Ford Replacement on Finch Creek**
Evans offered a motion that was seconded by Adams to recommend that the Board of Directors authorize grant funding in the amount of \$100,000 for work related to replacement of the Finch Creek Ford. The motion was approved on a vote of 3 – 0 by Evans, Adams and Riley. It was suggested that the staff report for the Board meeting clearly state that the project was outside of the MPWMD boundaries.

Public comment: **(a) Marc Kelley** expressed support for the project, as it would be important for steelhead recovery. **(b) Brian LeNeve**, Past President of the Carmel River Steelhead Association spoke in support of the project. **(c) Haylie Heath**, member of the Carmel River Steelhead Association expressed support for the project.

4. Recommend Funding Plan for Pure Water Monterey Advanced Water Purification Electrical Facilities

Riley offered a motion to recommend that the Board of Directors approve the proposed funding plan after it is adjusted for the actual bid received, with the District portion not to exceed \$700,000. The motion was seconded by Adams and approved on a vote of 2 – 1 by Riley and Adams. Evans was opposed.

Discussion Items

5. Update on ASR Construction

A summary of Mr. Stoldt's comments is on file at the District office and can be viewed on the agency's website.

6. Update on Pure Water Monterey Project

Mr. Stoldt reported that the Department of Drinking Water conducted the final inspection on February 4, 2020 and submitted notice that the project is approved. It is possible that by February 13, 2020 recycled water will be injected into the ground to build up the 1,000 acre-feet operating reserve. It may be mid-year before water can be delivered to Cal-Am for distribution or storage until needed.

7. Review of February 4, 2020 Letter from City Managers

Mr. Stoldt distributed the letter to the committee members. He stated that the letter outlined three requests in relation to the report, Supply and Demand for Water on the Monterey Peninsula: (a) peer review of the study; (b) submit the report to the State Water Resources Control Board and request that the CDO and water moratorium be lifted based on the report; and (c) submit the report to the Watermaster TAC for review and comment. Stoldt will present the letter for review at the March 5, 2020 Water Demand Committee meeting. He stated that each letter received from individual jurisdictions regarding the Supply and Demand report raised issues that could be addressed in a future revised version. The revised analysis would include each jurisdiction's estimate of permissible housing needs over the next four years. That analysis should be accepted or adopted by the Board and distributed as the final document.

8. Suggest Items to be Placed on Future Agendas

The committee members suggested the following topics for discussion: (a) update on the Los Padres Dam alternatives study should be a standing agenda item; (b) maintenance of water rights that are due to expire; (c) update on the Water Supply Charge and discussions by the Ordinance No. 152 Oversight Panel re options for continuance or sunset of the charge; (d) options for lifting the CDO and/or water permit moratorium; and (e) discuss the return water agreement associated with the Cal-Am desalination project.

Adjournment: The meeting was adjourned at 5:10 pm.



EXHIBIT 20-D

FINAL MINUTES

Monterey Peninsula Water Management District Public Outreach Committee October 24, 2019

Call to Order

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

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

Committee members absent: None

District staff members present: David Stoldt, General Manager
Stephanie Locke, Water Demand Manager
Arlene Tavani, Executive Assistant

Others present: Steve Thomas, Thomas Brand Consulting

Comments from the Public: No comments were directed to the committee.

Action Items

1. **Consider Adoption of July 25, 2019 Committee Meeting Minutes**
The minutes of were approved as presented on a vote of 3 – 0 by Edwards, Evans and Byrne.

Discussion

2. **Discuss Public Outreach Related to Measure J/Rule 19.8 Feasibility Study**

A summary of an outreach plan was presented by Steve Thomas. The summary is on file at the District office and can be viewed on the agency's website. Some suggestions from the committee were: (a) must advertise on all platforms including television and radio; and (b) prior to the Board making a decision on a Resolution of Necessity, an informational mailer should be sent to all addresses in the District. The committee asked that staff provide an estimate of the cost to distribute a mailer.

Mr. Stoldt distributed two documents related to the schedule for decisions on the Measure J process: "Measure J-What we Said at August 19th Board Meeting", and "Next Steps". The documents are on file at the District office and can be viewed on the agency's website. Stoldt stated that a firm timeline would be presented at the November 12, 2019 Board workshop. At a future meeting, the Board would be asked to consider authorizing funding for additional work related to the process.

Public comment: **(a) Jeff Davi** asked what efforts were undertaken to promote the listening sessions conducted in January 2019. He stated that the email addresses provided by those in attendance at the listening sessions should be used to promote future meetings regarding the

Measure J process. **(b) Rudi Fisher** recommended that if the General Manager does plan to make presentations to the City Councils in December, he should contact the jurisdictions early enough for the presentation to be added to their agendas.

3. Discuss Concept for November & December Branding Adds

Mr. Thomas presented a sample advertisement proposed for publication. It was suggested that the advertisement should include a list of upcoming Water Conservation Program workshops. In addition, Access Monterey Peninsula should be contacted regarding the cost to video record and then broadcast the workshops.

4. Discuss Public Outreach related to Coastal Commission Hearings on Desalination Project

Mr. Stoldt stated that there has been a request that the Board of Directors take a formal position on California American Water Company's (CAW) application before the California Coastal Commission (CCC) prior to the CCC's November 14, 2019 hearing. Mr. Stoldt submitted a document titled "Options wrt Coastal Commission" that listed options for the committee to consider. Following discussion, there was consensus among the committee members that a letter should not be submitted to the CCC.

Public Comment: **(a) Jeff Davi** stated that the Board should have scheduled a special meeting to discuss this issue. He expressed support for submitting a letter to the CCC stating that the District supported the 6.4 MGD desalination plant. **(b) John Tilley** opined that the District should send a letter to the CCC stating that the District supports the 6.4 MGD desalination plant. **(c) Rene Boskoff** stated that the Coalition of Monterey Peninsula Businesses submitted to the District a letter listing questions regarding the report titled Supply and Demand for Water on the Monterey Peninsula. The District should not change its position of support for the desalination project until questions about the report have been answered. **(d) Susan Schiavone**, resident of Seaside, urged the Board to take a vote on whether or not to support the CAW application before the CCC. **(e) John Narigi** opined that the District should submit a statement to the CCC stating that the District supported the 6.4 MGD desalination plant. **(f) Arlene Hardenstein**, representing the Monterey County Association of Realtors, read a letter from Molly McGee, President of the Association, requesting that the Board of Directors take a position in support of the desalination project at the CCC hearing. Ms. Hardenstein submitted a document titled "Summary of Key Provisions of SB 13/AB68/AB 670/AB 881" regarding requirements for development of accessory dwelling units. **(g) Kevin Dayton**, Government Affairs Liaison for the Monterey Peninsula Chamber of Commerce, stated that he would alert his members to the possibility that the Board of Directors would consider taking a position that the 6.4 MGD desalination project was not needed. **(h) Melodie Chrislock** stated that the District should not take a position on the CAW application before the CCC. **(i) Gary Cursio** asked why the District would consider changing its long-time position on the 6.4 MGD desalination from support to opposition. **(j) Peter Mountier**, representing the Pacific Grove Chamber of Commerce, recommended that the District send a letter to the CCC expressing support for the 6.4 MGD desalination project.

Adjournment – The meeting was adjourned at 5:05 pm.

ITEM: INFORMATIONAL ITEM/STAFF REPORT**21. MONTHLY ALLOCATION REPORT**

Meeting Date:	March 16, 2020	Budgeted:	N/A
From:	David J. Stoldt, General Manager	Program:	N/A
		Line Item No.:	
Prepared By:	Gabriela Bravo	Cost Estimate:	N/A

General Counsel Review: N/A**Committee Recommendation: N/A****CEQA Compliance: N/A**

SUMMARY: As of February 29, 2020, a total of **17.724** acre-feet (**5.2%**) of the Paralta Well Allocation remained available for use by the Jurisdictions. Pre-Paralta water in the amount of **35.915** acre-feet is available to the Jurisdictions, and **28.849** acre-feet is available as public water credits.

Exhibit 21-A shows the amount of water allocated to each Jurisdiction from the Paralta Well Allocation, the quantities permitted in February 2020 (“changes”), and the quantities remaining. The Paralta Allocation had no debits in February 2020.

Exhibit 21-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 21-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 21-C**.

EXHIBITS**21-A** Monthly Allocation Report**21-B** Monthly Entitlement Report**21-C** District’s Water Allocation Program Ordinances

EXHIBIT 21-A
MONTHLY ALLOCATION REPORT
Reported in Acre-Feet
For the month of February 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	0.008	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	0.167	34.438	0.000	34.438	2.693	0.000	1.144	35.749
TOTALS	342.720	0.000	17.724	101.946	0.008	35.915	90.142	0.000	28.839	82.478

Allocation Holder	Water Available	Changes this Month	Total Demand from Water Permits Issued	Remaining Water Available
Quail Meadows	33.000	0.000	32.320	0.680
Water West	12.760	0.000	9.413	3.347

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

EXHIBIT 21-B
MONTHLY ALLOCATION REPORT
ENTITLEMENTS
Reported in Acre-Feet
For the month of February 2020

Recycled Water Project Entitlements

Entitlement Holder	Entitlement	Changes this Month	Total Demand from Water Permits Issued	Remaining Entitlement/and Water Use Permits Available
Pebble Beach Co. ¹	220.880	0.000	31.302	189.578
Del Monte Forest Benefited Properties ² (Pursuant to Ord No. 109)	144.120	0.020	56.002	88.118
Macomber Estates	10.000	0.000	10.000	0.000
Griffin Trust	5.000	0.000	4.829	0.171
CAWD/PBCSD Project Totals	380.000	0.020	102.133	277.867

Entitlement Holder	Entitlement	Changes this Month	Total Demand from Water Permits Issued	Remaining Entitlement/and Water Use Permits Available
City of Sand City	206.000	0.000	6.366	199.634
Malpaso Water Company	80.000	0.304	16.360	63.640
D.B.O. Development No. 30	13.950	0.043	3.740	10.210
City of Pacific Grove	38.390	0.121	0.691	37.699
Cypress Pacific	3.170	0.000	3.170	0.000

Increases in the Del Monte Forest Benefited Properties Entitlement will result in reductions in the Pebble Beach Co. Entitlement.

EXHIBIT 21-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**22. WATER CONSERVATION PROGRAM REPORT****Meeting Date: March 16, 2020 Budgeted: N/A****From: David J. Stoldt, General Manager Program/ Line Item No.: N/A****Prepared By: Kyle Smith Cost Estimate: N/A****General Counsel Review: N/A****Committee Recommendation: N/A****CEQA Compliance: This action does not constitute a project as defined by the California Environmental Quality Act Guidelines section 15378.**

I. MANDATORY WATER CONSERVATION RETROFIT PROGRAM

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

A. Changes of Ownership

Information is obtained monthly from *Realquest.com* on properties transferring ownership within the District. The information is compared against the properties that have submitted WCCs. Details on **92** property transfers that occurred between February 1, 2020, and February 29, 2020, were added to the database.

B. Certification

The District received **110** WCCs between February 1, 2020, and February 29, 2020. Data on ownership, transfer date, and status of water efficiency standard compliance were entered into the database.

C. Verification

From February 1, 2020, to February 29, 2020, **63** properties were verified compliant with Rule 144 (Retrofit Upon Change of Ownership or Use). Of the **63** verifications, **43** properties verified compliance by submitting certification forms and/or receipts. District staff completed **35** Site inspections. Of the **35** properties inspected, **20 (57%)** passed inspection. **None** of the properties that passed inspection involved more than one visit to verify compliance with all water efficiency standards.

Savings Estimate

Water savings from HET retrofits triggered by Rule 144 verified from February 1, 2020, to February 29, 2020, are estimated at **0.260** Acre-Foot annually (AFA). Water savings

from retrofits that exceeded the requirement (i.e., HETs to Ultra High Efficiency Toilets) is estimated at **0.020** AFA (1 toilet). Year-to-date estimated savings from toilet retrofits is **0.980** AFA.

D. CII Compliance with Water Efficiency Standards

Effective January 1, 2014, all Non-Residential properties were required to meet Rule 143, Water Efficiency Standards for Existing Non-Residential Uses. To verify compliance with these requirements, property owners and businesses are being sent notification of the requirements and a date that inspectors will be on Site to check the property. In February, District inspectors performed **46** inspections. Of the **46** inspections certified, **30** were in compliance. **Two** of the properties that passed inspection involved more than one visit to verify compliance with all water efficiency standards; the remainder complied without a reinspection.

MPWMD is forwarding its CII inspection findings to California American Water (Cal-Am) for their verification with the Rate Best Management Practices (Rate BMPs) that are used to determine the appropriate Non-Residential rate division. Compliance with MPWMD's Rule 143 achieves Rate BMPs for indoor water uses, however, properties with landscaping must also comply with Cal-Am's outdoor Rate BMPs to avoid Division 4 (Non-Rate BMP Compliant) rates. In addition to sharing information about indoor Rate BMP compliance, MPWMD notifies Cal-Am of properties with landscaping. Cal-Am then conducts an outdoor audit to verify compliance with the Rate BMPs. During February 2020, MPWMD referred **14** 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 or www.montereywaterinfo.org. There were **four** Water Waste responses during the past month. There were **no** repeated incidents that resulted in a fine.

II. WATER DEMAND MANAGEMENT

A. Permit Processing

District Rule 23 requires a Water Permit application for all properties that propose to expand or modify water use on a Site, including New Construction and Remodels. District staff processed and issued **59** Water Permits from February 1, 2020 to February 29, 2020. **Nine** Water Permits were issued using Water Entitlements (Pebble Beach Company, Malpaso Water, etc.). **No** Water Permits involved a debit to a Public Water Credit Account.

All Water Permits have a disclaimer informing applicants of the Cease and Desist Order against California American Water and that MPWMD reports Water Permit details to California American Water. All Water Permit recipients with property supplied by a California American Water Distribution System will continue to be provided with the disclaimer.

District Rule 24-3-A allows the addition of a second bathroom in an existing Single-Family Dwelling on a Single-Family Residential Site. Of the **59** Water Permits issued from February 1, 2020 to February 29, 2020, **one** was issued under this provision.

B. Permit Compliance

District staff completed **31** Water Permit final inspections during February 2020. **Eight** of the final inspections failed due to unpermitted fixtures. Of the **31** passing properties, **23** passed inspection on the first visit. In addition, **six** pre-inspections were conducted in response to Water Permit applications received by the District.

C. Deed Restrictions

District staff prepares deed restrictions that are recorded on the property title to provide notice of District Rules and Regulations, enforce Water Permit conditions, and provide notice of public access to water records. In April 2001, the District Board of Directors adopted a policy regarding the processing of deed restrictions. District staff provided Notary services for **63** Water Permits with deed restrictions.

D. Rebates

The following table summarizes Rebate activity for this month:

REBATE PROGRAM SUMMARY		February-2020				2020 YTD		1997 - Present	
I. <u>Application Summary</u>									
A.	Applications Received	99				169		27,609	
B.	Applications Approved	70				128		21,521	
C.	Single Family Applications	57				108		24,614	
D.	Multi-Family Applications	12				19		1,479	
E.	Non-Residential Applications	1				1		356	
II. <u>Type of Devices Rebated</u>		Number of devices	Rebate Paid	Estimated AF	Gallons Saved	Year to Date Number	Year to Date Paid	Year to Date Estimated AF	
A.	High Efficiency Toilet (HET)	29	\$2,175.00	0.145000	47,248	42	\$3,125.00	0.21000	
B.	Ultra HET	1	\$125.00	0.010000	3,259	1	\$125.00	0.01000	
C.	Toilet Flapper	0		0.000000	0	0	\$0.00	0.00000	
D.	High Efficiency Dishwasher	11	\$1,375.00	0.033000	10,753	25	\$3,125.00	0.07500	
E.	High Efficiency Clothes Washer - Re	38	\$19,000.00	0.611800	199,356	65	\$32,500.00	1.04650	
F.	High Efficiency Clothes Washer - Co	0		0.000000	0	0	\$0.00	0.00000	
G.	Instant-Access Hot Water System	0		0.000000	0	3	\$500.00	0.01500	
H.	Zero Use Urinals	0		0.000000	0	0	\$0.00	0.00000	
I.	Pint Urinals	0		0.000000	0	0	\$0.00	0.00000	
J.	Cisterns	0		0.000000	0	1	\$1,725.00	0.00000	
K.	Smart Controllers	0		0.000000	0	2	\$249.00	0.00000	
L.	Rotating Sprinkler Nozzles	0		0.000000	0	0	\$0.00	0.00000	
M.	Moisture Sensors	0		0.000000	0	0	\$0.00	0.00000	
N.	Lawn Removal & Replacement	0		0.000000	0	1	\$1,900.00	0.00000	
O.	Graywater	0		0.000000	0	0	\$0.00	0.00000	
R.	Other			0.000000	0	0	\$0.00	0.00000	
III. <u>TOTALS</u>		79	\$22,675.00	0.799800	260,616	140	\$43,249.00	1.35650	
IV. <u>TOTALS Since 1997</u>						Paid Since 19	\$ 6,402,004	561.4	Acre-Feet Per Year Saved Since 1997 (from quantifiable retrofits)

ITEM: INFORMATIONAL ITEM/STAFF REPORT**23. CARMEL RIVER FISHERY REPORT FOR MARCH 2020****Meeting Date: March 16, 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: February 2020 was the driest February on record with 0.0 inches of rain. Mainstem flows continued to slowly drop during the month, and passage conditions were “fair” for adult steelhead and “fair to good” for smolts. Rearing conditions for juveniles were also “fair to good”.

February’s mean daily streamflow at the Sleepy Hollow Weir dropped from 71 to 42 cubic-feet-per-second (cfs) (monthly mean 54.6 cfs) resulting in 3,140 acre-feet (AF) of runoff. Mean daily streamflow at the Highway 1 gage dropped from 70 to 39 cfs (monthly mean 52.2 cfs) resulting in 3,000 acre-feet (AF) of runoff.

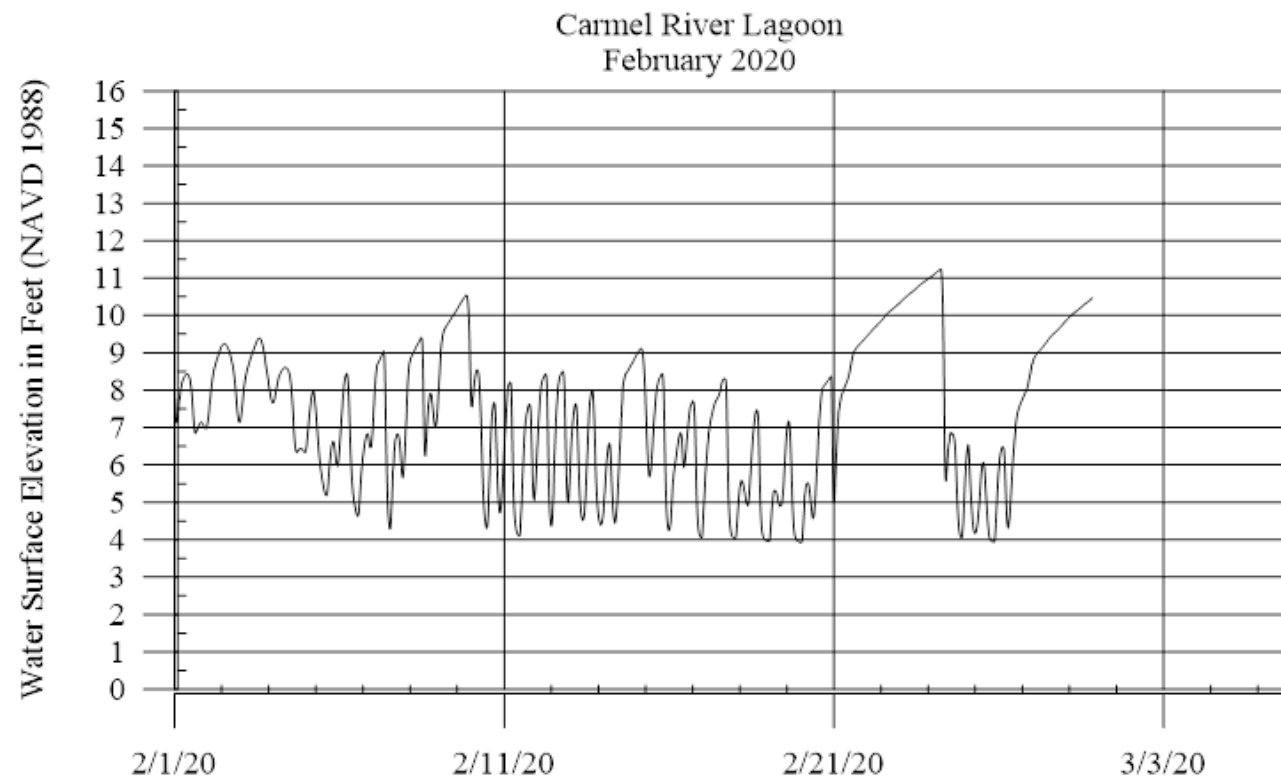
There were 0.00 inches of rainfall in February as recorded at the San Clemente gauge. The rainfall total for WY 2020 (which started on October 1, 2019) is 11.48 inches, or 74% of the long-term year-to-date average of 15.54 inches.

LOS PADRES DAM ADULT STEELHEAD COUNT: The Los Padres Dam fish ladder and trap started operating on December 12, 2019. The ladder was turned off on February 12th, due to continued movement of the large landslide in the reservoir that is affecting the outlet pipe. It remained off the rest of the month. As of February 29th, 14 adult steelhead have been trapped and transported above the dam, seven of those were tagged by National Marine Fisheries Service (NMFS) crews.

CARMEL RIVER LAGOON: The lagoon mouth opened on December 3, 2019. The lagoon’s water surface elevation (WSE) was variable in February, with several brief closings primarily from wave and tidal action, ranging from ~4.0 - 11.2 feet (North American Vertical Datum of 1988; NAVD 88) (See graph below).

Water quality depth-profiles were conducted at five sites on February 20, 2020 while the lagoon mouth was open and draining, the WSE was 2.21 feet, and river inflow was 45 cfs. Steelhead rearing conditions were generally “fair” throughout the lagoon due to the high salinity levels below 0.5m depth (range was 1 - 29 ppt). Dissolved oxygen (DO) levels (7 – 13 mg/l) and water temperatures (50 - 56 degrees F) were excellent.

Carmel River Lagoon Plot:



U:\staff\Boardpacket\2020\20200316\InfoItems\23\Item-23.docx

ITEM: INFORMATIONAL ITEM/STAFF REPORT**24. MONTHLY WATER SUPPLY AND CALIFORNIA AMERICAN WATER PRODUCTION REPORT****Meeting Date:** February 19, 2020 **Budgeted:** N/A**From:** David J. Stoldt,
General Manager **Program/** N/A
Line Item No.:**Prepared By:** Jonathan Lear **Cost Estimate:** N/A**General Counsel Review:** N/A**Committee Recommendation:** N/A

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

Exhibit 24-A shows the water supply status for the Monterey Peninsula Water Resources System (MPWRS) as of **February 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 24-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 **February** 2020 totaled **0.0 inches** and brings the cumulative rainfall total for WY 2020 to **11.48 inches**, which is **74%** of the long-term average through **February**. Estimated unimpaired runoff through **February** totaled **3,153 acre-feet (AF)** and brings the cumulative runoff total for WY 2020 to **23,235 AF**, which is **65%** of the long-term average through **February**. Usable storage for the MRWPRS was **30,420 acre-feet**, which is **98%** of average through **February**, and equates to **81%** percent of system capacity

Production Compliance: Under State Water Resources Control Board (SWRCB) Cease and Desist Order No. 2016-0016 (CDO), California American Water (Cal-Am) is allowed to produce no more than 8,310 AF of water from the Carmel River in WY 2020. Through **February**, using the CDO accounting method, Cal-Am has produced **3,106 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 **February**, Cal-Am has produced **1,013 AF** from the Seaside Groundwater Basin. Through **February**, **418 AF** of Carmel River Basin groundwater have been diverted for Seaside Basin injection; **0 AF** have been recovered for customer use, and **88 AF** have been diverted under Table 13 water rights. Cal-Am has produced **3,739 AF** for customer use from all sources through **February**. **Exhibit 24-C** shows production by source. Some of the values in this report may be revised in the future as Cal-Am finalizes their production values and monitoring data. The 12 month moving average of production for customer service is **9,830 AF**, which is below the rationing trigger of **10,130 AF** for WY 2020.

EXHIBITS**24-A** Water Supply Status: **February 1, 2020****24-B** Monthly Cal-Am Diversions from Carmel River and Seaside Groundwater Basins: WY 2020**24-C** Monthly Cal-Am production by source: WY 2020

EXHIBIT 24-A

**Monterey Peninsula Water Management District
Water Supply Status
March 1, 2020**

Factor	Oct - Feb 2020	Average To Date	Percent of Average	Oct – Feb 2019
Rainfall (Inches)	11.48	15.50	74%	25.27
Runoff (Acre-Feet)	23,235	35,909	65%	93,640
Storage ⁵ (Acre-Feet)	30,420	30,050	98%	30,730

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 37,639 acre-feet.

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 ^{2, 6}	Seaside Groundwater Basin		MPWRS Total		ASR Recovery	Table 13 ⁷	Sand City ³	Water Projects and Rights Total
		Coastal	Laguna Seca						
Target	3,222	1,000	0	1,000	4,222	0	114	125	239
Actual ⁴	3,106	890	123	1,013	4,120	0	88	37	125
Difference	116	110	-123	-13	102	0	26	88	114
WY 2019 Actual	2,964	1,061	100	1,014	4,126	0	172	73	245

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, 418 AF and 88 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							
Apr-20							
May-20							
Jun-20							
Jul-20							
Aug-20							
Sep-20							
Total	2,586	1,013	0	88	37	15	3,739
WY 2019	2,174	1,161	0	172	73	21	3,622

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 ¹	9,830	10,130	Rule 160 Production Limit
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1. Average includes production from Carmel River, Seaside Basin, Sand City Desal, and ASR recovery produced for Customer Service.

California American Water Production by Source: Water Year 2020

	Carmel Valley Wells ¹						Seaside Wells ²						Total Wells			Sand City Desal		
	Actual		Anticipated ³		Compaired to Target		Actual		Anticipated		Compaired to Target		Actual	Anticipated	Compaired to Target	Actual	Anticipated	Compaired to Target
	Upper	Lower	Upper	Lower	Upper	Lower	Coastal	LagunaSeca	Coastal	LagunaSeca	Coastal	LagunaSeca						
	acre-feet	acre-feet	acre-feet	acre-feet	acre-feet	acre-feet	acre-feet	acre-feet	acre-feet	acre-feet	acre-feet	acre-feet	acre-feet	acre-feet	acre-feet	acre-feet	acre-feet	acre-feet
Oct-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																		
Apr-20																		
May-20																		
Jun-20																		
Jul-20																		
Aug-20																		
Sep-20																		
To Date	497	2,594	200	3,017	-297	423	890	123	1,000	0	110	-123	4,104	4,217	113	37	125	88

Total Production: Water Year 2020

	Actual	Anticipated	Acre-Feet Compaired 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			
Apr-20			
May-20			
Jun-20			
Jul-20			
Aug-20			
Sep-20			
To Date	4,142	4,342	200

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.



Supplement to 3/16/2020 MPWMD Board Packet

Attached are copies of letters received between February 14, 2020 and March 6, 2020. These letters are listed in the March 16, 2020 Board packet under Letters Received.

Author	Addressee	Date	Topic
Steven Westhoff	David J Stoldt	3/4/2020	Water Demand Committee – Action Item 2
Hans Usler	David J Stoldt	2/24/2020	Supporting Military Missions when Forecasting Future Supply and Water Demand for the Monterey Peninsula
Melodie Chrislock	MPWMD Board	2/19/2020	Cal Am Rates and Surcharges.pdf; 10 years of increases.jpg
Hans Usler	David J Stoldt	2/18/2020	Water Allocation request for Garden Road affordable housing projects

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Submitted by staff at 3/5/2020 Committee Meeting
Agenda item 2

From: [Westhoff, Steven@Waterboards](mailto:Westhoff.Steven@Waterboards)
To: [Arlene Tavani](#); [Stephanie Locke](#); [Dave Stoldt](#)
Cc: dave@laredolaw.net; uslar@monterey.org; donlon@monterey.org; davi@monterey.org; cole@monterey.org; flower@monterey.org; [Christopher Cook](#); [Kathryn Horning](#); [Ekdahl, Erik@Waterboards](mailto:Ekdahl.Erik@Waterboards); [Rizzardo, Jule@Waterboards](mailto:Rizzardo.Jule@Waterboards); [Cervantes, Roberto@Waterboards](mailto:Cervantes.Roberto@Waterboards)
Subject: Water Demand Committee - Action Item 2
Date: Wednesday, March 4, 2020 5:08:23 PM
Importance: Low

Ms. Tavani, Ms. Locke, and Mr. Stoldt:

The Monterey Peninsula Water Management District (District) Water Demand Committee's posted agenda for March 5 (<https://www.mpwmd.net/wp-content/uploads/March-5-2020-WDC-Agenda.pdf>) indicates that the City of Monterey has requested an additional water allocation from the District for 2000 and 2600 Garden Road in the City of Monterey. Based on the description from City Manager Hans Uslar's February 18 letter, both projects appear to be for residential developments (affordable apartments) at current non-residential service addresses (gym and office). Mr. Uslar's letter suggests that these projects would require "additional water allocation," and Mr. Uslar has requested that the District allocate a portion of the 9 acre-feet per year that the District reserved under District Ordinance No. 168.

As both the District and the City of Monterey are aware, condition 2 of State Water Board Order WR 2009-0060 (Condition 2) prohibits California American Water Company (Cal-Am) from serving new service connections and also prohibits "increased use of water at existing service addresses resulting from a change in zoning or use." Changing the service addresses, or parcels or sites in District terminology, from current non-residential uses to residential uses would constitute a change in use under Condition 2. Condition 2 would therefore prohibit increased use of water at the service addresses. As with other projects or credits not specified in State Water Board orders, neither Ordinance No. 168's Local Water Project-related entitlement for the City of Pacific Grove nor the District reserve is exempt from Condition 2. Under Condition 2, increased use of water at the service address could not be avoided, cured, or offset with such an entitlement or reserve. Permitting and serving the proposed projects as described in Mr. Uslar's letter could therefore lead to a violations of Condition 2, even if they would be allowed under the District's local water permitting system.

Condition 2 and other limiting conditions of the State Water Board's cease and desist order will be in effect until Cal-Am terminates unauthorized diversions from Carmel River and implements an alternative water source to meet existing and reportedly growing demands. Please feel free to contact me if you have additional questions.

Sincerely,

Steven Westhoff

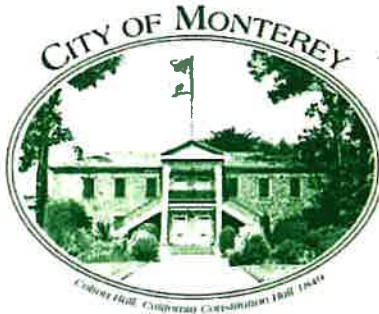
Attorney, Office of Chief Counsel
State Water Resources Control Board
1001 I Street, 22nd Floor
Sacramento, CA 95814-2828

Email: Steven.Westhoff@waterboards.ca.gov

Phone: (916) 327-7295

Fax: (916) 341-5199





RECEIVED

MAR 02 2020

MPWMD

Mayor:
CLYDE ROBERSON

Councilmembers:
DAN ALBERT
ALAN HAFER
ED SMITH
TYLER WILLIAMSON

City Manager:
HANS USLAR

February 24, 2020

David Stoldt
General Manager
Monterey Peninsula Water Management District
P.O. Box 85
Monterey, CA 93940

Re: Supporting Military Missions when Forecasting Future Supply and Water Demand for the Monterey Peninsula

~~Dear Dave,~~ *Dear Dave,*

This letter, and the attached letter from the Naval Support Activity Monterey, addresses the need to consider military missions when forecasting future water demand and supply.

The Supply and Demand memo appears to ignore possible growth scenarios for our military bases. In the past years, the three military bases in Monterey have experienced elasticities in the numbers of assigned personnel. Military population can increase within months pending national security considerations.

A recent MC Weekly article from January 2020 documents Defense Language Institute student enrollment fluctuating between 2,500 to 5,000 students based on national security concerns and world events. It is a fair assumption to consider an elasticity, which allows for 500 to 2,000 more linguist students at the DLI. Moreover, in the interest of national security, any supply and demand model needs to create adequate reserves for the Presidio of Monterey (DLI) and the Naval Support Activity Monterey (NPS and FNMOC). The difference between these mission growths could be estimated as needing an additional 250- 400 af assuming a .1af of water consumption for each additional service member. I do not see that the Supply and Demand Memo has room for these expansions.

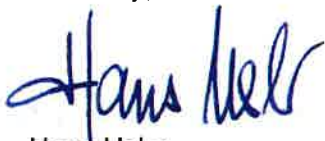
Over the past twenty years, and in partnership with the District and with the help of the City of Monterey's Contract for Base Operations, the Defense Language Institute was able to reduce its water consumption significantly. Those water credits allowed them to construct new instructional facilities and two new barracks. Likewise, the Naval Support Activity Monterey reports a 58% reduction in usage since 2008. Both institutions need an allocated water reserve.

The current estimates for future consumption are based on today's consumption data. The nation security mandate by the Department of Defense with respect to utilities requires that military-basing decisions are also dependent on a resilient water supply. I hope that the District will make mention of the military bases on the Peninsula and recognize its value for our nation's security and call out for and allocate a specific water reserve for our military installations.

Lastly, a forthcoming study by Middlebury Institute will quantify the economic impact of the military bases at more than \$2 billion. It is important to consider these economic drivers for our economies and our school districts as well.

No water resiliency and no dedicated water reserves for our military missions will provide additional arguments for base closure proponents.

Sincerely,



Hans Usler
City Manager

Attached: Letter from Captain R.A. Wiley, Naval Support Activity Monterey, February 10, 2020

cc: Monterey City Council
Monterey Bay Defense Alliance
Colonel Gary Ford, Garrison Commander for the Presidio of Monterey
Colonel Gary Hausman, Commandant, Defense Language Institute Foreign
Language Center
Captain Rich Wiley, Commanding Officer, Naval Support Activity Monterey
President Ann E. Rondeau, Vice Admiral, U.S. Navy (Ret.), Naval Postgraduate School
Kim Cole, Community Services Director
Grant Leonard, Administrative Analyst, Housing & Property Management



**DEPARTMENT OF THE NAVY
NAVAL SUPPORT ACTIVITY MONTEREY
271 STONE ROAD
MONTEREY CA 93943-5189**

**IN REPLY REFER TO:
11011
Ser N00/022
February 10, 2020**

Mr. Hans Uslar
City Manager
City of Monterey
580 Pacific Street
Monterey, CA 93940

Dear Mr. Uslar:

Naval Support Activity Monterey (NSAM), home to the Naval Postgraduate School, Fleet Numerical, the Naval Research Lab and other strategically critical Department of Defense organizations, is in receipt of your request regarding future water supply in the Monterey Peninsula Water Management District's (MPWMD) "Supply and Demand for the Water on the Monterey Peninsula" (revised 3 December 2019). This document includes the Association of Monterey Bay Area Government (AMBAG) projected demand over a 20-year period ending in 2040, mostly occurring in Seaside and Monterey. It fails, however, to explicitly estimate any projected growth for military populations to include NSAM (co-listed as "the Defense Language Institute (DLI) & NPS").

We must emphasize the importance of a resilient water supply in support of the Navy's critical mission in Monterey, including for our civilian and military personnel. The Navy's human capital and its ability to recruit and retain talented personnel is integral to these missions. Review of the AMBAG projections contained within the MPWMD's report results in an NSAM request for further consideration of the Navy's mission, including potential mission growth.

NSAM has actively and diligently worked to reduce water consumption in support of conservation efforts on the Monterey Peninsula. Since FY2008, the installation reduced potable water consumption by 58% by employing meters on water consuming facilities, rapidly identifying and fixing leaks, switching to waterless urinals, and upgrading showerheads and sink faucets at the historic Del Monte Hotel. Additionally, by using Del Monte Lake as a stormwater collection point, NSAM reuses the collected water to irrigate the entire grounds of the main campus to include the area around the Del Monte and the Navy's Monterey Pines Golf Course.

It is critical that we protect the Navy's access to a sustainable water supply as well as its ability to carry out future mission expansion and functions with a high quality, resilient, and affordable water supply. We look forward to working with you in your effort to achieve active, well-planned, compatible growth in the Monterey Peninsula as well as a sustainable water supply in support of the military mission.

11011
Ser N00/022
February 10, 2020

If you have further questions, please contact Ms. Marlana Brown, Community Planning
Liaison Officer, at (831) 656-2475, marlana.brown@nps.edu.

Sincerely,



R. A. WILEY
Captain, U.S. Navy
Commanding Officer

Arlene Tavani

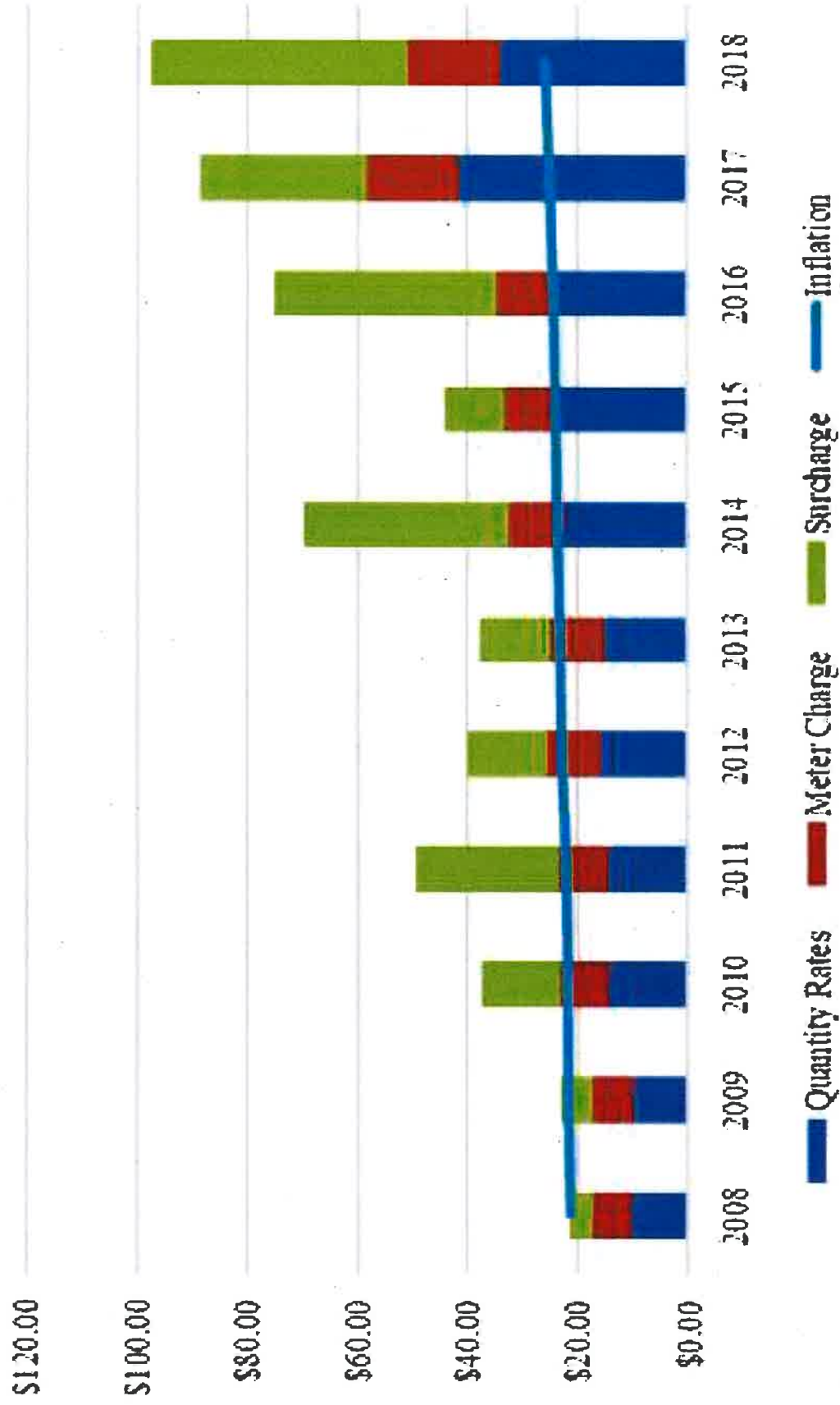
From: MWChrislock <mwchrislock@redshift.com>
Sent: Wednesday, February 19, 2020 1:02 PM
To: Arlene Tavani
Subject: Add to packet?
Attachments: Cal Am Rates and Surcharges.pdf; 10 years of increases.jpg

Hi Arlene,

Can you add the attached from the CPUC's Public Advocates Office to this evenings info. All board members should see these.

Melodie Chrislock
Managing Director
PUBLIC WATER NOW

Monterey Residential Monthly Bill



Docket:	:	A.19-07-004
Exhibit Number	:	Cal PA - _____
Commissioner	:	Genevieve Shiroma
Administrative Law Judge	:	Gerald F. Kelly
Cal PA Witness	:	Jayne Parker



REPORT AND RECOMMENDATIONS ON RATES AND SURCHARGES

Application 19-07-004

**San Francisco, California
February 14, 2020**

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MEMORANDUM

The Public Advocates Office at the California Public Utilities Commission (“Public Advocates Office”) examined requests and data presented by California American Water Company (“Cal Am”) in Application (“A.”) 19-07-004 (“Application”) to provide the California Public Utilities Commission (“Commission”) with recommendations that represent the interests of ratepayers for safe and reliable service at the lowest cost. Mukunda Dawadi is the Public Advocates Office’s project lead for this proceeding. Richard Rauschmeier is the oversight supervisor and Kerriann Sheppard and Robyn Purchia are legal counsels.

Although every effort was made to comprehensively review, analyze, and provide the Commission with recommendations on each ratemaking and policy aspect presented in the Application, the absence from the Public Advocates Office’s testimony of any particular issue does not necessarily constitute its endorsement or acceptance of the underlying request, methodology, or policy position related to that issue.

1

2 **A. INTRODUCTION**

3 Cal Am's general rate case establishes customers' base rates for water
4 service for a three-year period. Base rates include the monthly service charge that
5 is assessed for a customer's meter size and quantity rates that are assessed for the
6 volume of water consumed. Base rates are calculated to meet a utility's revenue
7 requirement and should provide the basic information necessary to evaluate the
8 impacts of requests made by a utility in a general rate case on customers' bills.¹
9 However, over the past decade more than one-fifth of Cal Am's average
10 residential bill has consisted not of base rates, but rather surcharges that are the
11 result of alternative ratemaking mechanisms.²

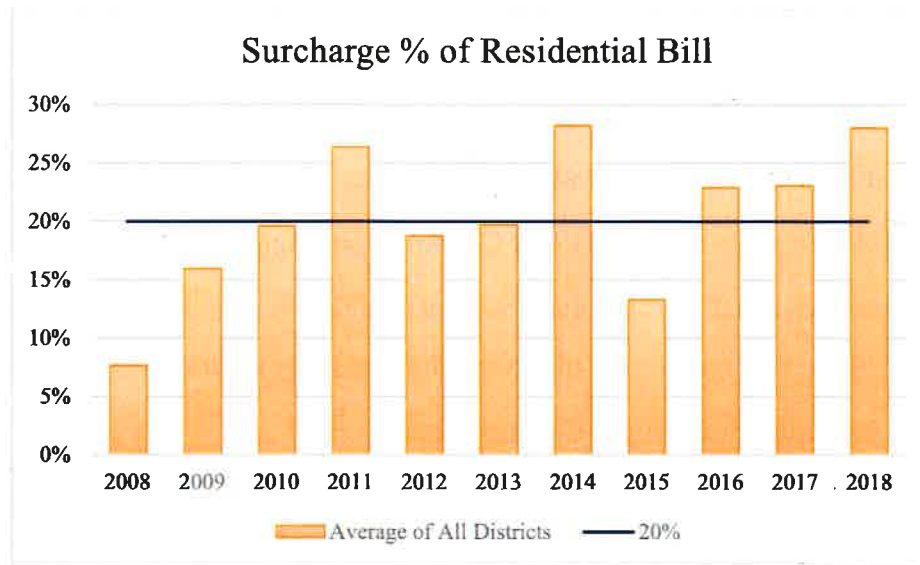
12 As shown below in Figure 1, surcharges have averaged approximately 20%
13 of the total residential bill across all of Cal Am's districts over the past decade. In
14 Cal Am's Monterey District, surcharges have totaled as much as 53% of the
15 average residential bill in 2011, 2014 and 2016.³

¹ A "revenue requirement" is the authorized budget that is established to cover both operating costs and provide the utility an opportunity to earn a reasonable rate of return on the property devoted to the business. *The Regulation of Public Utilities*, C.F. Phillips, Jr., 1993

² Alternative Ratemaking Mechanisms (ARMs) or Alternative Revenue Programs (ARPs) "adjust future tariffs (usually as a surcharge applied to future billings) in response to past activities or completed events." *Revenue for Power and Utilities Companies*, KPMG, US GAAP, 2018

³ See Attachment 2: Monterey District tariff pricing from 2008-2018.

Figure 1: Surcharge Percentage of Residential Bill-Territory Wide



1 The full impact of surcharges over the three-year period that general rate
2 cases establish rates is not known at the time of the general rate case because
3 surcharges can be added to customer bills between general rate cases. For
4 example, Cal Am's surcharges jumped from being 20% of the average residential
5 bill in 2013 to being 28% in 2014 partly because of surcharges that were approved
6 and added to customers' bills outside of Cal Am's general rate case.

7 Surcharges that are approved during a general rate case are not included in
8 the overall revenue increases proposed by the utility.⁴ For example, Cal Am's
9 current general rate case Application proposes to increase revenue by
10 "\$25,999,900 or 10.60% in the year 2021, by \$9,752,500 or 3.59% in the year
11 2022, and by \$10,754,500 or 3.82% in the year 2023."⁵ However, none of these

⁴ Cal Am's proposed revenue increase percentage is calculated as the difference between total revenues at present rates and total revenues at proposed rates, excluding surcharges. See the Public Advocates Office's Executive Summary and Results of Operations Report.

⁵ Cal Am Final Application 2019 GRC, p. 1.

1 proposed revenue increases include the surcharges that Cal Am is requesting be
2 approved in the general rate case.⁶

3 As of May 31, 2019, Cal Am had an outstanding balance of approximately
4 \$199,000,000 in surcharge accounts, which are known as Memorandum and
5 Balancing Accounts in California.⁷ If Cal Am's outstanding balance of surcharge
6 accounts was collected over the three-year period that is addressed in this general
7 rate case (2021-2023), customer bills would increase by an additional 24.5% on
8 top of the base rate revenue that Cal Am proposes.⁸

9 Surcharge accounts were first created to address unforeseen circumstances
10 and, therefore, be temporary in nature.⁹ However, surcharges for Cal Am's
11 average residential customer have been remarkably persistent over the last ten
12 years. More concerning, the forecasting methodologies and Special Requests
13 proposed by Cal Am in the current general rate case appear deliberately designed
14 to obfuscate the impacts to customer bills by shifting an increasing amount of base
15 rates into surcharge accounts and applying a shareholder return to the account
16 balances.¹⁰

⁶ Refer to the testimony of Mukunda Dawadi for the Public Advocates Office

⁷ Direct Testimony of Jeffrey M. Dana, Attachment 1.

⁸ \$199,252,617 from Cal PA ANU 16 Q005 Attachment 1 / 3 years = \$66,417,539. \$66,417,539 / \$271,241,000 (Sum of the Revenue Requirements for Cal Am's Northern, Southern, Central and Wastewater Districts. See the Public Advocates Office's Executive Summary and Results of Operations Report) = 24.5%.

⁹ Cal. P.U.C., Water Div. Res. W-4294 (Nov. 29, 2001).

¹⁰ Refer to the testimony of witnesses, Anusha Nagesh and Mukunda Dawadi for the Public Advocates Office

1 **B. SUMMARY OF RECOMMENDATIONS**

2 To increase transparency for all customers, including low-income residents,
3 incentivize Cal Am to operate more efficiently, and reduce the potential for abuse
4 of surcharge accounts, the Commission should:

- 5 • Prevent the continued proliferation of surcharge accounts;
- 6 • Limit surcharges to 20% of a residential customer's total bill; and
- 7 • Reinstatement an earnings test prior to authorizing surcharge recovery to
8 ensure Cal Am is not earning above its authorized rate of return.

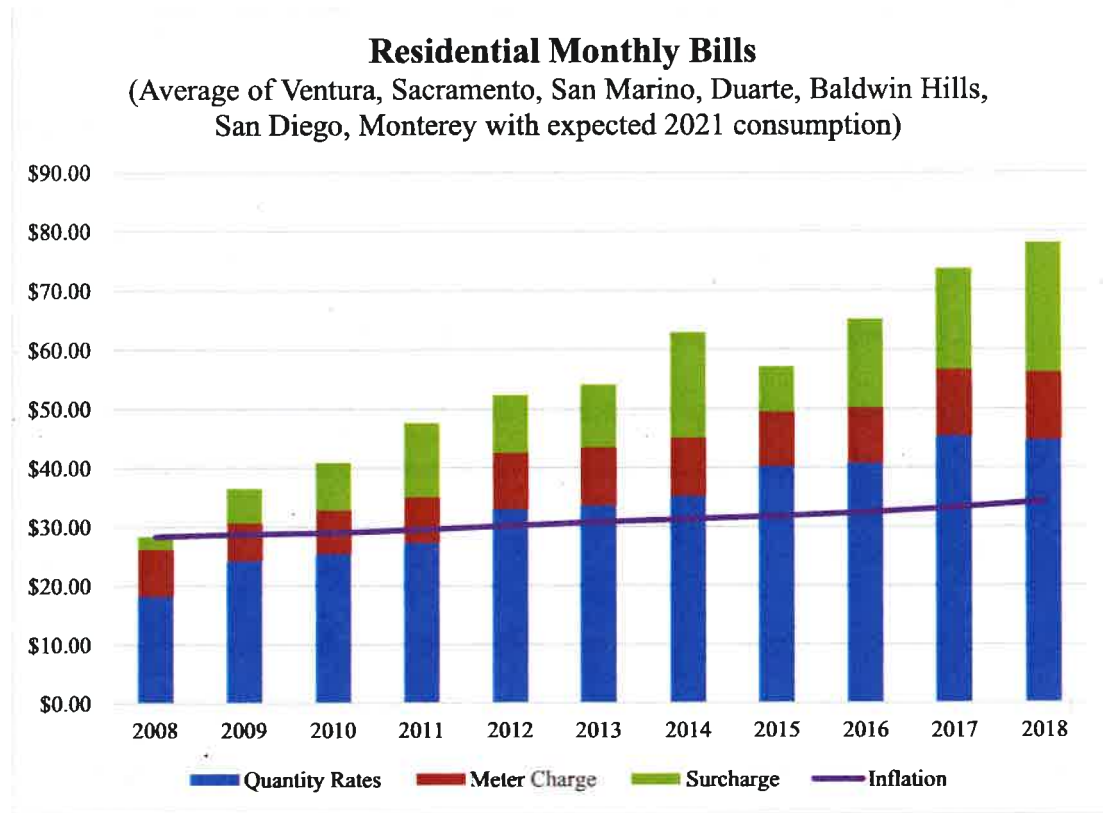
9 **C. DISCUSSION**

10 As depicted in Figure 2, Cal Am's residential customers have experienced
11 increases in water bills averaging 9.3% per year for the last ten years.¹¹ Over the
12 same period, however, inflation increased at an average rate of just 1.92% per
13 year.¹²

¹¹ Attachment 1

¹² Attachment 3

Figure 2: Average Residential Monthly Bills



1 In its current general rate case Application, Cal Am proposes increases in
2 base rates totaling 18% between 2021 and 2023.¹³ Additionally, Cal Am requests
3 recovery of surcharge accounts that would add another 15% to the average
4 residential customer's bill.¹⁴ While Cal Am attributes its surcharge accounts to
5 numerous external factors allegedly beyond its control,¹⁵ many of the forecasting
6 methodologies and Special Requests proposed by Cal Am in this general rate case
7 undoubtedly will grow the balances of its surcharge accounts.¹⁶

¹³ Cal Am Application 10.6% (2021) + 3.59% (2022) + 3.82% (2023) = 18.01%

¹⁴ Proposed surcharges % from CAW 2019 GRC Final Application Exhibits A, CD, pp. pgs: 612, 616, 621, 626, 630, 271.

¹⁵ Direct testimony of Jeffrey T. Linam, p. 60, lines 15-24.

¹⁶ Refer to the testimony of Anusha Nagesh for the Public Advocates Office

1 **1. The Commission Should Stop the Proliferation of Surcharge Accounts**
2 **and Mitigate the Potential for Abusive Surcharge Practices**

3 The Commission has explained that the purpose of surcharge accounts is to
4 protect utilities from “unforeseen expenses, of a substantial nature, beyond the
5 utilities’ management or regulatory control.”¹⁷ However, the steady presence of
6 surcharges on Cal Am’s customer bills for at least the past decade suggests
7 something different has occurred. Instead of being temporary additions,
8 surcharges seem to have become a permanent fixture on Cal Am’s customer bills.

9 According to its most recent Annual Report submitted to the Commission,
10 Cal Am was operating a total of 97 separate surcharge accounts at the end of
11 2018.¹⁸ Since filing its general rate case in July 2019, the Commission has
12 authorized Cal Am to create an additional five surcharge accounts¹⁹ and has
13 pending requests for five more in separate proceedings.²⁰ In the current general
14 rate case Application, Cal Am is requesting at least 1 additional surcharge

¹⁷ Cal. P.U.C., Water Div. Res. W-4294 (Nov. 29, 2001).

¹⁸ Cal-Am’s 2018 Annual Report, Schedule E-1.

¹⁹ New Surcharges created since July 2019: D.19-04-014: Rio Plaza Transaction Surcharge Account (1); AL 1250 A: Rio Plaza Groundwater Extraction Surcharge Account (1); D.19-12-038: Meter Installation Memorandum Account (1); D.19-12-038: Environmental improvements and Compliance Memo Account (1); D.19-12-038: Transaction Memorandum Account (1)

²⁰ Pending Surcharges: AL 1275: Public Safety Power Shut-Offs Memorandum Account (1); A.19-12-003: Consumer Privacy Memo Account (1); A.18-09-013: Bellflower Surcharge Accounts (3). New Surcharge Accounts Created Since July GRC Filing: D.19-04-014: Rio Plaza Transaction Surcharge Account (1); AL 1250 A: Rio Plaza Groundwater Extraction Surcharge Account (1); D.19-12-038: Meter Installation Memorandum Account (1); D.19-12-038: Environmental improvements and Compliance Memo Account (1); D.19-12-038: Transaction Memorandum Account (1)

1 account²¹ and is proposing significant modifications to the process by which its
2 current surcharge accounts operate.

3 In particular, Cal Am is proposing to raise the recovery cap on its most
4 comprehensive surcharge accounts²² and to begin applying its authorized rate of
5 return (which currently includes a shareholder return of 9.2%)²³ to the outstanding
6 balance of many of its existing surcharge accounts.²⁴

7 The proliferation of surcharge accounts and Cal Am's proposals for new
8 and expanded uses of surcharge accounts should not be surprising. In 1985, the
9 then Executive Director of the Commission warned that, "[w]e can expect utilities
10 to continually press for the comfort of more [surcharge accounts] and the green
11 light to file a variety of [surcharges] between general rate proceedings...it is the
12 [Commission's] task to recognize that desire and pressure and weigh it against the
13 need to have management incentive working to minimize costs."²⁵

14 In 2012, a report by the American Association of Retired Persons ("AARP
15 Report") on the increasing use of utility surcharges detailed how surcharge
16 accounts diverge from traditional ratemaking methods.²⁶ The AARP Report
17 explained how these alternative ratemaking mechanisms can diminish a utility's
18 incentive to control or reduce expenses. "Since the utility is passing the cost on to
19 customers [via surcharges], it has less incentive to seek ways to reduce the
20 expense." In fact, the use of surcharge accounts is nearly the opposite of

²¹ Acquisition Contingency Memorandum Account (1)

²² Special Request No. 5: Modification of 15% Cap on WRAM/MCBA Amortization CAW 2019
GRC Final Application at p. 11

²³ D.18-03-035 at p. 2

²⁴ Refer to the testimony of Mukunda Dawadi for the Public Advocates Office

²⁵ Attachment 4: Balancing Accounts History, p. 6

²⁶ Attachment 5: AARP at p. 3

1 traditional ratemaking which establishes reasonable budgets called “revenue
2 requirements” that a utility must manage to achieve profits between rate cases.²⁷

3 The AARP Report also explains that a review of surcharges “is typically
4 conducted on an expedited basis, as opposed to the thorough review that would
5 typically occur in a full rate case.”²⁸ In California, the Commission can authorize
6 surcharges in as quickly as one month through the informal advice letter process.
7 This process can operate without customer notice or consideration within an
8 evidentiary record.²⁹

9 Even when consideration of surcharges occurs within the evidentiary record
10 of a general rate case, the proliferation of surcharge accounts complicates the
11 Commission’s review and increases the likelihood of customers paying the same
12 costs twice. As Commission staff previously noted, the process of reviewing
13 surcharge accounts “has essentially shifted the burden of proof to staff and
14 intervenors to show expenditures were not prudent.”³⁰ This situation actually
15 arose in Cal Am’s previous general rate case when the Public Advocates Office
16 demonstrated that the exact same invoices used by Cal Am previously to generate
17 surcharges on customers’ bills were being resubmitted by Cal Am to increase
18 customers’ base rates.³¹

19 Although Cal Am indicates that it makes a “good faith” effort to remove
20 from its ratemaking proposals those items being tracked or recovered elsewhere,³²

²⁷ Under a traditional approach to ratemaking, a utility cannot adjust its rates outside a rate case. No matter what happens to a utility’s costs or revenues between rate cases, rates remain fixed. National Regulatory Research Institute Report No. 16-08 at p. 10

²⁸ Attachment 5: AARP Report, p. 9

²⁹ See General Order 96B (reducing notice requirements for advice letters increasing rates and granting evidentiary hearings only in limited circumstances).

³⁰ Attachment 4: Balancing Accounts History, p. 4.

³¹ D.18-12-021, pp. 182-83.

³² Direct testimony of Stephen W. Owens, p. 5, lines 6-7.

1 it has made mistakes. Ultimately, the Commission should reverse the proliferation
2 of surcharge accounts to restore incentives for utilities to control costs.

3 However, to reduce the possibility that customers pay the same costs in
4 both base rates and surcharges, the Commission should require Cal Am to
5 implement a more systematic process of identifying and categorizing costs as they
6 are incurred.³³ The Commission should also deny Cal Am's requests in this
7 general rate case for additional surcharge accounts³⁴ and enforce the following
8 additional limitations on the operation of Cal Am's surcharge accounts to further
9 mitigate the potential for abuse.

10 **2. The Commission Should Limit Cal Am's Surcharges to**
11 **No More than 20% of a Residential Customer's Bill**

12 Surcharges can mask the overall impact of utilities' proposals in general
13 rate cases. For example, Cal Am is requesting recovery of about \$14,626,618
14 from surcharge accounts in the current general rate case.³⁵ However, this amount
15 is in addition to the \$46.5 million increase in base rates that Cal Am is also
16 requesting.³⁶ Because of this, the full impact of Cal Am's requests on customers'
17 bills is not transparent.

18 A similar lack of transparency exists for surcharges that Cal Am may
19 request outside the general rate cases through informal advice letter proceedings.
20 The Commission's standard practice does not require customer notification for
21 recovery of any individual surcharge account that is less than 10% of gross utility

³³ Refer to the testimonies of Anusha Nagesh and Daphne Goldberg for the Public Advocates Office

³⁴ Refer to the testimony of Anusha Nagesh for the Public Advocates Office

³⁵ Refer to the testimony of Anusha Nagesh

³⁶ \$25,999,900 in 2021, \$9,752,500 in 2022, and \$10,754,500 in 2023.

1 revenue.³⁷ However, there is no upper limit to the total number of individual
2 accounts or surcharges that Cal Am can request between general rate cases.³⁸

3 Although more detailed customer notices would improve the transparency
4 of Cal Am's requested recovery of surcharge accounts in the future, many of Cal
5 Am's proposals and forecasting methodologies in the current general rate case
6 appear deliberately designed to manipulate the notification process.

7 For example, Cal Am's Special Request #4 proposes to remove from base
8 rates and recover through surcharges the cost of providing customer leak
9 adjustments. This proposal results in a 10% decrease to Cal Am's proposed base
10 rates.³⁹ However, the cost to customers will not be 10% less. Despite giving the
11 appearance of lower rates, Cal Am's proposal ensures that the actual cost will
12 become a surcharge that is collected outside of base rates and customer noticing
13 requirements. As detailed in the testimony of the Public Advocates Office's
14 witness, Suzie Rose,⁴⁰ the Commission should not allow Special Request #4 to
15 mask the actual customer impacts of Cal Am's proposals.

16 Similarly, several of Cal Am's forecasting methodologies also provide
17 customers and the Commission with the appearance of impacts smaller than what
18 customers will actually experience. This occurs when Cal Am underestimates its
19 budget for items that are included in base rates with corresponding surcharge
20 accounts.⁴¹ Because these corresponding surcharge accounts track the variance
21 between the budgeted amount and the actual cost incurred, an underestimated

³⁷ Cal. P.U.C. Standard Practice U-27-W, p. 5.

³⁸ Surcharge account that exceeds 2% of a utility's gross revenue can be requested via an advice letter outside of a general rate case (Cal. P.U.C. Standard Practice U-27-W).

³⁹ Retaining the estimated \$2.7 million of leak adjustments in base rates would increase Cal Am's proposed increase in 2021 base rate revenue from \$25.9 million to \$28.6 million

⁴⁰ Refer to the testimony of Suzie Rose for the Public Advocates Office

⁴¹ Refer to the testimony of Anusha Nagesh for the Public Advocates Office

1 budget gives the illusion of lower costs even though customers eventually
2 experience the actual cost through additional surcharges.

3 Cal Am's underestimated costs of purchased water and purchased power
4 are especially egregious examples of masking the impacts of its general rate case
5 requests.⁴² In addition to artificially lowering its proposed and noticed revenue
6 increase by roughly \$10 million per year, the corresponding surcharge accounts
7 that track this underestimated amount are the same accounts on which Cal Am
8 proposes to begin earning a shareholder return.⁴³ This means, customers are
9 paying hidden profits for the benefit of shareholders.

10 Furthermore, Cal Am's Special Request #5 proposes to lift the existing cap
11 on recovery of these accounts.⁴⁴ If granted, Cal Am will be able to collect more
12 surcharges, more quickly, and with more profit while providing notice of only a
13 fraction of the actual bill impacts customers will experience over the next three
14 years.

15 To provide greater certainty and transparency, the Commission should limit
16 the surcharges Cal Am can collect on residential customer bills to 20% of the total
17 bill. This is approximately the same average percentage of surcharges appearing
18 on Cal Am's residential customer bills over the last ten years.

19 **3. The Commission Should Reinstitute an Earnings Test to**
20 **Prevent Cal Am from Using Surcharges to Exceed its**
21 **Authorized Rate of Return**

22 In 2003, the Commission re-affirmed its practice of applying an earnings
23 test to the recovery of surcharge accounts to prevent a utility from implementing
24 surcharges that would result in exceeding its authorized rate of return and

⁴² Refer to the testimony of Anusha Nagesh for the Public Advocates Office under Chapter 1, Table 1-1

⁴³ Refer to the testimony of Anusha Nagesh

⁴⁴ Refer to the testimony of Suzie Rose for the Public Advocates Office

1 achieving “an unanticipated windfall at ratepayer expense.”⁴⁵ The Commission
2 explained:

3 The original purpose of these [surcharge] accounts was
4 to allow the utilities to recover unanticipated expenses
5 within the normal rate case cycle to prevent financial
6 injury, and . . . to serve as insurance to utilities that
7 certain uncontrollable expenses would not affect their
8 ability to achieve authorized earnings. A utility that
9 exceeds its authorized rate of return is not in financial
10 peril; thus, there is no need for recovery of the
11 [surcharge] account amounts in excess of its authorized
12 rate of return.⁴⁶

13 Two years later and under a different set of commissioners, the industry
14 association that represents California’s investor-owned water utilities successfully
15 petitioned the Commission to modify its decision and eliminate the earnings test.⁴⁷
16 However, the Commission’s modified decision left intact the original conclusion
17 of law that, “[t]he Commission has the discretion to modify the existing procedure
18 when the procedure is producing unintended results.”⁴⁸

19 The demonstrated and increasing potential for abusive practices related to
20 surcharge accounts requires the Commission to modify existing procedure.
21 Similar to the earnings test that was required when surcharge accounts were first
22 created in 1977, the Commission should re-establish an earnings test to ensure that
23 surcharges do not result in Cal Am exceeding its authorized return. Prior to
24 authorizing recovery of any surcharge account, the Commission should be assured

⁴⁵ D.03-06-072, p. 7.

⁴⁶ D.03-06-072, p. 17.

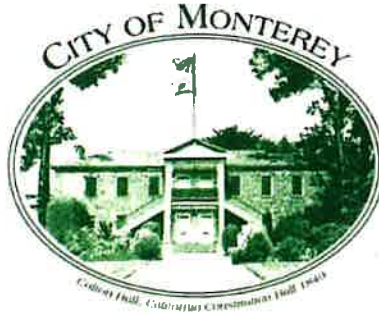
⁴⁷ See D.06-04-037 (eliminating annual advice letter filing and application of the earnings test).

⁴⁸ Compare D.03-06-027, p. 18 (finding Commission has discretion to modify existing procedure when it is producing unintended results), with D.06-04-037, pp. 9-10 (eliminating only annual advice letter filing and application of the earnings test).

1 that recovery of the account balance would not produce a rate of return higher than
2 authorized for the period during which the balance in the account was recorded.

3 **D. CONCLUSION**

4 The pervasive nature of surcharge accounts in Cal Am's general rate case
5 illustrates that an unintended consequence of these accounts includes the ability to
6 move funds out of base rates and, therefore, obfuscate the impacts for customers
7 and decision makers. The Commission should place a 20% cap on surcharges as a
8 portion of customer's total bill and reinstitute an earnings test for Cal Am to
9 ensure that the approved surcharges do not allow for a rate of return that exceeds
10 Cal Am's authorized rate of return. These two changes will encourage Cal Am to
11 operate more efficiently and transparently and will enable a more equitable billing
12 system for customers.



RECEIVED

FEB 20 2020

APPROVED

Mayor:
CLYDIE ROBERSON

Councilmembers:
DAN ALBERT
ALAN HAFER
ED SMITH
TYLER WILLIAMSON

City Manager:
HANS USLAR

February 18, 2020

David Stoldt
General Manager
Monterey Peninsula Water Management District
P.O. Box 85
Monterey, CA 93940

Re: Water allocation request for Garden Road affordable housing projects

~~Dear Mr. Stoldt,~~

Dear Dave,

The City of Monterey appreciates the opportunity to participate in the Technical Advisory Committee and is looking forward to support the Water Management District.

Today, I am writing you to ask the District to support two projects located at 2000 and 2600 Garden Road, which are ready to start in June and October 2020. At 2000 Garden Road, the developer Mr. Brad Slama intends to demolish the former Gold's Gym site into an apartment building. For this site, he is requesting water for an additional 36 affordable studio apartments. At the 2600 Garden Road site, he proposes to convert an office building into apartments. With an additional water allocation, he will be able to add another 35 all-affordable units. In total, using the existing water allocation on site and the possible additional allocation from the District, the two projects would create 166 new units, which include a total of 90 affordable units. These projects will have a positive, measurable impact on our overall housing supply.

It is our understanding that the Water Management District has a water reserve of 9af of water available. We request that the District works with the developer and allocates the additional water to the two project sites with the condition of affordable units being built as outlined above.

Since the developer is drawing up plans for the new building and the conversion of the office building, we hope that the District can make a determination in favor of those two project as soon as possible.

If you have any questions, please feel free to contact me at (831) 646-3760.

Sincerely

Hans Uslar
City Manager

CC: Kim Cole, Community Development Director
Ande Flower, Principal Planner
Mr. Brad Slama