

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



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

Monday, March 6, 2023 at 3:00 p.m. [PST] | *Virtual Meeting*

Join the meeting at:

<https://mpwmd-net.zoom.us/j/88691057048?pwd=M3RPcjBuNFZlZTFjOTdBRnd6anNwQT09>

Or access the meeting at: [www.zoom.us](http://www.zoom.us)

Webinar ID Number: 886 9105 7048

Meeting password: 03062023

Participate by phone: (669) 900 - 9128

**For detailed instructions on connecting to the Zoom meeting see page 3 of this agenda.**

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**Water Supply Planning  
Committee Members:**

*Alvin Edwards, Chair  
George T. Riley  
Karen Paull*

**Alternate:**

*Ian Oglesby*

**Staff Contact**

*David J. Stoldt,  
General Manager*

*Jon Lear, Water  
Resources Manager*

*Maureen Hamilton,  
District Engineer*

*Joel G. Pablo  
Board Clerk*

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

**Call to Order / Roll Call**

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

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

1. Consider Adoption of the December 14, 2023 Committee Meeting Minutes
2. Adopt CY2023 Water Supply Planning Committee Meeting Schedule
3. Consider Authorizing the General Manager to Enter into a Contract with Montgomery and Associates to Provide a Tularcitos ASR Feasibility Study
4. Consider Recommending the Board Approve a Memorandum of Agreement to Share in the Cost of Installing a Groundwater Monitoring Well (Fort Ord 09 – Shallow)

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

5. Seaside Basin Water Quality and Operations Meeting Transition from M1W to MPWMD
  6. Overview of the FEMA / CAL Office of Emergency Services Reimbursement Process
  7. Discuss Alternative Methods to Finance and Utilize Pure Water Monterey Expansion
  8. Discuss Pure Water Monterey Legal Expenses
-

and posted to the District's website within five days following the meeting.

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

9. Receive and Discuss Information on State & Federal Water Priorities for 2023

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

**Adjournment**

## Accessibility

In accordance with Section 202 of the Americans with Disabilities Act of 1990 (42 U.S.C. Sec. 12132), MPWMD will make a reasonable effort to provide written agenda materials in appropriate alternative formats, or disability-related modification or accommodation, including auxiliary aids or services, to enable individuals with disabilities to participate in public meetings. MPWMD will also make a reasonable effort to provide translation services upon request. Please send a description of the requested materials and preferred alternative format or auxiliary aid or service by noon on Friday, March 3, 2023. Requests should be forwarded to: (1) Joel G. Pablo by e-mail at [joel@mpwmd.net](mailto:joel@mpwmd.net), or at (831) 658-5652; and (2) Sara Reyes by e-mail at [sara@mpwmd.net](mailto:sara@mpwmd.net) or at (831) 658-5610.

## Provide Public Comment at the Meeting

**Attend via Zoom** (For detailed instructions, please see "Instructions for Connecting to the Zoom Meeting" below.)

- (a) Computer Audio Connection: Select the "raised hand" icon. When you are called on to speak, you may identify yourself for the record.
- (b) Phone audio connection **with** computer to view meeting: Select the "raised hand" icon. When you are called on to speak, dial \*6 to unmute and you may identify yourself for the record.
- (c) Phone audio connection only: Press \*9. Wait for the clerk to unmute your phone and you may identify yourself for the record and provide your comment. Press \*9 to end the call.

### Submission of Public Comment via E-mail

Send comments to [comments@mpwmd.net](mailto:comments@mpwmd.net) with one of the following subject lines "PUBLIC COMMENT ITEM #" (insert the item number relevant to your comment) or "PUBLIC COMMENT – ORAL COMMUNICATIONS." Staff will forward correspondence received to the Board. Correspondence is not read during public comment portion of the meeting. However, all written public comment received becomes part of the official record of the meeting and placed on the District's website as part of the agenda packet for the meeting.

### Submission of Written Public Comment

All documents submitted by the public must have no less than thirteen (10) copies to be received and distributed by the **Clerk** prior to the Meeting. [Applies to only In-Person or Hybrid Committee Meetings]

## Instructions for Connecting to the Zoom Meeting

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**Begin:** Within 10 minutes of the meeting start time from your computer click on this link: <https://mpwmd-net.zoom.us/j/88691057048?pwd=M3RPcjBuNFZXZTFjOTdBRnd6anNwQT09> or paste the link into your browser.

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

#### USING A DESKTOP COMPUTER OR LAPTOP

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

#### COMPUTER AUDIO

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

#### PHONE CALL

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

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

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

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

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

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

+1 646-558-8656 (Maryland)

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

#### USING AN APPLE/ANDROID MOBILE DEVICE OR SMART PHONE

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

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

**DIAL IN**

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

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

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

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

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

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

+1 646-558-8656 (Maryland)

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

*Refer to the Meeting Rules of the Monterey Peninsula Water Management District (Revised August 2022) at <https://www.mpwmd.net/who-we-are/board-of-directors/meeting-rules-of-the-mpwmd/>*

## **WATER SUPPLY PLANNING COMMITTEE**

### **ITEM: ACTION ITEM**

#### **1. CONSIDER ADOPTION OF THE DECEMBER 14, 2022 COMMITTEE MEETING MINUTES**

**Meeting Date:** March 6, 2023

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

**Prepared By:** Joel G. Pablo

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

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**SUMMARY:** The Committee meeting minutes for December 14, 2022 (**Exhibit 1-A**) have been drafted and are attached for your review and approval.

**RECOMMENDATION:** The Committee will review, provide suggested edits and consider adopting the meeting minutes for December 14, 2022 by motion.

### **EXHIBIT**

**1-A** Draft Minutes of the December 14, 2022 Committee Meeting



## **EXHIBIT 1-A**

### **Draft Minutes Water Supply Planning Committee of the Monterey Peninsula Water Management District *Monday, December 14, 2022***

*Pursuant to AB 361, this meeting was conducted using teleconferencing means.*

**Call to Order:** Chair Edwards called the meeting to order at 11:00 a.m.

**Committee Members Present:** Alvin Edwards, Chair  
Karen Paull  
George Riley

**Committee Members Absent:** None

**Staff Members Present:** David J. Stoldt, General Manager (left meeting at 12:25 p.m.)  
Jonathan Lear, Water Resources Division Manager  
Maureen Hamilton, District Engineer  
Joel G. Pablo, Board Clerk

**District Counsel Present:** David C. Laredo and Fran Farina with De Lay & Laredo

**Comments from the Public:** Chair Edwards opened public comment.

*No further comments were directed to the Committee*

### **Action Items**

#### **1. Consider Adoption of the October 3, 2022 Committee Meeting Minutes**

David J. Stoldt, General Manager provided introductory remarks.

Chair Edwards opened public comment. *No comments were directed to the Committee.*

A motion was offered by Paull with a second by Riley to approve the October 3, 2022 Committee Meeting Minutes. The motion passed on a roll-call vote of 3-Ayes (Riley, Paull and Edwards), 0-Noes and 0-Abstain.

## Discussion Items

### 2. Aquifer Storage and Recovery (ASR) Preparation for Winter 2022 – 23 Operations

David J. Stoldt provided introductory remarks.

Jonathan Lear, Water Resources Manager briefly described ASR Preparations for Winter 2022- 23 Operations and made the following points:

- a) Monday, December 12: Successfully connected the parallel pipeline to ASR Well No. 3 and 4. Started injecting water to the pit.
- b) Tuesday, December 13: Flushed water until the appropriate silt density index has been reached to inject water. Once reached, ASR Well No. 2 was turned on to continue injecting at 1,000 gallons per minute. Lastly, turned on the Upper Valley Wells for Cal-Am to support the extra extraction out of the river.
- c) Wednesday, December 14: Staff determined ASR 1 is ready for injection. ASR 2 has been set and turned up to 1,500 gallons per minute with a set target of 2,800 gpm moving forward. Lastly, the gauge off of Highway 1 is measured at 350 cubic feet (cu ft) and being injected until it falls below 120 cu ft.

*In response to Edwards*, Lear stated currently all four ASR wells can not be ran at the same time, however noted piping exists to operate all four. Lear mentioned Well No. 3 and 4 are operating as production wells for Cal-Am and may present an issue in the future if the practice continues. He commented the intention of said wells was to harvest water from the Carmel River during the winter months and not to be used as recovery wells.

Chair Edwards opened public comment. *No public comments were received.*

### 3. Status of Fort Ord Well No. 9 Replacement

David J. Stoldt, General Manager provided a verbal status report on Fort Ord Well No. 9 Replacement. Stoldt directed attention to Attachment 3-A and shared the costs for replacing FO-09 Shallow to be in the following percentages: Seaside Basin Groundwater Watermaster (42.5%); Marina Coast Water District (42.5%) and the District (15%). Stoldt stated Marina Coast Water District's need to replace the monitoring well has been to keep track of data points. *In response to Edwards*, Lear stated the District alone paid the approximately \$60,000 in destruction costs for FO-09 Shallow. Chair Edwards highlighted that the cost share of 15% for a replacement well is justified as a result of the District paying for the total cost for the destruction of FO-09 Shallow. Paull concurred with Edwards comments. Riley thanked Edwards for his reminder of the destruction costs incurred by the District.

*Chair Edwards opened public comment. No comments were directed to the committee.*

**4. Condition Report on Fort Ord Well No. 10**

David J. Stoldt, General Manager provided a brief overview of Exhibit 4-A: Wells in the Seaside Basin. Lear informed the committee the District gained access to Fort Ord, a *former U.S. Army military base* and wells were drilled in the area to under the hydrostratigraphy of the northern area of the District boundary. He described the need to destroy the aging well that has not contributed useful data and indicated the financial costs will be incurred on the District. *In response to Edwards*, Lear commented a good faith effort has been made to identify potential underlying issues with geophysical equipment (*tools that test for sand and clay*) that did not return any data on the well. He believes the root cause may have to do with rusted metals found in the well.

*Chair Edwards opened public comment. No comments were directed to the committee.*

**5. Update on MPWSP Desalination Project – Coastal Commission and Other Conditions**

David J. Stoldt, General Manager provided an overview of his staff report on actions taken at the California Coastal Commission hearing on November 17, 2022 on CalAm's Coastal Development Permit for the MPWSP Desalination Project and answered committee questions. He directed the committee to Exhibit 5-A: Coastal Commission Preliminary Conditions on MPWSP Approval and noted that each of the listed conditions for approval are standard conditions and best management practices for most projects. He mentioned three other conditions were added during the hearing and as listed as bulleted points in the staff note. He noted final Conditions have not yet been produced. Stoldt briefly covered the five (5) interactions required with the California Public Utilities Commission (CPUC) as listed in the staff note. He commented the one condition built into the CA Coastal Commission decision is for Phase 2 of the CPUC proceedings on supply and demand to be rectified and a determination on whether desal is needed. As a result of the hearings and approval of the Coastal Development Permit, the District has decided to join other entities in a lawsuit against the California Coastal Commission on the grounds of procedural and CEQA issues. Director Paull thanked the General Manager for his reminder of the conditions and believes some of the conditions fall under the authority and jurisdiction of the CPUC. District Counsel Laredo commented a Notice of Determination has been sent and final conditions have not materialized and released to the public. *In response to Riley*, Stoldt recalls Josh Stratton, Manager of External Affairs for California American Water mentioning that an update on desal costs will be provided. Stoldt is not sure whether Stratton misspoke or if an update on costs will be released.

*Chair Edwards opened public comment. The following comments were directed to the Committee:*

- a) Saoirse Folsom: Thanked Committee Member Paull and Edwards for acknowledging the false promises made by the CA Coastal Commission on CalAm's Coastal Development Permit Condition's as it relates to low-income



ratepayers. She briefly mentioned the income thresholds placed by Cal-Am relative to her household's income and the threats of shut off notices she has received.

*No further comments were directed to the Committee.*

Director Edwards emphasized the District advocates for all rate-payers and not just low-income rate-payers.

**6. Update on Pure Water Monterey Expansion – Status of Water Purchase Agreement; Alternate Financing Options**

David J. Stoldt provided a verbal update on Pure Water Monterey- Expansion, Water Purchasing Agreement, Alternative Financing Options and answered committee questions. He stated the District will transmit the signed Water Purchasing Agreement to Cal-Am in San Diego, CA, however noted the company has indicated their unwillingness to sign off on the agreement due to their belief that the CPUC's recent decision created a short-fall in cost recoveries. He noted that on January 19, 2023; the District will respond to the application for rehearing as submitted by Cal-Am to the CPUC and may produce additional filings based on the status of status of the application. Currently, Stoldt stated the Expansion project is at a stand-still. *In response to Edwards*, Stoldt stated the District can proceed on the Expansion without Cal-Am describing in detail the WIFIA credit rating process, and future challenges he foresees as it relates to the MPTA lawsuit and conversion to an enterprise fund. Stoldt mentioned to move forward with the Expansion, the District would need to raise revenues and initiate a Proposition 218 process.

Laredo provided a brief status update on the MPTA 2 and 3 lawsuits. He mentioned, Judge Panetta will hold a hearing in December 2022 on the MPTA 2 lawsuit and anticipates an appeal to be filed by either the District or MPTA on her ruling, *when it is made*.

Further discussions ensued regarding water reserves and supplies; and Cal-Ams statement indicating that it may have to over-pump the Seaside Basin and potentially violating Condition 2 of the Cease-and-Desist-Order 95-10 as a result of not starting construction on the Expansion.

Chair Edwards opened public comment. *The following comments were directed to the committee:*

- (a) Melodie Chrislock, Executive Director with Public Water Now: Inquired if the District can build the expansion and operated the plant and if the CPUC can compel to sign off on the agreement.
- (b) Saoirse Folsom: Concurs with Chrislock's and Edward's comments. Raised the question if the District can make the CPUC aware of the Cal-Am's misuse of the

two ASR Wells mentioned earlier in the meeting in order to compel the company to sign-off on the agreement.

- (c) Jason Campbell: Agrees with Edwards that the District should find avenues to finance and purchase the expansion and bring it online.
- (d) Tammy Jennings: Questioned if anyone can make a complaint before the CPUC and concurs with Edwards on his comments on an alternative plan absent Cal-Am.

Laredo commented rate-payers can make a complaint against the CPUC.

*No further comments were directed to the committee.*

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

None.

### **Adjournment**

There being no further business, Chair Edwards adjourned the meeting at 12:37 p.m.

/ s/ Joel G. Pablo

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Joel G. Pablo, Board Clerk  
*MPWMD Water Supply Planning Committee*

Approved by the MPWMD Water Supply Planning Committee on March XX, 2023  
Received by the MPWMD Board of Director's on March XX, 2023

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## **WATER SUPPLY PLANNING COMMITTEE**

### **ITEM: ACTION ITEM**

#### **2. ADOPT CY2023 WATER SUPPLY PLANNING COMMITTEE MEETING SCHEDULE**

**Meeting Date: March 6, 2023**

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

**Prepared By: Joel G. Pablo**

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**SUMMARY:** Shown below is a proposed committee meeting schedule for Calendar Year 2023. Please review and advise Joel G. Pablo if you cannot participate on any of the proposed dates. Any meeting may be cancelled if there is no business for committee consideration.

**RECOMMENDATION:** The Committee should review and adopt the meeting schedule.

<b>Day of Week</b>	<b>Date</b>	<b>Time</b>
Monday	March 6, 2023	3:00 p.m.
Monday	May 1, 2023	3:00 p.m.
Wednesday	July 5, 2023	3:00 p.m.
Tuesday	September 5, 2023	3:00 p.m.
Tuesday	November 7, 2023	3:30 p.m.
Monday	January 8, 2024	3:00 p.m.

## **WATER SUPPLY PLANNING COMMITTEE**

### **ITEM: ACTION ITEM**

#### **3. CONSIDER AUTHORIZING THE GENERAL MANAGER TO ENTER INTO A CONTRACT WITH MONTGOMERY AND ASSOCIATES TO PROVIDE A TULARCITOS ASR FEASIBILITY STUDY**

<b>Meeting Date:</b>	<b>March 6, 2023</b>	<b>Budgeted:</b>	<b>Yes</b>
<b>From:</b>	<b>Dave Stoldt General Manager</b>	<b>Program/ Line Item No.:</b>	<b>1-1-3, 1-7-1 35-03-786038, 35-04-786016</b>
<b>Prepared By:</b>	<b>Maureen Hamilton</b>	<b>Cost Estimate:</b>	<b>\$119,200</b>

**General Counsel Approval:** N/A

**Committee Recommendation:** The Water Supply Planning Committee reviewed this item on March 6, 2023 and recommended \_\_\_\_\_.

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

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**SUMMARY:** MPWMD holds a suite of water right permits that originated with the proposed New Los Padres Dam on the Carmel River. Water rights (WR) 20808 A and C are used for ASR diversions to injection; WR 20808 B remains unused. A condition for maintaining WR 20808 B is that the permittee (MPWMD) must demonstrate that a project is diligently pursued.

A suite of potential projects was identified and ranked by ability to utilize water under WR 20808 B. The Tularcitos ASR project (Project) was selected for the first feasibility study (Feasibility Study). The Feasibility Study will determine the viability of the Project to divert water from the Carmel River, inject it into ASR wells located in the Tularcitos Creek subwatershed, and recover the water during dry periods.

Groundwater modeling provides the basis of the proposed Feasibility Study.

The Feasibility Study cost estimate is \$119,200. Staff proposes \$80,000 be funded by budgeted Permit 20808 B Alternatives Analysis program 1-7-1, and the remaining \$39,200 be funded by the modeling budget program 1-1-3.

Consultant work will be conducted on a time and materials basis not to exceed \$119,200.

**RECOMMENDATION:** The Committee recommends that the Board authorize the General Manager to enter into a contract with Montgomery and Associates to provide a Tularcitos ASR Feasibility Study to the District for an amount not to exceed \$119.

**BACKGROUND:** The water right process has three phases: (a) application, (b) permit, and (c) license. A permit is the legal authorization to divert water in accordance with conditions and within a time frame, and to develop the project. When that time frame elapses, a permittee should either:

- (1) request revocation of the permit if the project has been abandoned or cannot be diligently completed due to personal or financial reasons;
- (2) petition for an extension of time to extend the development schedule if the construction and use of water under the permit has been diligently pursued and additional time is necessary to complete full anticipated beneficial use of water; or,
- (3) notify the State Water Board that the permitted project is complete and ready for licensing.

It is difficult to show diligence in pursuing a new large dam on the Carmel River after 2003. However, the District could cite evidence that a new large dam would not be permitted and show progress toward planning for smaller projects, as was done for the existing ASR projects.

On April 20, 2020 the Board directed District Staff to respond to an State Water Board letter that MPWMD would file a Petition for Extension of Time to show beneficial use for WR 20808 B and withdraw the Petition for Extension of Time to construct New Los Padres Dam. Once the District has identified viable project(s), staff would file a Petition for Change to modify the water right to apply to the new project(s).

Potential projects must include facilities to extract water from the Carmel River, convey the water, and store the water. Because conveyance from the Carmel River to the Seaside Groundwater Basin is constrained and may change, projects sited in the Carmel River watershed were prioritized.

The Project would divert water from the Carmel River at the confluence with Tularcitos Creek at a property owned by California American Water Company (Cal-Am). The water would then be injected into and recovered from ASR wells screened in an unnamed Miocene sandstone unit in the upland portions of the Tularcitos Creek subwatershed that is bound by faults.

The Feasibility Study groundwater modeling will simulate different project configurations using the Carmel River Basin Hydrologic Model (Model) to evaluate ASR feasibility in the area of interest. Work to complete the proposed Feasibility Study includes:

- Analyzing the availability of Carmel River water for ASR diversion
- Developing a hydrogeological framework and cross sections of the area of interest
- Model-based evaluations for ASR well feasibility and project sizing
- Selecting hydrogeologic units and sites for further analysis and field testing if preliminary screening indicates potential project feasibility

Montgomery was founded in 1984 and specializes in groundwater. Its services include water supply, water recharge, water resource planning, groundwater modeling, and water rights. Montgomery maintains the Seaside Basin model for the Watermaster and Monterey One Water.

## **EXHIBIT**

### **3-A Letter Proposal from Montgomery and Associates to provide a Tularcitos ASR Feasibility Study to the District**



November 3, 2022

Mr. Jonathan Lear  
Monterey Peninsula Water Management District  
P.O. Box 85  
Monterey, CA 93942-0085

**SUBJECT: LETTER PROSOPAL FOR TULARCITOS ASR FEASIBILITY  
STUDY**

Dear Mr. Lear:

Montgomery & Associates (M&A) is pleased to present this letter proposal to the Monterey Peninsula Water Management District (MPWMD) for an initial feasibility study on the potential use of Aquifer Storage and Recovery (ASR) in the Tularcitos Creek subbasin of the Carmel River groundwater basin.

MPWMD currently holds 3 water rights (WR), WR-20808 A, B, and C, which originated with the proposed New Los Padres Dam on the Carmel River. WR-20808 A and C are used to divert water to support the existing Monterey Peninsula ASR Project that injects water diverted from the Carmel River into the Seaside groundwater subbasin. WR-20808 B is the water right to impound water behind the proposed New Los Padres Dam, which might not be built. MPWMD is evaluating several projects – including the Tularcitos ASR Project (the Project) – that would use a portion of the 20808 B water right for alternative water storage through the Petition for Change of Use process. The Project would divert water from the Carmel River at the confluence with Tularcitos Creek at a property owned by California American Water Company (Cal-Am). The water would then be injected into and recovered from ASR wells screened in an unnamed Miocene sandstone unit in the upland portions of the Tularcitos Creek subwatershed that is bound by faults. The proposed diversion site and 3 potential ASR investigation areas are shown on Figure 1.

In 2013 MPWMD contracted with Right On Q, Inc. (ROQ) consultants to perform a preliminary data compilation effort and to develop a reconnaissance level understanding of the region that could later support a full feasibility investigation of the Project. This initial Phase 1 work was started but not completed due to budgetary constraints. Completed Phase 1 tasks included a data compilation and inventory from multiple sources including geologic maps, relevant technical reports, well logs, water quality reports, well test results, and streamflow records; the development of Microsoft Access database of existing well and boring records; and the beginnings of GIS database of project information.

Between 2014 and 2021, MPWMD worked with the U.S. Geological Survey (USGS) and a consultant team that included ROQ to develop the Carmel River Basin Hydrologic Model (CRBHM) using the USGS Groundwater Surface Water Flow (GSFLOW) model. GSFLOW is a coupled Groundwater and Surface-water flow model based on the integration of the USGS Precipitation-Runoff Modeling System (PRMS) and the USGS Modular Groundwater Flow Model (MODFLOW). The goal of the CRBHM is to help evaluate hydrologic effects on the Carmel River Basin related to changes in water supply, groundwater pumping, and climate change. The CRBHM covers the entire Carmel River watershed and groundwater basin and is calibrated to a 25-year period with daily records of rainfall, temperature, evapotranspiration, runoff, groundwater elevations, and diversions in the basin (MPWMD *et al.*, 2022).

M&A understands that as part of the preliminary project feasibility evaluation, MPWMD would like to use the CRBHM to simulate several different possible project configurations to evaluate ASR feasibility and potential project sizing in the area of interest. The model-based evaluations will complement other hydrogeological data analysis and synthesis tasks that include the following:

- Developing a preliminary water budget for the area of interest
- Analyzing the availability of Carmel River water for ASR diversion
- Developing a hydrogeological framework and cross sections of the area of interest
- Selecting hydrogeologic units and sites for further analysis and field testing if preliminary screening indicates potential project feasibility

These tasks are described more fully in the scope of work below.



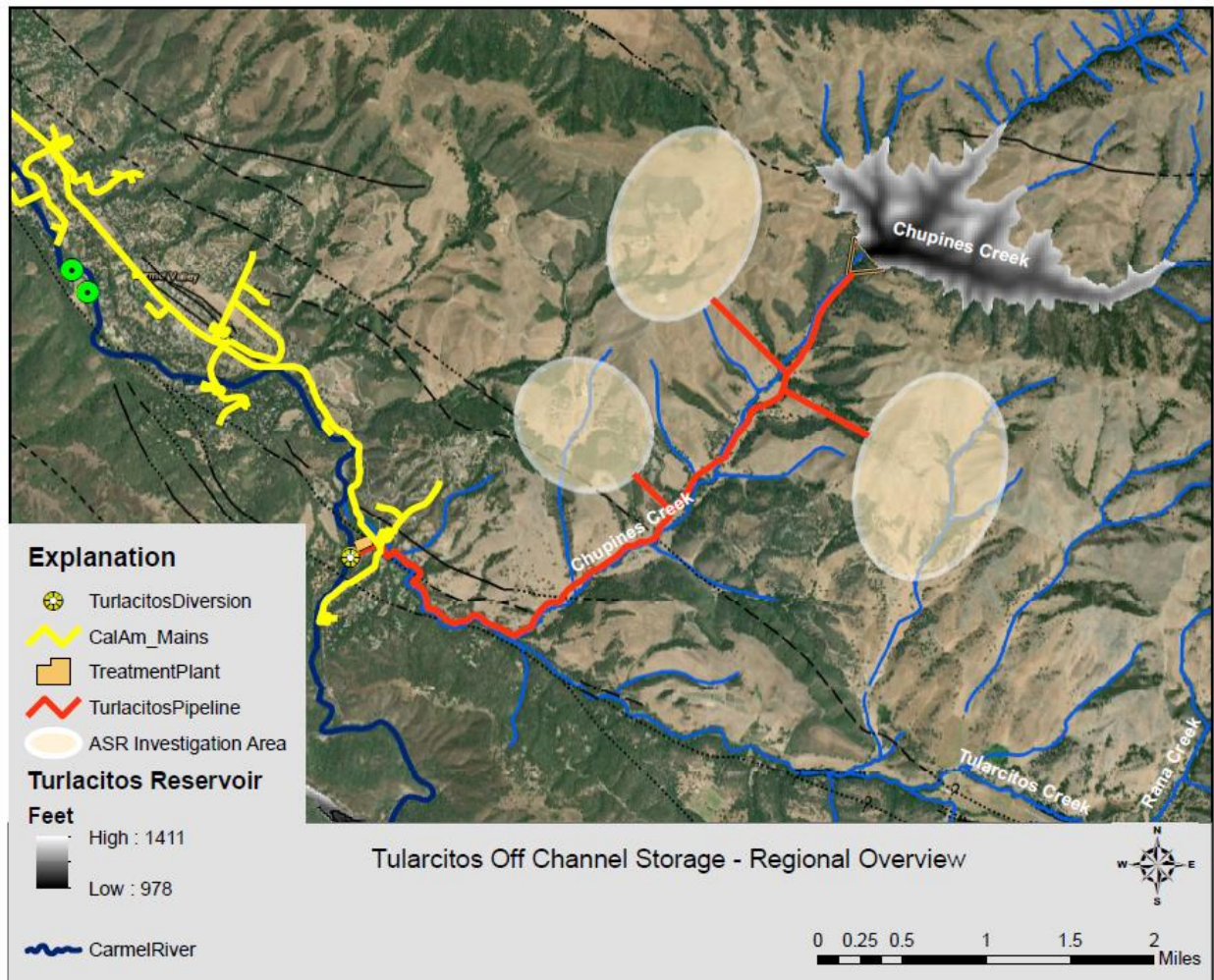


Figure 1. Proposed Potential ASR Investigation Areas (MPWMD, 2020)

## SCOPE OF WORK

### Task 1: Kick-Off Meeting, Data Transfer, Inventory, and Review

M&A will attend a kick-off meeting with MPWMD staff to review the project goals and tasks, establish preliminary criteria for evaluating initial ASR project feasibility, and coordinate transfer of existing project data previously compiled as part of earlier investigations by MPWMD and other consultants. These data will include the data assembled as part of the Phase 1 scope of work completed by ROQ consultants in 2013 and subsequent work conducted by MPWMD and the consultant team in the development of the CRBHM, including geologic maps, relevant technical reports, water quality reports, well test pumping data, streamflow records, MS Access database, and GIS databases. M&A will review all relevant data and reports and will develop an updated data inventory and combined GIS database. M&A will prepare summary notes of the kick-off meeting and the data transferred.



## **Task 2: Summarize existing land uses, well production, water rights**

In support of evaluating water sources and demand in the project area, M&A will investigate and summarize all water rights, water use patterns and land uses associated with the area of interest. M&A will develop a preliminary water budget for the area of interest by processing and analyzing output of the calibrated CRBHM historical model using the USGS MODFLOW ZoneBudget tools.

## **Task 3: Describe basin surface water hydrology and availability of Carmel River diversions for ASR**

M&A will develop a description of the surface water hydrology of the basin and will assess the availability of Carmel River water for ASR diversions by analyzing historic flow records at existing diversion points associated with permit WR-20808 B. The streamflow and stream diversion analysis will be developed for daily data, and summarized into monthly and annual totals. The annual summaries will be classified by Carmel River water year type.

Assumptions:

- MPWMD will provide daily historical streamflow records in digital format and will provide detailed guidance on diversion criteria such as diversion seasons and/or minimum instream flow requirements.

## **Task 4: Develop hydrogeologic framework with maps and cross sections**

M&A will synthesize the available hydrogeologic data collected from previous investigations and studies to produce hydrogeologic maps and cross sections of the area of interest. This hydrogeologic framework will be used to evaluate the amount of potential underground storage available and to identify target units for ASR injection wells. In Task 6, this framework will be compared against the regional hydrogeologic framework developed for the CRBHM.

Assumptions:

- One hydrogeologic map and up to 3 cross sections will be developed.
- Cross sections will be developed by integrating land surface topography from the digital elevation model, subsurface projection of geology from surface mappings based on mapped strike and dip information of sedimentary units, and incorporation of boring logs and other available data.

## **Task 5: Evaluate ASR potential based on current hydrogeologic understanding using CRBHM modeling**

M&A will perform a sensitivity analysis of the number of ASR wells, location of ASR wells, and volume of injected water using the District's CRBHM to investigate the feasibility and potential size of an ASR project in the area of interest.

ASR feasibility and potential will be evaluated based on the following proposed criteria:

- The formation has capacity to accommodate the injected water volumes without groundwater levels rising above ground level (or some other pre-determined depth below ground level).
- The injected water stays in the vicinity of the ASR wells for a long enough time that it can be recovered by the ASR wells (or alternately by downstream recovery wells); or alternatively, even if injected water moves down gradient, the increased water levels remain high enough for a sufficiently long time that an equivalent volume of native groundwater can be recovered by the ASR wells.
- The number of wells needed to inject required volumes would not be prohibitively expensive.
- Other feasibility criteria – such as potential slope stability issues or downstream impacts of increased ASR diversion on Carmel River streamflows – can be evaluated in the next phase of work.

The timing and volumes of potential ASR diversion and injection will vary seasonally depending on precipitation and streamflow and will change from year to year depending on hydrologic conditions. Maximum volumes of ASR diversion and injection would be expected during very wet years when groundwater levels are highest, which could also create maximum mounding from ASR injection. The feasibility analysis simulations should then consider the hydraulic response of ASR injection under a range of varying hydrologic conditions that will capture a range of potential site conditions.

M&A will develop a baseline scenario with input from MPWMD based on projected future pumping and hydrologic conditions. For this initial screening level analysis M&A proposes that the projected climate will be based on repeating the historical climate inputs (precipitation, temperature, and streamflow). Climate change projections can be incorporated into an updated baseline scenario in future phases of work. The baseline simulation will be used to determine expected seasonal water levels without the ASR project and serve as the basis for evaluating the hydraulic response due to ASR injection and for defining the water level criteria to be evaluated.

The modeling incorporates various assumptions:

- The effort needed for M&A staff to familiarize themselves with running the CRBHM is part of a separate existing scope of work associated with updating the CRBHM
- No additional model update or calibration will be performed as part of this scope of work.
- The hydrological and climatological inputs for the GSFLOW simulations will be based on repeating the historical climate time series of rainfall and temperature used in the existing calibrated historical model as developed by the USGS.
- M&A will work with MPWMD to develop projected future pumping schedules that include pumping at existing production wells, and injection and recovery of ASR water at the proposed ASR sites. The baseline simulation's purpose is only to review operations under a range of hydrologic conditions, and therefore M&A proposes that the future municipal and rural pumping be based on repeating the pumping from the calibrated historical model period.
- Simulated operations of the Los Padres Reservoir will be repeat operations simulated in the calibrated historical model.
- Potential ASR wellfield sites will be evaluated at each of the 3 areas of interest shown on Figure 1, separately.
- Up to 2 different combinations of total number of ASR wells and ASR injection rates per well will be evaluated at each wellfield site.
- For this high-level feasibility evaluation M&A will not incorporate the projected ASR stream diversion into the model streamflow routing package or evaluate the potential impacts of the additional<sup>1</sup> ASR diversions on the streamflows downgradient of the Diversion site. Impacts on streamflow can be evaluated in the next phase of evaluation if the initial feasibility study shows that there is good ASR potential.

Modeling Outputs:

- Hydrographs of simulated water level (or depth-to-water) at each simulated well field for baseline each ASR scenario
- Representative head contour (or change in head) maps
- Maximum mounding for each scenario

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<sup>1</sup> "Additional" relative to the existing Carmel River ASR diversions that are part of the Seaside ASR program.

## **Task 6: Evaluate Limitations & Uncertainty associated with CRBHM Hydrogeological Framework & Calibration**

The hydrogeological framework developed for use in the CRBHM, as well as the CRBHM calibration process, was based on specific modeling objectives, data sources, and assumptions, and was geared primarily toward representing water levels in the alluvial aquifer and streamflows in the lower reaches of the Carmel River during low flow conditions.

M&A understands that the CRBHM was calibrated with a greater priority on groundwater levels from wells in the alluvial deposits close to the Carmel River—and to matching downstream Carmel River streamflows during low flow periods—rather than to matching non-alluvial groundwater levels in the upland areas of the basin. M&A also notes that the proposed ASR areas are in an upland region of the basin where there are very few wells and limited or no calibration data for the CRBHM.

Based on M&A's preliminary review of the CRBHM documentation, the source of lithologic groupings for the hydrogeological framework model used in CRBHM appears to have been based on the generalized state-wide geology map of Ludington *et al.* (2007) which combines all the Miocene marine formations into a single grouping, rather than the more localized county-scale geological maps (such as those prepared by Dibblee & Minch, 2007) that map out individual Miocene units including the Santa Margarita Sandstone, Monterey Formation Shale, and the unnamed marine sandstone cited as the target aquifer for ASR. From the draft documentation report, it is not immediately clear if or how the differences between Miocene units or the stratigraphic dip of the Miocene units are represented in the CRBHM hydrogeologic framework. There are limitations and uncertainties associated with using the CRBHM as the only means of evaluating the feasibility of an ASR project at the specific areas of interest. For example, if the model construction and calibration was not sensitive to the specific spatial distribution of hydraulic properties representative of Monterey Shale versus Miocene sandstone in the upland areas, then the simulated hydraulic response at potential sites could be very different and not representative of the expected response.

M&A understands that one of the reasons for choosing the unnamed Miocene sandstone as potential target for ASR injection is because it is potentially bounded by faults. M&A notes that the hydrogeologic framework described in the CRBHM documentation does not mention what hydrogeological role, if any, the numerous regional faults that run parallel to the valley axis play, or if they are represented in the model. It is possible that the faults may play a very limited role in the shallow alluvial aquifer and would thus not greatly affect the current model calibration but could potentially play a larger role in the hydrogeology of the deeper Miocene unit aquifers.

M&A will review the CRBHM model construction and calibration and compare it to the hydrogeological framework developed in Task 4 to provide a qualitative evaluation of the

limitations and sources of potential uncertainty in the results of the model simulations conducted in Task 5.

To help bracket the possible range of uncertainty in the CRBHM, M&A will perform non-model-based calculations using analytical equations for the hydraulic response to injection under a range of parameters (including the values used in the model). By using upper and lower bounds of possible aquifer parameters representative of the target aquifer these calculations will provide an upper and lower bound of possible hydraulic responses to supplement the hydraulic responses simulated in the CRBHM.

### **Task 7: Select hydrogeologic units and sites for further analysis/ field testing**

If Tasks 5 & 6 show that an ASR project may be feasible, M&A will identify areas where field testing should take place to investigate site specific hydrogeologic conditions. M&A will also suggest a testing program to assess the ASR program as the next phase of this program.

M&A notes that the currently proposed ASR investigation areas shown on Figure 1 include areas that have been mapped as being at high risk for deep-seated landslides by both Monterey County (2018) and the California Geological Survey (2015) due to the combination of steep slopes and rock types. A geotechnical evaluation will likely also be a necessary component of any future analysis to understand the potential increase in landslide risk associated with the increased groundwater levels and pore pressures that would develop due to ASR injection operations. This may be especially important as maximum ASR injection would occur during the wettest periods of wettest years, when landslide risks would already be higher.

### **Task 8: Prepare a report summarizing work and conclusions related to previous tasks and Phase 2 work**

M&A will prepare a report summarizing all work completed, and if ASR is found feasible, suggesting a field work plan and additional modeling that would be the next phase of the project.

## **STAFFING PLAN**

Staffan Schorr, Principal Hydrogeologist at M&A with extensive experience in groundwater flow modeling and development of conceptual hydrogeologic models, will serve as project manager; and Pascual Benito, Ph.D., will oversee the work as technical lead. Pascual is an experienced hydrogeologist who is currently supporting the Pure Water Monterey indirect potable reuse project and as-needed hydrogeological services for the Seaside Basin Watermaster. He has also provided modeling support for the Salinas and Pajaro Valley Groundwater Sustainability Plans. Pascual will be supported by a junior level hydrogeologist, and Cameron Tana, P.E., will provide senior review and GSFLOW modeling technical expertise. Derrik Williams, P.G. will serve as senior technical advisor.

## BUDGET & SCHEDULE

The total estimated cost for all the above-described tasks is \$119,200. The attached cost estimate, shown in Table 1, provides a breakdown of costs by task and subtask. Work will begin with the kick-off meeting after contracting is finalized and is expected to be completed within a 6-month period. Please feel free to contact us with any questions about the proposed scope of work and budgets.

Sincerely,  
MONTGOMERY & ASSOCIATES



Staffan Schorr  
Principal Hydrogeologist



Pascual Benito  
Senior Hydrogeologist

## REFERENCES

- California Geological Survey, 2015. *Landslide Inventory and Deep Landslide Susceptibility Map*. Online web map. Accessed October 3, 2022. <https://maps.conservation.ca.gov/cgs/lsi/>
- Dibblee, T.W., and Minch, J.A., 2007. [Geologic map of the Carmel Valley quadrangle, Monterey County, California](#): Dibblee Geological Foundation, Dibblee Foundation Map DF-357, scale 1:24,000
- Ludington, S., Moring, B.C., Miller, R.J., Stone, P.A., Bookstrom, A.A., Bedford, D.R., Evans, J.G., Haxel, G.A., Nutt, C.J., Flynn, K.S. and Hopkins, M.J., 2007. Preliminary integrated geologic map databases for the United States. Western States: California, Nevada, Arizona, Washington, Oregon, Idaho, and Utah. Version, 1. U.S. Geological Survey Open-File Report 2005-1305.
- Monterey County, 2018. *Geologic Hazards Map for Monterey County*. Online web map, updated February 5, 2018. Accessed October 3, 2022. <https://montereyco.maps.arcgis.com/apps/webappviewer/index.html?id=80aad38518a45889751e97546ca5c53>
- Monterey Peninsula Water Management District (MPWMD), 2020. Steps toward licensing of Carmel River water rights Permits 20808A and 20808C and making a petition for extension of time to show beneficial use for 20808B to the State Water Resources Control Board, MPWMD Technical Memorandum 2020-01, July 1, 2020.
- \_\_\_\_\_, 2022. Overview of the Development and Calibration of the Carmel River Basin Hydrologic Model, MPWMD Technical Memorandum 2022-01, June 1, 2022.



Table 1. Proposed Cost Estimate

MPWMD: Turlacitos ASR Feasibility Study	Montgomery & Associates Estimate of Hours, Fees and Expenses										
	Scientist VIII	Scientist VII	Scientist VI	Scientist V	Scientist III	GIS II	Editor	Total Hours	Total Prof. Fees	Expenses	Total Estimated Fees & Expenses
	DW	CT	SS	PB	PW						
2022 Professional Billing Rates	\$283	\$265	\$240	\$211	\$165	\$149	\$82				
<b>Task 1. Kick-Off Meeting and Data Transfer &amp; Inventory</b>											
1 - Attend Kickoff Meeting	1	1	2	2	0	0	0	6	\$1,500		\$1,500
2 - Review data and tabulate data inventory, create combined GIS database	0	0	1	16	16	16	0	49	\$8,600	\$100	\$8,700
Subtotal	1	1	3	18	16	16	0	55	\$10,100	\$100	\$10,200
<b>Task 2. Summarize existing land uses, well production, water rights</b>											
1 - Summarize land use well production and water rights	0	0	1	4	4	4	0	13	\$2,300		\$2,300
2 - Develop Preliminary Water Budget from Baseline Historical Model Simulation	0	1	1	8	24	4	0	38	\$6,700		\$6,700
Subtotal	0	1	2	12	28	8	0	51	\$9,000	\$0	\$9,000
<b>Task 3. Carmel River Water Diversion Availability Analysis</b>											
1 - Describe basin hydrology	0	0	0	4	8	0	0	12	\$2,200		\$2,200
2 - ASR diversion availability analysis of historical hydrology data	0	0	1	4	16	0	0	21	\$3,700		\$3,700
Subtotal	0	0	1	8	24	0	0	33	\$5,900	\$0	\$5,900
<b>Task 4. Develop hydrogeological framework with maps and cross sections</b>											
1 - Review & synthesize hydrogeological data, develop map and up to 3 XS's	1	0	2	24	32	32	0	91	\$15,900		\$15,900
Subtotal	1	0	2	24	32	32	0	91	\$15,900	\$0	\$15,900
<b>Task 5. Evaluate ASR potential using CRBHM modeling</b>											
1 - Develop baseline scenario	0	0	1	8	8	0	0	17	\$3,200		\$3,200
2 - Develop & Run ASR Scenarios	0	1	2	24	40	0	0	67	\$12,400		\$12,400
3 - Process and Analyze Baseline and Scenario Results	0	1	2	24	40	8	0	75	\$13,600	\$0	\$13,600
Subtotal	0	2	5	56	88	8	0	159	\$29,200	\$0	\$29,200
<b>Task 6. Evaluate Limitations &amp; Uncertainty associated with CRBHM Simulations</b>											
1 - Compare Hydrogeologic Frameworks & Local Parameter Calibration	1	2	2	16	24	8	0	53	\$9,800		\$9,800
2 - Analytic Calculations of upper and lower bound hydraulic response	0	2	2	16	32	0	0	52	\$9,700		\$9,700
Subtotal	1	4	4	32	56	8	0	105	\$19,500	\$0	\$19,500
<b>Task 7. Select hydrogeologic units and sites for further analysis/ field testing</b>											
1 - Select target units and sites for further analysis & testing	1	1	2	8	4	4	0	20	\$4,000		\$4,000
Subtotal	1	1	2	8	4	4	0	20	\$4,000	\$0	\$4,000
<b>Task 8. Prepare a report summarizing work and conclusions related to previous tasks and Phase 2 work</b>											
1 - Prepare Draft Report and 1 Set of Revisions based on MPWMD review	4	4	8	40	48	24	16	144	\$25,400	\$100	\$25,500
Subtotal	4	4	8	40	48	24	16	144	\$25,400	\$100	\$25,500
<b>Total (hours)</b>	<b>8</b>	<b>13</b>	<b>27</b>	<b>198</b>	<b>296</b>	<b>100</b>	<b>16</b>	<b>658</b>			
<b>Total (\$)</b>	<b>\$2,264</b>	<b>\$3,445</b>	<b>\$6,480</b>	<b>\$41,778</b>	<b>\$48,840</b>	<b>\$14,900</b>	<b>\$1,312</b>		<b>\$119,000</b>	<b>\$200</b>	<b>\$119,200</b>



## **WATER SUPPLY PLANNING COMMITTEE**

### **ITEM: ACTION ITEM**

#### **4. CONSIDER RECOMMENDING THE BOARD APPROVE A MEMORANDUM OF AGREEMENT TO SHARE IN THE COST OF INSTALLING A GROUNDWATER MONITORING WELL (FORT ORD 09 – SHALLOW)**

**Meeting Date:** March 6, 2023

**Budgeted:** No

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

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

**Prepared By:** David J. Stoldt

**Cost Estimate:** \$46,500

**General Counsel Approval:** N/A

**Committee Recommendation:** The Water Supply Planning Committee reviewed this item on March 6, 2023 and recommended \_\_\_\_\_.

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

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**SUMMARY:** A draft cost sharing agreement was reviewed by the Committee at its December 14, 2022 meeting. Attached as Exhibit 4-A is the proposed final agreement. The estimated cost to the District is \$42,269.55, an amount that has not been budgeted, but will be added to the mid-year budget adjustments.

**RECOMMENDATION:** The Committee should recommend that the Board approve the Memorandum of Agreement and authorize up to \$46,500 inclusive of a 10% contingency.

### **EXHIBIT**

**4-A** Proposed Cost Sharing Agreement for Replacement Well FO-09 Shallow

# **MEMORANDUM OF AGREEMENT**

**BETWEEN THE SEASIDE BASIN WATERMASTER  
THE MONTEREY PENINSULA WATER MANAGEMENT DISTRICT  
AND  
THE MARINA COAST WATER DISTRICT  
  
TO SHARE IN THE COSTS OF INSTALLING A GROUNDWATER  
MONITORING WELL**

THIS AGREEMENT is made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 2023, by and between the SEASIDE BASIN WATERMASTER, hereinafter referred to as the “WATERMASTER”, and the MONTEREY PENINSULA WATER MANAGEMENT DISTRICT, hereinafter referred to as the “DISTRICT”, and the MARINA COAST WATER DISTRICT, hereinafter referred to as “MARINA COAST,” as follows.

In this Agreement the terms “Party” and “Parties” refer to the WATERMASTER, the DISTRICT, and/or MARINA COAST, either individually or collectively.

## **RECITALS:**

- A. Under Case No. M66343, California Superior Court, Monterey County, on March 27, 2006 by entry of Judgment (“Judgment”) the WATERMASTER was created. The purpose of the WATERMASTER is to assist the Court in the administration and enforcement of the provisions of the Judgment.
- B. As part of carrying out its duties and responsibilities under the Judgment, the WATERMASTER carries out a Monitoring and Management Program (M&MP). Under the M&MP groundwater level and groundwater quality data is collected from a network of monitoring and production wells.
- C. One of the monitoring wells, FO-9 Shallow, developed a casing leak and had to be destroyed. The Parties wish to install a new monitoring well to replace FO-9 Shallow.
- D. The Parties wish to enter into this Agreement to share in the cost of installing the replacement well.

## **Terms and Conditions**

In consideration of the mutual promises contained herein, the WATERMASTER, the DISTRICT, and MARINA COAST hereby agree to the following terms and conditions:

- A. Work to be performed.** The WATERMASTER will have its consultant, Montgomery & Associates, design and install the replacement monitoring well. The Scope of Work and the estimated costs to perform this work are described in Attachment 1 to this Agreement. The staff of each of the Parties to this Agreement will be invited to attend any key meetings and/or conference calls that are held between the WATERMASTER and its consultant as the work is being performed, in order to enable each of the Parties to stay abreast of the work, raise pertinent questions in a timely manner, and provide input as appropriate.

The Parties hereto understand, as stated in Attachment 1, that it is difficult for Montgomery & Associates to accurately estimate the costs to perform the work and that the costs listed in the table in Exhibit C in Attachment 1 are Montgomery & Associates' best estimates. In the event it is determined, during the course of the work, that the cost to complete the work will be greater than the total cost listed in that table, the Parties agree to meet and confer to reach agreement on a revised cost that will be shared as described in paragraph B, so that the work can be completed. Agreement on said revised cost shall not be binding on any Party unless and until that Party formalizes its agreement to the revised cost in writing to each of the other Parties.

- B. Costs of installing the replacement well to be shared.** The costs to be shared are the Total Costs shown in the bottom row of the table in Exhibit C of Attachment 1. These costs will be shared in the following percentages:

WATERMASTER share = 42.5% (estimated to be \$119,763.73)

DISTRICT share = 15% (estimated to be \$42,269.55)

MARINA COAST share = 42.5% (estimated to be \$119,763.72)

(In the event a revised cost is agreed to, as described in paragraph A, these dollar figures will change in accordance with paragraph A).

- C. Documents to be provided.** Once the Draft Technical Specifications are prepared under Task 2 as described in Attachment 1, the WATERMASTER will provide the DISTRICT and MARINA COAST each with one copy of the Draft Technical Specifications for their review and comment. After receipt of those comments, and any comments the WATERMASTER provides, the Final Technical Specifications will be prepared incorporating any appropriate revisions to address those comments. The DISTRICT and MARINA COAST will each be provided one copy of the Final Technical Specifications that will be used for the installation of the replacement well, and will also be provided one copy of the Well Installation Report referred to in Task 3 of Attachment 1, following completion of installation of the replacement well.
- D. Payment of costs and reimbursement to the WATERMASTER.** The WATERMASTER will make progress payments to Montgomery & Associates as it satisfactorily performs the work described in Attachment 1. After the satisfactory completion of the work, the WATERMASTER will provide to the DISTRICT and to MARINA COAST, copies of the payments it made to Montgomery & Associates. Within 30 days of receiving those documents, the DISTRICT and MARINA COAST will reimburse the WATERMASTER for their percentage shares of those costs, subject to the limits set forth in sections A and B..

**E. Term of Agreement.** The term of this Agreement shall commence on the date of its execution, and shall continue in effect until the WATERMASTER has been reimbursed as described in paragraph D, , except that paragraphs F, G, H, and I shall continue in effect until the replacement well is destroyed..

**F. Hold Harmless.** Under this Agreement each of the Parties does hereby agree to indemnify, defend, and hold each of other the Parties and their Board members, officers, employees, agents, and representatives harmless from and against any and all liability, claims, suits, actions, damages, and causes of action of any kind arising out of the performance of the work described in this Agreement.

Notwithstanding any input from DISTRICT and/or MARINA COAST, the WATERMASTER shall have sole responsibility for the design, installation, operation, monitoring, repair, and any future replacement of the replacement monitoring well.

**G. Venue.** In the event that suit shall be brought by any Party to this Agreement, the Parties agree that venue shall be exclusively vested in the state courts of the County of Monterey, or, if brought in federal court, in the United States District Court handling matters arising in Monterey County. Further, the prevailing Party shall be entitled to reasonable attorney fees and costs.

**H. Sharing of Well Data; Operational Changes.** The WATERMASTER agrees to provide the other Parties with all monitoring data and other output information from the well and in a timely manner and to consult with the other Parties on any operational and other changes proposed to be made to the well.

**I. Notices.** Written notice shall be deemed to have been duly served if delivered in person or by mail to the individuals and at the addresses listed below:

A. WATERMASTER:            Technical Program Manager  
   Seaside Basin Watermaster  
   P.O. Box 51502  
   Pacific Grove, CA 93950

B. DISTRICT:                    General Manager  
   Monterey Peninsula Water Management District  
   5 Harris Court, Building G  
   Monterey, CA 93940

B. MARINA COAST:            General Manager  
   Marina Coast Water District  
   11 Reservation Road  
   Marina, CA 93933

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the dates shown below.

**WATERMASTER**

Date: \_\_\_\_\_

By: \_\_\_\_\_  
(Name) Chair, Board of Directors

**DISTRICT**

Date: \_\_\_\_\_

By: \_\_\_\_\_  
David Stoldt, General Manager

**MARINA COAST**

Date: \_\_\_\_\_

By: \_\_\_\_\_  
Remleh Scherzinger, General Manager

# **ATTACHMENT 1**

## **Scope of Work and Cost** **to** **Design and Install the Replacement Monitoring Well**

### **Notes:**

1. The Scope of Work in Exhibit A was taken from Montgomery & Associates' Proposal Letter Dated August 3, 2022
2. The well driller's cost quote dated 02/01/2023 is in Exhibit B.
3. The table showing the total estimated costs is in Exhibit C.

# **EXHIBIT A**



August 3, 2022

Mr. Bob Jaques  
Seaside Watermaster Technical Program Manager  
83 Via Encanto  
Monterey, CA 93940

## **SUBJECT: SCOPE AND FEE FOR REPLACEMENT MONITORING WELL FO-9 SHALLOW**

Dear Mr. Jaques,

Montgomery & Associates (M&A) is pleased to submit this scope, fee, and schedule proposal to the Seaside Groundwater Basin Watermaster (Watermaster) to provide hydrogeological support and construction management services for a replacement monitoring well for FO-9 shallow. The current FO-9 shallow monitoring well is constructed of 2-inch diameter PVC well casing with a screen intake from 610 to 650-feet below ground surface. This proposal assumes a borehole depth of 660-feet below ground surface (bgs), total well depth of 650-feet bgs, and proposes 2.5-inch Schedule 80 PVC well casing and screen. The deeper depth assumed is because the replacement well may not be located at the location of the original FO-9 shallow monitoring well. The actual location of the well will be determined during Task 2. Schedule 80 PVC is proposed to increase the lifespan of the replacement well.

M&A currently anticipates retaining the support of Maggiora Brothers Drilling (Maggiora) of Watsonville, CA, for well installation and development services. The drilling contractor is subject to change based on project requirements and with prior approval from Watermaster. Martin Feeney will additionally be retained to provide hydrogeological review and monitoring well design recommendations based on his history with Watermaster, as requested.

### **SCOPE OF WORK**

The scope of work includes technical specifications, bidding and contract support, construction management, and reporting. M&A proposes the following tasks to complete the project:

- Task 1 – Project Management
- Task 2 – Technical Specifications
- Task 3 – Construction Management
- Task 4 – Reporting

These tasks are described individually below.

#### *Estimated Drilling Costs*

Estimated costs for the construction and development of monitoring well FO-9 shallow are included for budgetary purposes. These costs will be revised based on the selection of the well site and the final details of the technical specifications under Task 2. Costs included herein represent good-faith estimates based on current project understanding and/or assumptions, but may be revised to account for adjustments based on site conditions, well construction details and/or logistics, project duration, changes in labor or material rates, and other such factors. The technical specifications prepared under Task 2 will include a detailed bid schedule and timeline which will be used to refine M&A and Maggiora cost estimates. M&A will

provide revised costs for Task 3 and negotiate any required contract changes prior to beginning well construction activities.

#### **Task 1: Project Management**

M&A will provide administrative and budgetary management duties throughout the duration of the project; including but not limited to coordination with Watermaster, attendance at project meetings, assistance with site selection, permitting and providing information needed for Watermaster to obtain approvals from the landowner, budget management, and schedule management.

This task assumes a contract completion date of December 31, 2023. Progress reports will be included with invoice submittals.

#### **Task 2: Technical Specifications**

M&A will prepare technical specifications for the FO-9 shallow monitoring well to describe well design features, construction logistics, and installation and development procedures. Technical specifications will be used to gain agreement on the well design, construction logistics, and construction approach. Key components of the well design include borehole drilling, borehole geophysics, well installation, well development, and surface completion.

Task 2 includes preparation of draft technical specifications, one round of comments from Watermaster on the draft, and finalization. Draft and final technical specifications will be transmitted electronically. This task includes costs for one visit to the proposed well site with Watermaster and Maggiora to assess access and other site logistics.

M&A will assist the Watermaster with site selection for the well, including assistance in providing the information needed for Watermaster to obtain any necessary permits and approvals from the landowner. Watermaster is ultimately responsible for obtaining necessary permits.

#### **Task 3: Construction Management**

M&A will retain Maggiora to complete well installation and development, and will provide construction management during these activities. M&A will observe and document construction activities, including development of a lithologic log and determination of the final well design based on observations during drilling.

#### **ASSUMPTIONS**

- M&A can reasonably rely on the accuracy, timeliness, and completeness of information provided by Watermaster.
- M&A is responsible for tracking, cataloging, and approving submittals. M&A will provide Watermaster copies of all approved contractor submittals.
- Fieldwork will generally be conducted during 12-hour workdays on a standard 5-day workweek.
- Equipment rentals and fieldwork consumable purchases may be required. These may include but are not limited to field notebooks, chip trays and other miscellaneous project supplies. Costs for these items are included herein.
- M&A will assist the Watermaster in coordinating property access with the property owner.



- Prior to the start of drilling activities, M&A will coordinate and oversee subsurface utility locating by a Subtronic Corporation or equally qualified subsurface utility locating company. M&A is specifically not responsible for damages to buried utilities not identified by the property owner, Watermaster, Underground Service Alert of Northern California or the private utility locator.
- M&A and Maggiora will pay for and secure the Monterey County well permit.
- Costs for wellhead surveying (latitude, longitude, and elevation), groundwater sampling and well equipping (datalogger, sample pump, etc.) are not included in this proposal. Costs for these services can be provided upon request.

Construction management costs provided herein are estimated based on anticipated durations for each activity. The following durations are assumed for cost estimating purposes, for a total of approximately 24 field days:

- Utility clearance – 1 day
- Mobilization – 2 days
- Borehole drilling – 13 days
- Well installation – 3 days
- Well development – 3 days
- Well completion and demobilization – 2 days

Actual durations are subject to site conditions, drilling progress, weather and other factors not controlled by M&A. As such, actual costs are subject to increase or decrease based on actual durations. Field oversight costs are based on the Scientist 2 hourly rate, but efforts will be made to use the most cost-efficient, responsible staff level where feasible.

#### **Task 4: Reporting**

M&A will prepare a Well Installation Report following completion of site activities. The report will include a description of the work completed, description of the methods and procedures used, results and discussion of drilling and testing activities, conclusions and relevant appendices. A draft well installation report will be prepared in Microsoft Word format for Watermaster comment. Final submittal of this report will include one hardcopy and one PDF copy. The hardcopy report will additionally include long-form print outs of downhole logging (geophysical, caliper, alignment, spinner), a copy of the complete video survey in MP4 format (provided on DVD or flash drive), and one set of drill cutting chip trays.

Maggiora will file the Well Installation Report with the appropriate agency(s) including Monterey County Department of Health.

#### **SCHEDULE**

M&A assumes Task 2 will be completed by the end of calendar year 2022, provided the contract is executed by mid-October 2022 and that site selection is also completed during this time period. Well construction would occur in 2023 according to driller availability. The Well Installation Report will be completed within approximately 45 days following the completion of field activities.

**EXHIBIT B**  
**MAGGIORA BROS. DRILLING, INC.**

**DRILLING CONTRACTORS - PUMP SALES & SERVICE**  
CALIFORNIA CONTRACTOR'S LICENSE NO. 249957

Corporate Office  
595 Airport Blvd.  
Watsonville, CA 95076

Tel: (831) 724-1338  
Tel: (800) 728-1480  
Fax: (831) 724-3228

Contractor Bid - 02/01/2023  
**Montgomery & Associates**  
**1970 Broadway, Suite 225**  
**Oakland, Ca 94612**  
**Attn. Bill DeBoer P.G., C.Hg.**

Re: Construction of 2.5" Dia. x 655', PVC cased, monitoring well in Seaside, Ca.

The following is Maggiora Bros. Drilling, Inc. proposal:

1 Mobilization, includes permits	LS	1	\$10,000.00	\$10,000.00
2 Drill 10.75" bore hole	LF	670	\$92.00	\$61,640.00
3 E-log	EA	1	\$4,500.00	\$4,500.00
4 Caliper Log	EA	1	\$3,500.00	\$3,500.00
5 2.5" Sch 80, FT, Blank Casing F&I	LF	615	\$25.00	\$15,375.00
6 2.5", Sch80, FT, .030" screen F&I	LF	40	\$35.00	\$1,400.00
7 F & I Gravel Pack	LF	75	\$56.00	\$4,200.00
8 F & I sanitary seal	LF	595	\$55.00	\$32,725.00
9 Well Development - Airlift	HR	8	\$550.00	\$4,400.00
10 Video well	EA	1	\$3,500.00	\$3,500.00
11 Disposal of fluids & cuttings	LS	1	\$12,000.00	\$12,000.00
12 Install flush box and 4' x 4' pad	EA	1	\$1,950.00	\$1,950.00
13 Standby time	HR	0	\$550.00	\$0.00

**Price: includes labor, equipment, material, taxes, & freight: \$155,190.00**  
**Adder, if needed: 12", .250 wall x 60', MS Conductor: \$12,480.00**

1. Customer is to provide access to site and to mark location of well.
2. Drilling Contractor will USA for drilling. We recommend that the customer have a private locator verify utilities at well location if needed.
3. Customer to provide a source of water for drilling at site and provide a level site for the well drilling equipment.
4. Cuttings and drill fluids to remain on site and are the responsibility of the Customer, unless other provisions have been made.
5. Temp fencing, sound-walls, traffic control, or other BMP's are not included. These can be provided at an additional cost.
6. Drilling Contractor will provide a drilling permit from the County. All other permits are excluded.
7. Test hole destruction, if required, will be \$75/ft. If drilling slows to < 8' in two hours, drilling converts to hourly at \$550.00

# MAGGIORA BROS. DRILLING, INC.

DRILLING CONTRACTORS - PUMP SALES & SERVICE

CALIFORNIA CONTRACTOR'S LICENSE NO. 249957

Page 2

8. Bonding is not included in this proposal, but can be provided on a cost/plus basis.
9. Maggiora Bros. Drilling, Inc. current backlog is such that we may not be able to start the project for 4 to 5 months.
10. Proposal is valid for 30 days.
11. Due to the volatility of material & fuel costs in the current market, Maggiora Bros. Drilling, Inc. reserves the right to adjust pricing based on the actual cost of materials at the time of order.

Maggiora Bros. Drilling, Inc is a Union company; Operating Engineers, Local #3, as well as, a Certified Small Business. (34073)

If you have any questions, feel free to contact us!

Sincerely,

*Michael F. Maggiora*

## EXHIBIT C

		Bill DeBoer	Field/Staff Hydrogeologi	Editing	Labor Costs	Expenses	Subcontractors			M&A	TOTAL
		Scientist 6	Scientist 2	Technical Editor			Martin Feeney	Maggiora Bros.	Subtronic Locating	10% Markup	
	\$/hr	\$228	\$138	\$80							
<b>1</b>	<b>Project Management</b>										
	Progress tracking, coordination, meeting and	32	-	-	\$ 7,296	\$ -	-	-	-	-	\$ 7,296
	<b>Task 1 Subtotals</b>	<b>32</b>	<b>0</b>	<b>0</b>	<b>\$ 7,296</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 7,296</b>
<b>2</b>	<b>Technical Specifications</b>										
	Site Visit	14	10	-	\$ 4,572	\$ 300	-	-	-	\$ 300	\$ 4,902
	Draft Technical Specifications	18	32	4	\$ 8,840	\$ -	\$ 1,000	-	-	\$ 100	\$ 9,940
	Final Technical Specifications	-	-	-	\$ -	\$ 500	-	-	-	\$ 50	\$ 550
	Construction Management cost revisions	4	-	-	\$ 912	\$ -	-	-	-	\$ -	\$ 912
	<b>Task 2 Subtotals</b>	<b>36</b>	<b>42</b>	<b>4</b>	<b>\$ 14,324</b>	<b>\$ 300</b>	<b>\$ 1,500</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 180</b>	<b>\$ 16,304</b>
<b>3</b>	<b>Construction Management</b>										
	Subsurface Utility Locating	2	10	-	\$ 1,836	\$ 200	-	-	\$ 1,600	\$ 180	\$ 3,816
	Mobilization, Drilling, Well Installation*	12	216	-	\$ 32,544	\$ 4,500	\$ 500	\$ 145,820	-	\$ 15,082	\$ 198,444
	Well Development	2	36	-	\$ 5,424	\$ 750	-	\$ 7,900	-	\$ 865	\$ 14,939
	Wellhead Completion, Demobilization, Waste	2	24	-	\$ 3,768	\$ 500	-	\$ 13,950	-	\$ 1,445	\$ 19,663
	<b>SUBTOTAL COST</b>				<b>\$ 43,572</b>	<b>\$ 5,950</b>	<b>\$ 500</b>	<b>\$ 167,670</b>	<b>\$ 1,600</b>	<b>\$ 17,572</b>	<b>\$ 236,864</b>
	Contingency (5%) **				\$ 2,179	\$ 298	\$ 25	\$ 8,384	\$ 80	\$ 879	\$ 11,845
	<b>Task 3 Subtotals</b>	<b>18</b>	<b>286</b>	<b>0</b>	<b>\$ 45,751</b>	<b>\$ 6,248</b>	<b>\$ 525</b>	<b>\$ 176,054</b>	<b>\$ 1,680</b>	<b>\$ 18,451</b>	<b>\$ 248,707</b>
<b>4</b>	<b>Reporting</b>										
	Draft Well Installation Report	16	24	2	\$ 7,120	\$ -	\$ 500	-	-	\$ 50	\$ 7,670
	Final Well Installation Report	4	6	1	\$ 1,820	\$ -	-	-	-	\$ -	\$ 1,820
	<b>Task 4 Subtotals</b>	<b>20</b>	<b>30</b>	<b>3</b>	<b>\$ 8,940</b>	<b>\$ -</b>	<b>\$ 500</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 50</b>	<b>\$ 9,490</b>
	<b>TOTAL HOURS</b>	<b>106</b>	<b>358</b>	<b>7</b>							
	<b>TOTAL COST</b>	<b>\$24,168</b>	<b>\$49,404</b>	<b>\$560</b>	<b>\$76,311</b>	<b>\$6,548</b>	<b>\$2,525</b>	<b>\$176,054</b>	<b>\$1,680</b>	<b>\$18,681</b>	<b>\$281,797</b>
	* Includes addition of 12" conductor, if needed.										
	** To provide for uncertainties in field conditions and cost changes mentioned in well driller's quote Footnote 11.										

## **WATER SUPPLY PLANNING COMMITTEE**

### **ITEM: DISCUSSION ITEM**

#### **5. SEASIDE BASIN WATER QUALITY AND OPERATIONS MEETING TRANSITION FROM M1W TO MPWMD**

**Meeting Date:** March 6, 2023 **Budgeted:** N/A

**From:** David J. Stoldt,  
General Manager **Program/** N/A

**Line Item:** N/A

**Prepared By:** Maureen Hamilton **Cost Estimate:** N/A

**General Counsel Review:** N/A

**Committee Recommendation:** The Water Supply Planning Committee reviewed this item on March 6, 2023.

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

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**SUMMARY:** In a December 2022 meeting between MPWMD, Monterey One Water (M1W), and the Department of Drinking Water Recycled Water Unit and District 5 (DDW), DDW staff requested that M1W and MPWMD foster better information sharing with CalAm and City of Seaside. The Seaside Basin Water Quality and Operations (WQO) meetings, hosted by M1W since July 2020, are proposed to transition to MPWMD and focus on all water facility infrastructure operation in the Seaside Groundwater Basin (SGB). The meeting transition is consistent with the MPWMD 2022 strategy to coordinate/communicate with other water management agencies.

The original purpose of the WQO meetings was to discuss Pure Water Monterey (PWM) operation. PWM has been operating consistently and is only one water supply project in the SGB. Because all water supply operation is inter-related, MPWMD is proposing to coordinate this meeting with all operators. The meeting goal is to efficiently communicate current, planned, and future water facility operation in the SGB so that all water facility operators can effectively plan.

The WQO meetings timing will be changed to follow the Quarterly Water Supply Strategy and Budget Meetings hosted by MPWMD. The Quarterly Water Supply Strategy and Budget Meetings prescribe production within CalAm's Main and Laguna Seca Subarea systems and is cooperatively developed with MPWMD, Cal Am, National Marine Fisheries Services, the State Water Resources Control Board Division of Water Rights, and the California Department of Fish and Wildlife.

### **EXHIBIT**

None



# FEMA/OES Process

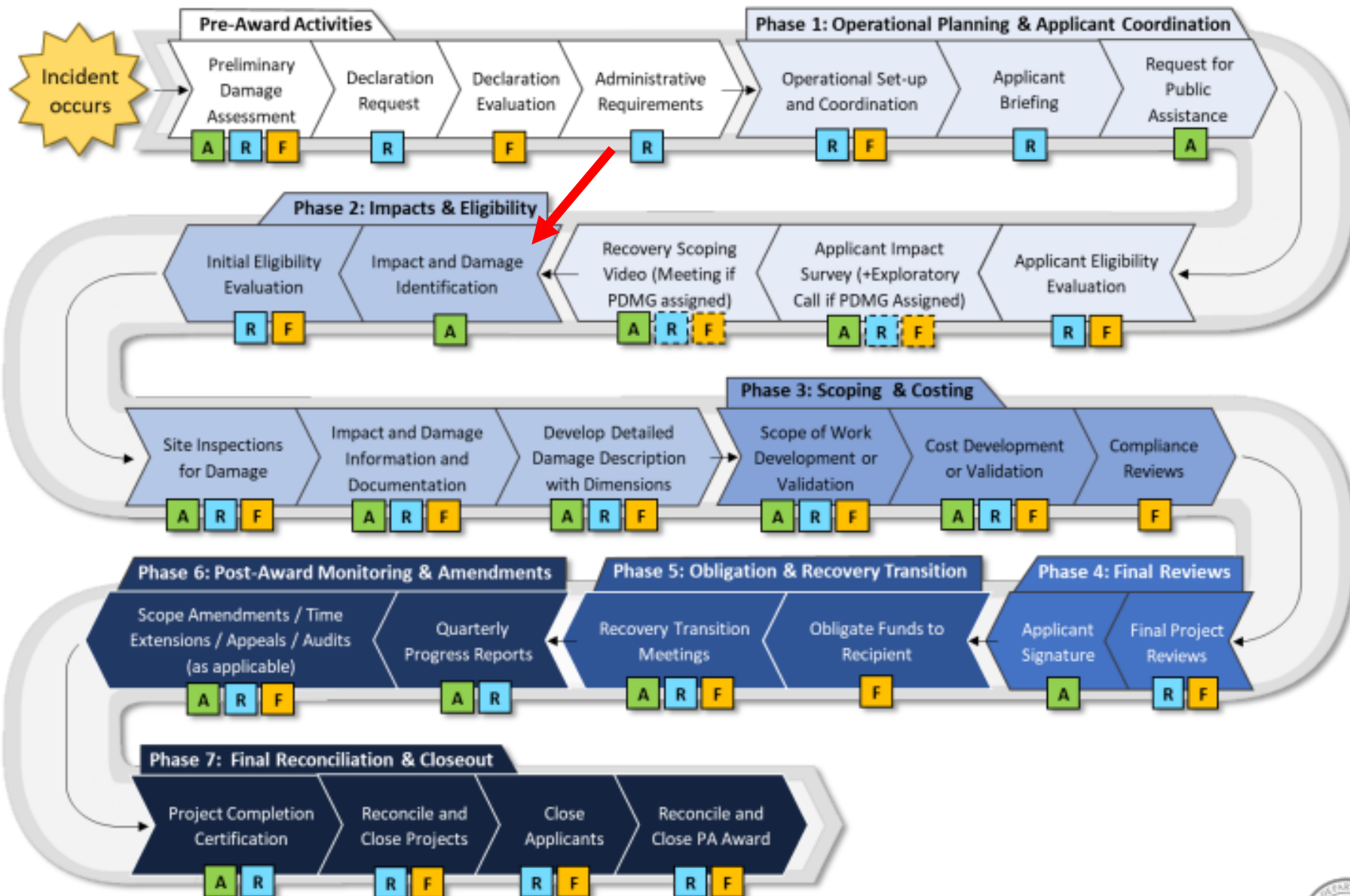
# FEMA vs OES

- Two separate grants
- FEMA Public Assistance
- CA Disaster Assistance Application (CDAA)
- CDAA Cost share automatically generated for approved FEMA projects
- Minimum project cost for FEMA \$3,800
- Minimum project cost share for OES \$2,500

# FEMA Public Assistance National Workflow

## PROGRAM DELIVERY PROCESS STEPS

Pre-Award Activities Phase 1 Phase 2 Phase 3 Phase 4 Phase 5 Phase 6 Phase 7





# Categories of Work

## Emergency Work

- **Category A: Debris removal**
- Category B: Emergency protective measures

## Permanent Work

- **Category C - Roads and Bridges**
- Category D - Water Control Facilities
- **Category E - Public Buildings & Equipment**
- Category F - Public Utilities
- Category G - Parks, Recreational Facilities, and Other Items

# 404 & 406 Mitigation

- 406 mitigation is a grant funding program under FEMA's Public Assistance (PA) program that allows eligible applicants to implement cost-effective measures that reduce or eliminate the threat of future similar damages to a disaster-damaged facility. 406 mitigation work must be applied on the parts of the facility that were actually damaged by the disaster, and must be approved by FEMA prior to funding
- Must be Cost Effective (not to exceed 100% of cost for repairing damage inventory item if found in Appendix J or 15% if not)
- Mitigation efforts district wants to implement:
  - Backflow preventer
  - Install emergency sump pump
  - Waterproof 2-3 feet of building

# Cost Share Basics

Categories	Date completed	FEMA Cost Share	Cal OES Cost Share	District Cost Share
A & B	Feb 25 <sup>th</sup> , 2023	100%	N/A	None
A & B	After Feb 25 <sup>th</sup> , 2023	75%	75% of remaining 25%	6.15%
C - G	N/A	75%	75% of remaining 25%	6.15%
Z	N/A	Up to 5% of actual eligible PA project costs	N/A	Dependent on costs

# FEMA Cost Adjustments

- FEMA funds small projects based on the initial obligated amount. In limited circumstances, FEMA may adjust individual small project funding for any one of the following reasons:
  - The work was not completed
  - FEMA approved a change in scope of work
  - There is a duplication of benefits
  - Errors or omissions
  - Hidden damage
  - Non-compliance with all applicable laws, regulations, and executive orders
  - Fraud, waste, or abuse

# Timeframe

- April 24<sup>th</sup>, 2023 deadline for Damage Inventory (extension possible)
- 6 months to complete Emergency Work (Cat A&B)
- 18 months to complete Permanent Work (extensions possible)

Any questions  
regarding FEMA/OES  
disaster assistance  
please reach out to  
Simona Mossbacher at  
[simona@mpwmd.net](mailto:simona@mpwmd.net)

## **WATER SUPPLY PLANNING COMMITTEE**

**ITEM:      DISCUSSION ITEM**

### **7.      DISCUSS ALTERNATIVE METHODS TO FINANCE AND UTILIZE PURE WATER MONTEREY EXPANSION**

**Meeting Date:**      **March 6, 2023**                      **Budgeted:**              **N/A**

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

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

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

**Committee Recommendation:** **The Water Supply Planning Committee reviewed this item on March 6, 2023.**

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

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**SUMMARY:** Cal-Am has been authorized by the California Public Utilities Commission (CPUC) to enter into a water purchase agreement (WPA) for the Pure Water Monterey (PWM) Expansion project and recover approximately \$61 million in rates for its own facilities related to the project. However, Cal-Am has to date refused to sign the WPA and seeks additional cost recovery in rates. The slow CPUC review process and the refusal to enter into the WPA has delayed construction bidding and resulted increased cost to the project due to rising construction costs and increased cost of financing. Yet, Cal-Am remains short in available supplies to meet demand and runs the risk of depleting stored supplies or violating the Seaside Basin adjudication limits in the near future. The PWM Expansion is the fastest path to additional water supply on the Monterey Peninsula.

This memorandum examines how PWM Expansion can be financed and constructed without Cal-Am's participation in the WPA.

#### **Overview**

The simple answer is "yes" the PWM Expansion can be financed and constructed without Cal-Am. The memorandum that follows will cover how a financing can be structured. However, there are several key questions that also need to be examined:

- What would be the purpose of PWM Expansion?
- Would the Cal-Am facilities be built?
- Would the CDO and meter moratorium be lifted?

- What would happen to the grant opportunities?
- Would Monterey One Water (M1W) participate?

The questions are also examined below, but certainly merit more discussion.

What would be the purpose of PWM Expansion?

The original intent of the PWM Expansion is to meet the future potable water demand of Cal-Am customers. If Cal-Am refuses to sign the WPA and the public agencies undertake to build the Expansion anyway, the 2,250 AFY of output could be utilized to (a) provide protective water levels for the Seaside Basin, (b) establish a drought reserve, and (c) sell to others in the future, for example Marina Coast Water District (MCWD). If the project is undertaken, there is a chance but not a guarantee that Cal-Am would volunteer to purchase output.

It could be attempted to compel Cal-Am to purchase and deliver the water by either petitioning the CPUC to direct them to do so (which MPWMD has already filed with the CPUC over the existing WPA) or by asking the cities and county to require Cal-Am to do so as a condition of their franchise agreements. However, not all franchise agreements are subject to expiration and renegotiation. The existing franchise agreements are summarized below:

<u>Jurisdiction</u>	<u>Expiration</u>
Carmel	None, perpetual
County	1/7/39
Del Rey Oaks	12/1/34
Monterey	7/8/19 (unclear if renewed)
Pacific Grove	1/1/33
Sand City	No Franchise Agreement
Seaside	10/4/22 (unclear if renewed)

It may be possible that Monterey and Seaside can effectively compel Cal-Am to purchase water from the PWM Expansion. It is not clear that the other agreements can be reopened.

Would the Cal-Am facilities be built?

If the purpose is only for protective water levels or a drought reserve, there would be no reason for Cal-Am extraction wells 1, 2, 3, and 4. However, it has been known since 2017 that Cal-Am needs additional extraction well capacity in Seaside and at least two wells should be undertaken by the Company anyway.

Would the CDO and meter moratorium be lifted?

As stated above, if the project is undertaken, there is not a guarantee that Cal-Am would volunteer to purchase output. In fact, Cal-Am might be likely to declare an even more urgent need for desalination now that the Expansion is “unavailable” to them. In the meantime, it could not be



demonstrated to the state Water Board that Cal-Am has sufficient water for the future such that the CDO and meter moratorium could be lifted.

*What would happen to the grant opportunities?*

The following \$42 million of grants are available to the PWM Expansion.

\$10.32 Million US Bureau of Reclamation Title XVI (WIIN Act) – M1W

\$15.00 Million State Revolving Fund grant for PWM Expansion – M1W

\$11.94 Million Urban Community Drought Relief Grant – MPWMD

\$4.80 Million Budget Act of 2022 (Governor's 2022-23 Budget earmark) – MPWMD

Of these, only the \$4.8 million is likely to remain intact because it was for establishing a drought reserve. The other three grant applications were described as potable water supply and drought resilience for service to customers.

*Would Monterey One Water (M1W) participate?*

Unknown.

**Financing Structure**

In basic terms, the financing requires the following:

- i. A public agency to guarantee repayment of the WIFIA Loan or other debt issued for the project
- ii. The public agency undertakes a Proposition 218 protest hearing on rates and charges for the repayment
- iii. If other debt to be issued, issue that debt in the public markets and deliver proceeds to M1W
- iv. M1W to build and pay for the project
- v. The public agency enters into a WPA with M1W to purchase the water

*The Appropriate Public Agency*

The three agencies that could build a secure creditworthy financing structure are M1W, Marina Coast Water District (MCWD), and Monterey Peninsula Water Management District (MPWMD). Under California law M1W is not able to utilize wastewater rates and charges for potable water supply purposes, hence is not the appropriate agency. MCWD has expressed a willingness to help facilitate a financing for PWM Expansion, if necessary. MCWD is rated AA-/A2 (Standard & Poor's and Moody's), but it has no need for the water for a decade or more and would therefore need to insulate its ratepayers by selling the water, most likely to MPWMD. In that case, if the financing is secured by a WPA rather than the MCWD ratepayers, it is likely that the EPA and/or

public debt markets would look through MCWD to the actual purchaser of the water. Thus it would make more sense for MPWMD to be the direct guarantor. MPWMD issued debt in 1992 for the Pebble Beach Reclamation Project, but did not secure a credit rating, because the debt was variable rate with a bank letter of credit. In this case, if the EPA desires a MPWMD credit rating for the WIFIA financing or if public debt is used, then MPWMD would need to secure a credit rating which could be a 2 month process.

### *The Proposition 218 Protest Hearing*

The PWM Expansion could cost \$76 million or \$34 million with grants already committed. It is unclear if the grants will remain in place if the purpose of the PWM Expansion is changed from active potable water supply as discussed later. At current 30-year tax exempt interest rates of 4.0%, the annual debt payment could range from \$1,953/AF (\$76 million cost) to \$874/AF (\$34 million cost). Operations and Maintenance cost, based on FY 2023 PWM costs, excluding debt amortization, plus 5% inflation equals \$2,492/AF. Therefore, total cost per AF for PWM Expansion might be on the order of \$3,366 to \$4,445 – as much as \$10 million per year for 2,250 AF. MPWMD does not have \$10 million per year of available revenue, hence would need to undertake a raise in rates and charges pursuant to Proposition 218. The Proposition 218 process will take at least 5 months and would need to be started immediately in order to place a new charge on the County tax collector's bills by August. It may be possible to defer the Prop 218 process a year by capitalizing all interest due on the debt, but it would be risky to undertake the debt without the certainty of a new revenue stream to secure repayment.

The timeline for the Prop 218 process undertaken in 2012 is shown in the chart below:

STEP	ACTION	WHEN
1.	Approve consultant to prepare draft report to support the Ordinance for collection on the Assessor's roll. Prepare report. Describe each real property receiving services and the amount of the charge for each parcel for the year, computed in conformance with the proposed ordinance. [Assumes no RFP; Sole source contract]	February 23
2.	First reading of the proposed rate ordinance by the MPWMD Board of Directors. Requires two-thirds vote. Board sets the second reading date and public hearing date for June 18, 2012.	April 16
3.	For Prop. 218 compliance, mail notice of public hearing to the record owner of each parcel upon which the fee or charge is proposed to be imposed. The notice must include: <ul style="list-style-type: none"> <li>a. the amount of the fee on that parcel</li> <li>b. the basis for calculating the fee or charge</li> <li>c. the reason for the fee or charge</li> <li>d. the time, date and location of the protest hearing</li> </ul> Must also mail notice to the record owner's address shown on the last equalized assessment roll if that address is different than the billing or service address. [At least 45 days before public protest hearing]	May 3
4.	Publish notice of protest hearing once a week for 2 successive weeks, with 5 days between publication dates.	May 4

5.	District mails notice of public hearing to interested parties who have filed written request within prior year [At least 14 days before hearing.]	June 4
6.	District makes available to the public data indicating the amount of cost, or estimated cost, required to provide the service for which charges are levied and the revenue sources anticipated to provide the service, including other sources of revenue. [At least 10 days before hearing.]	June 7
7.	District publishes summary of proposed ordinance and posts certified copy of full text of proposed ordinance in District office [5 days before meeting]	June 13
8.	Hold Prop. 218 public hearing on protests. If a majority of owners or tenants of identified parcels present written protests, the District may not impose the charges. [Not less than 45 days after notice is mailed]	June 18
9.	Second reading of the proposed rate increase ordinance by the MPWMD Board of Directors. Requires two-thirds vote. Board adopts report. [Ordinance will need to have effective date of July 1 written into it, otherwise effective date is 30 days after adoption.]	June 18
10.	Board adopts 2012/2013 operating and capital budget by resolution	June 18
11.	User Fee effective date	July 1
12.	File with County Assessor a copy of the report prepared pursuant to Section 5473 of Health & Safety Code and state the report has been adopted by the Board. Database of collections transferred to Assessor's office and entered against respective parcels.[H&S Code indicates August 10 <sup>th</sup> , but Monterey County desires data by August1]	By August 1

In the case of PWM Expansion, it is likely that Step 1 can be performed internally by MPWMD staff based on the formula developed in 2012.

### Issue Debt in the Public Markets

If the WIFIA loan becomes unavailable, MPWMD would need to issue debt in the public market. For such to occur, a credit rating will be required as previously discussed.

The District would issue Certificates of Participation or COPs. Because PWM Expansion would be deemed to be for the benefit of MPWMD as a whole, there is no voter requirement for issuance of the debt.

Security: The COPs are limited obligations of the District payable solely from and secured, to the extent and as provided in the Water Purchase Agreement, by a pledge of: (i) net revenues of MPWMD, and (ii) the monies held by the Trustee in any fund or account established pursuant to the Trust Agreement and investment earnings thereon. No funds or assets of M1W, other than the Capital Cost component described below, shall be pledged to the COP owners.

Water Purchase Agreement: Pursuant to the WPA the District will purchase all water produced by the PWM Expansion. Payments will consist of two components, an operation and maintenance

("O&M") component and a Capital Cost component equal to debt service. The Capital Cost component will reflect principal and interest installments. Pursuant to an Assignment Agreement, M1W will irrevocably assign their rights to receive the Capital Cost component to the Trustee, on behalf of the COP owners. Water revenues will be applied first to O&M, then to the Capital Component as described in the "Flow of Funds" section below.

**Trust Agreement:** Under the Trust Agreement, a Trustee is designated to hold all COP related funds and accounts. The Trustee will receive the Capital Cost component payments (debt service) made by the District under the WPA. The Trustee will then oversee payment of such revenues to the COP owners.

**Net Revenues:** Under the Construction and Operation Agreement, the District will pay to M1W an O&M component from the Revenues before the Capital Component. O&M expenses reimbursed include all expenses and costs of operation, maintenance and repair of the PWM Expansion project, as well as contributions to a renewal and renovation fund.

**Rate Covenant:** There will be a "rate covenant" where the District will pledge that Net Revenues (MPWMD's Gross Revenues minus O&M expenses) will be a multiple, such as 1.20 or 1.25 times the debt service. O&M expenses will include all O&M of MPWMD including the O&M component of the M1W WPA.

**Capitalized Interest:** Interest will be capitalized on the COPs for the 24 month construction period.

**Reserve Fund:** A reserve equal to a full year of debt service will be required and funded through debt proceeds.

**Flow of Funds:** Operating Revenues will be applied in the following order:

- (1) Operation and Maintenance Expenses;
- (2) Interest on the COPs;
- (3) Principal on the COPs when due;
- (4) Deposits to the Renewal and Replacement Reserve.

**Additional Debt:** Additional COPs may be issued for Project completion, refunding purposes, or new capital projects on a parity basis with the COPs.

### *Water Purchase Agreement*

MPWMD would renegotiate the WPA with M1W to reduce Operating Reserve requirements and to restructure into a take-or-pay style agreement whereby MPWMD agrees to pay the debt service of the PWM Expansion even in the event of an interruption in the delivery of product water from the Expansion.

## **EXHIBIT**

None

## **WATER SUPPLY PLANNING COMMITTEE**

### **ITEM: DISCUSSION ITEM**

#### **8. DISCUSS PURE WATER MONTEREY LEGAL EXPENSES**

**Meeting Date:** March 6, 2023 **Budgeted:** N/A

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

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

**General Counsel Approval:** N/A

**Committee Recommendation:** The Water Supply Planning Committee reviewed this item on March 6, 2023.

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

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**SUMMARY:** On December 1, 2021 the District signed Amendment 6 to the Pure Water Monterey (PWM) Cost Sharing Agreement for pre-construction costs related to the PWM Expansion project. At that time the District Board authorized \$1.2 million of expenditures. The District's FY 2021-22 mid-year budget carried PWM Expansion costs of \$850,000 and the FY 2022-23 budget included \$1,000,000 for a total of \$1.85 million budgeted. However, to date only \$729,594 has been expended by the District.

The budget for PWM Expansion, as of March 2022, was \$1.5 million as shown below:

<b>Work Description</b>	<b>Entity</b>	<b>Budget</b>
IW Phase 4 Deep Injection Wells Exploratory Borings <sup>1</sup>	Specialty Construction Inc.	\$301,500
DIW-6 Engineering Design <sup>1</sup>	Kennedy Jenks/Todd Groundwater	\$52,960
DIW-6 CEQA Addendum to SEIR <sup>1</sup>	M1W staff/DD&A	\$29,500
PWM and Water Purchase Agreement Legal Support	Perkins Coie	\$226,000
Expanded PWM Feasibility Study (for USBR grant)	Carollo Engineers	\$85,000
Engineering Design of IW Phase 4 Trenchless Pipeline	Kennedy Jenks/Bennett/Pacific Crest	\$217,268
PM, SCADA Integration & Fiscal Asset Management Plan	GHD	\$347,194
Compliance, Permits & Environmental Documentation	Larry Walker Associates/Others	\$97,125
Injection Well Facilities Property Appraisal	Stephen Brown	\$12,500
Procurement Documents & Construction Legal Support	Best Best & Krieger	\$50,000
Staff Implementation Activities	M1W Staff	\$80,000

	<b>FY 21/22 Encumbrances Total</b>	<b>\$1,499,047</b>
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Since that time, in August 2022 the Monterey One Water (M1W) board authorized an increase in the budget for the Perkins Coie law firm of \$285,000 due to the increased costs related to the California Public Utilities Commission (CPUC) proceeding regarding the PWM Expansion Amended and Restated Water Purchase Agreement. In September 2022 M1W authorized an additional \$115,000 to Best Best and Krieger for legal expenses related to procurement for PWM Expansion. Finally, in January 2023 M1W authorized another \$119,900 to Perkins Coie for expected work related to the CPUC proceedings and \$64,975 to Larry Walker Associates for regulatory related services.

The total revised budget to date is therefore \$2,083,922.

Under Amendment 6 to the Cost Sharing Agreement, the District will be responsible for 75% or \$1,562,941.

At its March 20, 2023 meeting, the Board will be asked to increase the authorized expenditures under Amendment 6 of the Cost Sharing Agreement to \$1.8 million to cover increases known to date and potential future requirements.

Specifically as it pertains to legal expenses on PWM Expansion, the following best explains budget and expenditures to date by the District:

Law Firm	Budget	Expended	Remaining
Perkins Coie	\$630,900	\$206,828	\$424,072
Best Best & Krieger	\$165,000	\$6,828	\$158,172
<b>TOTAL</b>	<b>795,900</b>	<b>\$213,656</b>	<b>\$582,244</b>

## **EXHIBIT**

None

## **WATER SUPPLY PLANNING COMMITTEE**

**ITEM:       DISCUSSION ITEM**

### **9.     RECEIVE AND DISCUSS INFORMATION ON STATE & FEDERAL PRIORITIES FOR 2023**

**Meeting Date:     March 6, 2023                             Budgeted:         N/A**

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

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

**General Counsel Approval: N/A**

**Committee Recommendation: The Water Supply Planning Committee reviewed this item on March 6, 2023.**

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

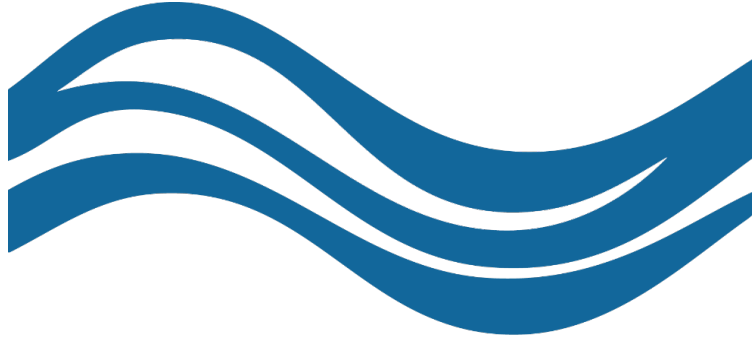
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**SUMMARY:** Two Exhibits are included solely for informational purposes.

#### **EXHIBITS**

**9-A     California State Water Resources Control Board Draft 2023 Strategic Work Plan**

**9-B     Letter from Congressional Delegation Regarding Desalination Funding**



# **California State Water Resources Control Board**

2023 Strategic Work Plan

**DRAFT of January 2023**



## Draft

The State Water Resources Control Board's mission is to preserve, enhance, and restore the quality of California's water resources and drinking water for the protection of the environment, public health, and all beneficial uses, and to ensure proper water resource allocation and efficient use, for the benefit of present and future generations. To this end, the State Water Board develops statewide permits, policy, and regulations to protect water quality, regulates drinking water, administers California's water rights system, and supports Regional Water Quality Control Board efforts. In addition, the State Water Board provides financial assistance in the form of grants and loans for projects that clean up and protect water quality and drinking water supplies, and that otherwise protect water resources. In all it does, the State Water Board works to advance several foundational values, including good governance, climate change resilience, environmental justice, and racial equity.

This strategic work plan lays out actions to advance the State Water Board’s four thematic priorities and subsidiary goals, which are listed in this table of contents.

<b>1. Protect public health by ensuring reliable access to safe, affordable drinking water and sanitation.</b>	<b>1</b>
1.1. Work to ensure state-regulated water systems meet drinking water and sanitation standards and Californians reliant on water systems not under state regulation (“state smalls” and private wells) know the quality of their water.	1
1.2. Adopt and enforce standards for contaminants that threaten human health.	2
1.3. Ensure groundwater quality meets or exceeds objectives.	2
<b>2. Protect and restore watersheds, marine waters, and ecosystems.</b>	<b>3</b>
2.1. Ensure surface water quality, flow, and management protects fish, wildlife, recreation, and other beneficial uses.	3
2.2. Protect—and where feasible, restore—aquatic and marine habitats.	5
<b>3. Increase statewide water resiliency in the face of climate change and other threats by expanding and integrating California’s water supply portfolio.</b>	<b>5</b>
3.1. Prepare for, respond to, and learn from drought.	5
3.2. Increase resilience of local and regional water supplies.	6
3.3. Support sustainable management of California’s groundwater resources.	7
3.4. Manage natural and working lands and soils so they provide water-related benefits.	7
3.5. Use stormwater more fully and effectively to provide multiple benefits.	7
3.6. Manage the Bay-Delta to balance water supply reliability and a healthy ecosystem.	8
<b>4. Strengthen internal capacity and systems to accomplish the State Water Board’s mission strategically, transparently, equitably, and efficiently.</b>	<b>9</b>
4.1. Incorporate effective public participation into State Water Board decisions and support effective partnerships.	9
4.2. Track and communicate the State Water Board’s work.	9
4.3. Manage data effectively.	10
4.4. Support evolution of organizational structures, processes, and culture.	11

**Highest-priority actions to work on or complete in 2023 (\*) and actions linked to California's Water Supply Strategy (W).** See full list for more information.

- |       |   |       |  |
|-------|---|-------|--|
| 1.2.1 | * Chrome VI   | 3.2.5 | *W Develop new water supplies (desalination, recycled water, and stormwater capture) |
| 2.1.1 | * Drought emergency flows and other actions to protect public trust resources | 3.3.1 | *W SGMA  |
| 2.1.2 | * Clear Lake Hitch  | 3.3.2 | W Process water rights permitting for underground storage                            |
| 2.1.3 | * Temperature management for fisheries  | 3.4.1 | * Forest health  |
| 3.1.1 | *W Implement water rights modernization efforts                               | 3.5.1 | * Site-specific objectives guidance for copper and zinc                              |
| 3.1.2 | * TUCPs   | 3.5.2 | * Cost of municipal stormwater permit implementation                                 |
| 3.1.3 | * Drinking water drought response program                                     | 3.5.3 | W Stormwater: infiltration   |
| 3.1.4 | W Emergency urban water conservation  | 3.6.1 | * Bay-Delta Plans  |
| 3.2.1 | * Direct potable reuse supply   | 3.6.2 | *W Delta conveyance  |
| 3.2.2 | *W Infrastructure funding programs  | 4.3.1 | *W Modernize water rights data   |
| 3.2.3 | *W Urban water use efficiency framework                                       | 4.4.1 | * Racial equity  |
| 3.2.4 | *W Water Storage Investment Program   | 4.4.3 | * Fi\$Cal  |
|       |   | 4.4.4 | * DFA process improvements   |

For each action below, acronyms in brackets list the main responsible organizations within the State Water Board; acronyms are defined at the end of this document. Note the State Water Board's priorities are subject to change based on need. Also note this work plan does not include everything related to the State Water Board's core workload or Regional Water Board efforts.

Key:

\* = highest-priority actions to work on or complete in 2023

**W** = action in California's Water Supply Strategy

## 1. Protect public health by ensuring reliable access to safe, affordable drinking water and sanitation.

### 1.1. *Work to ensure state-regulated water systems meet drinking water and sanitation standards and Californians reliant on water systems not under state regulation ("state smalls" and private wells) know the quality of their water.*

- 1.1.1. **Water affordability.** Address water and wastewater service affordability. Work on strategies for a new program or role related to state and federal legislative interest in establishing a state water rate assistance program. [DDW, DFA, COMMS, ORPP, OLA]
- 1.1.2. **SAFER.** Develop and implement the Safe and Affordable Funding for Equity and Resilience (SAFER) Drinking Water Program Plan to include consolidations, TMF compliance, perform Needs Analysis survey, and monitor drinking water performance measures, including Human Right to Water and Safe and Affordable Drinking Water initiatives. Annually update Outreach and Engagement Plan and implement SAFER Communications Plan. [DDW, DFA, COMMS]
- 1.1.3. **PFAS: investigations.** Continue investigations of industrial sources of per- and polyfluoroalkyl substances (PFAS) contaminants in public drinking water systems, including through issuance of Investigatory Orders. Conduct PFAS monitoring at all community public water systems in the state serving disadvantaged and severely disadvantaged communities. Begin investigation of treatment options and costs in preparation for MCL regulation development. Expand assessments to understand PFAS impacts to surface water in the vicinity of surface water intakes. [DDW, DWQ]
- 1.1.4. **USEPA sanitary survey compliance.** Improve State Water Board compliance with the USEPA mandated sanitary survey by increasing inspections and redirecting staff back to core regulatory program from emergency response activities (i.e., arrearages, fire response, and drought). [DDW]
- 1.1.5. **NEW - Statewide Wastewater Needs Assessment.** Contract to identify communities without adequate sanitation systems through a comprehensive evaluation of data on at-risk communities and the condition of the sanitation systems. The assessment will include analysis of technical, managerial, and financial factors to determine and identify

solutions for inadequacies, including possible consolidation with another wastewater treatment system. This work is scheduled to begin upon contract execution in July 2023 [DWQ, DFA].

## *1.2. Adopt and enforce standards for contaminants that threaten human health.*

- 1.2.1. **\* Chrome VI.** Adopt a Maximum Contaminant Level for hexavalent chromium; advance regulation package for adoption early 2023. [DDW]
- 1.2.2. **Lead and Copper Rule.** Develop Lead and Copper Rule conforming revisions to new federal rule issued in 2021 and anticipated Lead and Copper Rule improvements expected by October 2024. Begin work on private-side lead service line surveys. Develop new data system to track service line surveys and reporting requirements. [DDW]
- 1.2.3. **PFAS: PHG and MCL.** Develop a public health goal (PHG) and maximum contaminant level (MCL) for perfluorooctanesulfonic acid (PFOS) and perfluorooctanoic acid (PFOA) and develop strategy for regulating additional per- and polyfluoroalkyl substances. [DDW]
- 1.2.4. **Onsite wastewater treatment system waiver.** Reissue waiver of waste discharge requirements for onsite wastewater treatment systems per the Onsite Wastewater Treatment System Policy. This is anticipated to be completed in April 2023. [DWQ]
- 1.2.5. **Vapor intrusion.** Prepare an update to Resolution 92-49, Policies and Procedures for Investigation and Cleanup and Abatement of Discharges Under Water Code Section 13304, to adopt key elements to evaluate risks to occupants of buildings in proximity to soil or groundwater contaminated with vapor forming chemicals such as volatile organic compounds and mercury. On an ongoing basis, implement the completed vapor intrusion public participation requirements and best practices developed in collaboration with the Department of Toxic Substances Control in 2022. [DWQ]

## *1.3. Ensure groundwater quality meets or exceeds objectives.*

- 1.3.1. **Prioritize Funding of SCAP projects in disadvantaged communities/environmental justice communities.** Funding authority for the Site Cleanup Subaccount Program (SCAP) projects was doubled for fiscal years 2021-22 and 2022-23 to \$34 million, and was augmented with up to \$71.5 million in General Fund for fiscal year 2022-23. Coordinate with Regional Water Boards, the Department of Toxic Substances Control, and local agencies to encumber funds to address highest priority cleanup projects in economically disadvantaged communities and environmental justice communities (i.e., those with high CalEnviroScreen scores). [DFA]
- 1.3.2. **Prop 1: groundwater.** Provide final Proposition 1 (2014) Groundwater Grant Program funds by June 2023. [DFA]

## 2. Protect and restore watersheds, marine waters, and ecosystems.

### 2.1. *Ensure surface water quality, flow, and management protects fish, wildlife, recreation, and other beneficial uses.*

#### 2.1.1. **\* Drought emergency flows and other actions to protect public trust resources.**

Where the California Department of Fish and Wildlife or another fisheries or wildlife government agency has submitted emergency recommendations to protect fisheries, wildlife, habitat, or other public trust resources, engage in a public outreach process to evaluate the impacts of implementing measures through an emergency or voluntary process. develop drought emergency regulations to implement emergency flows, as necessary and authorized by law. Consider impacts to Black and indigenous people of color communities, tribal beneficial uses and cultural resources, and related ecosystems, when developing, implementing, and enforcing instream flow requirements, consistent with all applicable laws and requirements, including those related to water rights, basin planning, public trust resources, and endangered species. [Division of Water Rights]

#### 2.1.2. **\* NEW - Clear Lake Hitch.** Engage in collaborative and, where necessary, regulatory efforts to protect the Clear Lake Hitch by protecting instream flows, evaluating regulatory compliance with existing water right requirements, and enforcing on illegal diversions and unlicensed cannabis cultivation. Develop collaborative and voluntary actions to help preserve streamflows and ensure best management practices for water diversion and use are followed. [Division of Water Rights]

#### 2.1.3. **\* Temperature management for fisheries.** Improve management of surface water temperatures to reduce fish mortality and improve watershed and ecosystem health in the Bay-Delta watershed, with a focus on the Sacramento River and Water Rights Order 90-5 compliance and emphasis on development of robust modeling and data to inform decisions, early and transparent planning, collaborative solutions, and where appropriate, consideration of additional, voluntary options that balance multiple beneficial uses. [Division of Water Rights]

#### 2.1.4. **Instream flows: selected stream or streams.** Identify the status of establishing long term instream flow requirements on priority streams. Provide recommendations to address barriers and accelerate this process. [Division of Water Rights]

#### 2.1.5. **Ocean acidification and hypoxia.** Scope an Ocean Plan amendment to add water quality objectives and a program of implementation to address ocean acidification, hypoxia, and the effects of anthropogenic sources of nutrients in ocean waters. Update the Clean Water State Revolving Fund Policy to incentivize nutrient removal for projects that discharge to the ocean and update the Water Recycling Funding Program Guidelines to incentivize elimination of ocean discharges. [DWQ, DFA]

#### 2.1.6. **Cannabis enforcement.** Enforce water quality violations associated with illegal cannabis cultivation sites in priority watersheds. [OE]

#### 2.1.7. **HABs.** Implement the statewide harmful algal bloom (HAB) strategies, which align the mandates of Assembly Bill 834 (2019) by expanding event response and ambient monitoring through the freshwater HAB program and improving communication to

tribes and the public. Establish statewide procedures for event response and ambient monitoring. [OIMA, COMMS]

- 2.1.8. **Biostimulatory substances, cyanotoxins, and biological integrity.** Develop the technical foundation and policy options for a statewide water quality objective and implementation program for nutrients and other biostimulatory substances and cyanotoxins for streams, rivers, lakes, and reservoirs; and formalize and expand the use of biological condition assessment methods, scoring tools, and targets aimed at protecting biological integrity of Wadeable streams. [DWQ]
- 2.1.9. **Climate change: sea-level rise.** Develop MOU with the Coastal Commission to coordinate Sea Level Rise risk assessments and joint reviews. [DWQ]
- 2.1.10. **NEW - Once-through cooling policy amendments.** Amend the Once-Through Cooling Policy to ensure compliance with the Policy does not negatively affect electrical grid reliability. The amendment would extend the compliance dates for Alamitos, Huntington Beach, and Ormond Beach generating stations for three years to December 31, 2026, and extend the compliance date for Scattergood Generating Station for five years to December 31, 2029. [DWQ]
- 2.1.11. **NEW - Broadband middle mile.** Support infrastructure to bring high-speed broadband service to unserved and underserved communities through development of streamlined permits that also protect beneficial uses of water. Implement the streamlined programmatic permitting authorized in the statewide NPDES Construction Stormwater General permit. Develop and implement additional general permits and water quality certifications to streamline permitting for the Broadband Middle Mile project. [DWQ]
- 2.1.12. **NEW - DDT clean-up funding.** Administer \$5.6 million from a one-time budget appropriation via grants to California Sea Grant to support DDT clean-up near southern California. Funding will be directed to research projects and community outreach efforts to communicate findings. Research projects will focus on chemistry and toxicity of DDT and its breakdown products, risks of DDT contamination to public health and ecosystems, and improved characterization of DDT dump sites. [DWQ, DFA]
- 2.1.13. **NEW - NPDES pesticide application permits.** Reissue the following existing (expired) statewide NPDES permits to allow updated pesticide applications: (1) Vector Control Permit, (2) Aquatic Weed and Algae Control Permit, (3) Spray Applications Permit, and (4) Aquatic Animal Invasive Species Control Permit. [DWQ]
- 2.1.14. **NEW - High-priority water quality petitions.** Adopt Water Quality Orders regarding the Central Valley Regional Water Board's General Waste Discharge Requirements for Existing Milk Cow Dairies (SWRCB/OCC File A-2283(b)), and the Central Coast Regional Water Board's General Waste Discharge Requirements for Discharges from Irrigated Lands (SWRCB/OCC File A-2751(a-b)). [OCC, DWQ]
- 2.1.15. **Carmel River.** Continue oversight of the Cease and Desist Order related to California American Water Company and ongoing illegal diversions from the Carmel River. [Division of Water Rights]



## 2.2. *Protect—and where feasible, restore—aquatic and marine habitats.*

- 2.2.1. **Salton Sea.** Oversee, monitor, and assess progress on the implementation of the Salton Sea Management Program recognizing megadrought in Colorado River basin, potential water shortages and related impacts to the Sea, and federal investments and collaboration within the watershed. [Division of Water Rights]

## 3. **Increase statewide water resiliency in the face of climate change and other threats by expanding and integrating California's water supply portfolio.**

### 3.1. *Prepare for, respond to, and learn from drought.*

- 3.1.1. **\*W NEW - Implement water rights modernization efforts.** Use staff and resources gained in Fall 2022 to initiate a telemetry pilot project, expand the Division of Water Rights drought planning capabilities (including refinement of methods and models for curtailments and water unavailability and development of new methods and models), enforce water rights during times of limited water availability, and expand drought and curtailment modeling into additional watersheds. Establishing and implementing these programs will help plan for future droughts and prepare for drought response. [Division of Water Rights]
- 3.1.2. **\* TUCPs.** Respond to requests for changes to water quality requirements through review and consideration of temporary urgency change petitions. Respond to challenges to any approved or denied petitions in a timely manner. [Division of Water Rights]
- 3.1.3. **\* Drinking water drought response program.** Collect technical information from water systems to ensure they are implementing resiliency measures and that may have drought impacts to track their status. Follow-up for water systems that experience an outage, have a water shortage, or have a water shortage anticipated. Connect water systems to the resources they need to build drought resilience for future years. Implement strategy for water systems that do not meet source capacity requirements in conjunction with the implementation of the requirements of Senate Bill 552 (2021). Support water system source capacity planning studies, infrastructure enhancements, and where appropriate, actions such as mandatory consolidations or source water investigation orders. [DDW]
- 3.1.4. **W Emergency urban water conservation.** Develop short-term efficiency-based water conservation targets for Urban Retail Water Suppliers based on unique service area characteristics (e.g., climate zone, water demand, residential landscape area, and population) to be used if needed to address future drought conditions. [ORPP]
- 3.1.5. **Refine and expand water rights drought response.** Engage with stakeholders to identify and communicate next steps, actions, and potential outcomes of implementing drought-emergency actions, including curtailment orders and other legal steps. Where applicable, develop and implement emergency regulations through issuance of curtailment orders or implement local voluntary solutions. [Division of Water Rights]



### 3.2. *Increase resilience of local and regional water supplies.*

- 3.2.1. **\* Direct potable reuse supply.** Develop Direct Potable Reuse Regulations by the December 2023 statutory deadline. Assembly Bill 574 (2017) requires the State Water Board to adopt uniform water recycling criteria for direct potable reuse through raw water augmentation on or before December 31, 2023. These efforts will support statewide source control and wastewater pretreatment programs for emerging contaminants of concern to protect recycled water uses, including direct potable reuse. [DDW, DWQ]
- 3.2.2. **\*W Infrastructure funding programs.** Implement State Water Board priorities for the \$2.0 billion in State General Fund infrastructure programs and for the federal Bipartisan Infrastructure Law/State Revolving Fund funds: i) drinking water (including PFAS/emerging contaminants funding); ii) wastewater; iii) groundwater cleanup; iv) water recycling; and v) cross-border water quality. By June 30, 2023, amend drinking water and clean water State Revolving Fund policies to help streamline processes and amend priorities, to support the Water Supply Strategy's water recycling and stormwater capture goals. By June 30, 2023, establish a new expedited funding program for small community drinking water projects. [DFA]
- 3.2.3. **\*W Urban water use efficiency framework.** Adopt urban efficiency regulation applying to urban retail water suppliers to implement the Making Water Conservation a California Way of Life laws (Senate Bill 606 and Assembly Bill 1668, 2018). [ORPP]
- 3.2.4. **\*W Water Storage Investment Program.** Implement the State Water Board's parts of the Proposition 1 (2014) Water Storage Investment Program. State Water Board staff will process new water right applications and petitions, hold necessary hearings, and develop public benefit contracts needed to support WSIP projects. [Division of Water Rights, ORPP]
- 3.2.5. **\*W NEW - Develop new water supplies (desalination, recycled water, and stormwater capture).** Identify recycled water projects that can be brought online by 2030 and convene a strike team to resolve permitting and funding obstacles. Identify brackish groundwater desalination projects that can come online by 2030 and consider grant and loan programs to fund planning and building of desalination projects. Evaluate groundwater basins impaired by salts and nutrients and determine the volume of brackish groundwater available for desalination. Develop criteria for siting desalination facilities along the coast and identify mitigation sites to facilitate approval of desalination projects. [DWQ]
- 3.2.6. **NEW - On-site reuse regulations.** Adopt regulations for onsite treatment and reuse of non-potable water by the December 2022 statutory deadline. Senate Bill 966 (2018) requires the State Water Board to adopt regulations on or before December 1, 2022, for risk-based water quality standards for the onsite treatment and reuse of nonpotable water for nonpotable end uses in multifamily residential, commercial, and mixed-use buildings. [DDW]
- 3.2.7. **CEC management strategy.** Develop and implement a statewide constituent of emerging concern (CEC) strategic plan to prioritize and manage CECs and proactively ensure protection of drinking water supplies, public health, and the environment. The

development of a CEC strategic plan supports the Administration's Water Resilience Portfolio required by Executive Order N-10-19 and the State Water Board's charge to protect and restore water quality by driving pollution reduction from a range of sources. [DWQ, OIMA]

### *3.3. Support sustainable management of California's groundwater resources.*

3.3.1. **\*W SGMA.** Implement the Sustainable Groundwater Management Act (SGMA). Advise Board Members on placing basins that come into the State Water Board's jurisdiction into probationary status. Provide tools, resources, and incentives to encourage long-term drinking water solutions and water quality planning. Coordinate with the Safe and Affordable Funding for Equity and Resilience (SAFER) Drinking Water Program, the Recycled Water Policy program, CV-SALTS, and the Irrigated Lands Regulatory Program, where appropriate. [ORPP]

3.3.2. **W NEW - Process water rights permitting for underground storage.** Prioritize water rights applications for underground storage, including 180-day and 5-year temporary permits, standard water rights applications, and applications that pursue the Board's recently developed streamlined pathway for capturing high flow events. Continue to coordinate with the Department of Water Resources to facilitate applications, conduct outreach and education, and assist applicants in accordance with the Water Supply Strategy. Evaluate opportunities for additional streamlining. [Division of Water Rights]

3.3.3. **SDWA: underground injection control.** Support the California Geologic Energy Management Division (CalGEM) review of pending aquifer exemption proposals with overlying beneficial use groundwater to bring the state into compliance with the federal Safe Drinking Water Act (SDWA) by the end of 2023. Reviews will include a conduit analysis and remediation of idle and abandoned wells. [DWQ]

### *3.4. Manage natural and working lands and soils so they provide water-related benefits.*

3.4.1. **\* Forest health.** Promote sustainable forest health through General Order for Utility Operations and Maintenance Activities Related to Wildfire Mitigation. [DWQ]

### *3.5. Use stormwater more fully and effectively to provide multiple benefits.*

3.5.1. **\* Site-specific objectives guidance for copper and zinc.** Adopt guidance for Regional Water Boards to develop site-specific water quality objectives for copper and zinc using a metal bioavailability model (e.g., biotic ligand model) that includes receiving water body characteristics and monitoring data. The implementation of more accurate site-specific water quality objectives will reduce the cost of compliance for municipal stormwater permittees, while protecting beneficial uses. [DWQ]

3.5.2. **\* Cost of municipal stormwater permit implementation.** Adopt requirements for standardized cost reporting for the implementation of NPDES municipal separate storm sewer system (MS4) permits as part of the stormwater cost of compliance. Information and data will be used by State and Regional Water Boards when issuing new permits. [DWQ]

- 3.5.3. **W Stormwater: infiltration.** Develop requirements for siting, design, and monitoring criteria for urban stormwater capture and infiltration systems. Incentivize local agencies to develop stormwater capture projects. Execute a contract to estimate current stormwater capture statewide. [DWQ]
- 3.5.4. **Statewide Industrial Stormwater General Permit.** Release public review draft of the revised statewide NPDES Industrial Stormwater General Permit. Include an evaluation of costs to comply with the secondary maximum contaminant levels for infiltrated stormwater as part of the stormwater cost of compliance. [DWQ]
- 3.5.5. **Municipal Separate Storm Sewer Systems: statewide NPDES Phase II Permit.** Release public review draft of the updated statewide Phase II Municipal Separate Storm Sewer Systems (MS4) Permit. [DWQ]
- 3.5.6. **NEW - STORMS program evaluation.** Initiate a Strategy to Optimize Resource Management of Stormwater (STORMS) program evaluation to identify opportunities to improve the process for receiving meaningful stakeholder input and selecting STORMS projects considering scope, resources, and the greatest impact towards meeting the 2030 and 2040 stormwater goals in the Water Supply Strategy. [DWQ]
- 3.5.7. **Stormwater non-filer enforcement initiative.** Prioritize investigation and enforcement for industrial facilities in environmental justice areas that are suspected of not being enrolled in the Industrial Stormwater General Order. [OE]

### 3.6. *Manage the Bay-Delta to balance water supply reliability and a healthy ecosystem.*

- 3.6.1. **\* Bay-Delta Plans.** Implement the San Joaquin/Southern Delta Bay-Delta Plan, including the consideration of voluntary agreements. Complete the Sacramento/Delta update to the Bay-Delta Plan, including consideration of voluntary agreements. Consult with tribal governments during development of Bay-Delta Plan update. [Division of Water Rights]
- 3.6.2. **\*W NEW - Delta conveyance.** Implement the State Water Board's responsibilities for processing water rights change petitions and water quality certifications related to the proposed Delta conveyance project, including providing public notice of petitions and conducting and overseeing any necessary water rights hearing. [Division of Water Rights]
- 3.6.3. **Delta Alternative Compliance Plan.** Apply OpenET to determine crop evapotranspiration and consumptive water use in the Legal Delta via implementation of the Delta Alternative Compliance Plan. [ODW]

## 4. Strengthen internal capacity and systems to accomplish the State Water Board's mission strategically, transparently, equitably, and efficiently.

### 4.1. *Incorporate effective public participation into State Water Board decisions and support effective partnerships.*

- 4.1.1. **Engagement.** Strengthen our ability to engage with the public and with California Native American tribes to improve our decision-making processes. [COMMS]
- *Internal capacity.* Enhance internal capacity to integrate public engagement skills, strategies, and expertise into all Water Boards programs by expanding training, guidance, resources, and tools for all staff. Support implementation of meaningful and culturally-relevant outreach to disadvantaged communities and tribes on water quality planning, permitting, and policy processes (Assembly Bill 2108, 2022).
  - *External capacity.* Develop a community capacity building pilot fund to support tribal-led and community-led projects that address environmental clean-up projects.
  - *Tribal affairs.* Enhance internal capacity to consult, engage, and collaborate with California Native American tribes and tribal communities by expanding training, guidance, resources, and tools.
- 4.1.2. **Water quality enforcement policy review and update.** Conduct a five-year review of the Water Quality Enforcement Policy that includes gathering stakeholder input on the current policy and an opportunity for public comment on proposed updates. [OE]

### 4.2. *Track and communicate the State Water Board's work.*

- 4.2.1. **Website.** Continue to evaluate, improve, and maintain the State Water Boards' websites. [DIT, COMMS]
- 4.2.2. **Enforcement performance.** Identify future enforcement goals and track enforcement performance measures that drive meaningful enforcement to obtain those goals with a focus on programs with low compliance rates. [OE]
- 4.2.3. **Communications.** Through communications, media relations and public engagement, continue informing the media, stakeholders, and the public of the Boards' work and decision-making processes to raise awareness of the impacts of our work, equitably empower people to take action, and strengthen meaningful public involvement. [COMMS]
- *NEW - Safe drinking water.* Expand public awareness about ongoing collaboration and progress toward drinking water equity through the promotion of SAFER accomplishments, milestones, opportunities for engagement and storytelling with community partners. Leverage increased media interest in threats to safe drinking water access, such as contamination and drought.
  - *Enforcement.* Raise public awareness about the State Water Boards' efforts to protect water quality, water supplies, and the environment, especially in communities experiencing disproportionate pollution burdens and to enforce curtailments to

protect water supplies. Build on increased media coverage resulting from our office's outreach efforts. Continue promoting enforcement actions.

- *NEW - Sustainable groundwater management.* Increase public awareness and understanding of the drought's impact on the state's groundwater supplies and foster greater appreciation of the State Water Board's role in implementing the Sustainable Groundwater Management Act (SGMA).
- *NEW - Conservation.* Support implementation of the Making Water Conservation a California Way of Life framework and the Water Supply Strategy by advancing communication strategies to drive conservation, strengthen public awareness about the impacts of a drier, hotter California, and reinforce the importance of saving water.
- *Financial assistance.* Promote public awareness of State Water Board funding of projects for safe drinking water, drought relief and water infrastructure, and the long-term benefits of these projects for disadvantaged communities and the State's water supply management. Leverage increased media outreach and strengthened collaboration with federal partners.
- *NEW - Strategic Communications.* Develop and conduct training for staff on media engagement and interviewing techniques to facilitate clear and effective communication about the State Water Board's work. Continue building out library of updated talking points and other messaging on key topics for consistent messaging and share access with the Board and Water Boards' staff once ready.
- *NEW - Foster greater awareness and understanding of the positive impacts of the Water Boards' regulatory work, including those related to groundwater recharge.*

### 4.3. Manage data effectively.

- 4.3.1. **\*W Modernize water rights data.** By July 2023, develop stakeholder engagement process, release vendor solicitation, and secure vendor to implement the "Updating Water Rights Data for California" (UPWARD-California) project. UPWARD-California will modernize the state's water rights data management system, digitize paper records, and create a 21<sup>st</sup> century data system to help California respond to drought and ensure long-term water resilience. [Division of Water Rights]
- 4.3.2. **Data management plan.** As outlined in the Strategic Data Action Plan driven by State Water Board Resolution 2018-0032, deliver data literacy (training and education) and data quality training and outreach to priority program areas to help staff make better decisions and inform the public on key interests. Align data governance with enterprise technology modernization efforts to ensure business needs are met efficiently, effectively and in a reusable work and dataflow. [OIMA]
- 4.3.3. **New systems for water quality data.** Replace a data receiving and storage ecosystem—the California Environmental Data Exchange Network (CEDEN)—and prioritize the modernization of the Surface Water Ambient Monitoring Program (SWAMP). Chemistry module followed by other data types are current priorities. [OIMA, DIT]



- 4.3.4. **Modernize data analysis tools for the Integrated Report.** Improve data analysis tools, including the California Water Quality Assessment (CalWQA) data system to facilitate comprehensive, efficient, and accurate water quality assessments and identify impaired surface waters. [DWQ, DIT, OIMA]

#### 4.4. *Support evolution of organizational structures, processes, and culture.*

- 4.4.1. **\* Racial equity.** Implement the Racial Equity Action Plan to address systemic, institutional, and individual racism at the State and Regional Water Boards. Track our success through meaningful targets and metrics. [Executive Office, Racial Equity Team]
- 4.4.2. **NEW - Racial Equity Data Action Plan.** Help staff incorporate racial equity concepts into the planning and design of data collection and visualization, expand public participation in science and community data gathering programs, and make data to inform the implementation of the Racial Equity Action Plan more accessible. [OIMA]
- 4.4.3. **\* Fi\$Cal.** Implement additional workflow processing changes in the Accounting Branch to improve use of California's new financial management system, Fi\$Cal. Planned changes include additional staff training and development and preparation of written procedures to increase our adeptness with FI\$Cal. These changes are intended to improve the timeliness of payment processing and help meet external due dates for monthly and end of year reporting commitments to the Department of Finance and the State Controller's Office. Complete year-end close-out for fiscal year 2021-22 by January 2023. Complete necessary activities to become "current" in FI\$Cal processing by April 2023, to allow year-end close-out for fiscal year 2022-23 in September of 2023. [DAS]
- 4.4.4. **\* NEW - DFA process improvements.** Implement additional process improvements to streamline and simplify the processes for applying for and receiving funding for drinking water and clean water projects. Implement additional process improvements to streamline and simplify the processes associated with disbursing funds in the drinking water, clean water, stormwater, and groundwater programs. For process improvements that can be made now, procedure manuals will be updated and training will be provided to staff by June 30, 2023. For process improvements that depend on policy changes by the State Water Board, procedure manuals will be updated and training will be provided by December 31, 2023. [DFA]
- 4.4.5. **Workforce strategy.** Continue actions to ensure appropriate staffing, organizational support for staff, and opportunities for staff. [DAS, DIT, ORPP]
- *Reduce vacancies.* Reduce vacancy rate to 5 percent or less for State and Regional Water Boards.
  - *Workforce and Succession Plan.* Finalize workforce and succession plans.
  - *Water Leadership Program.* Expand program to include executive cohorts.
  - *Telework policy and hybrid workforce strategy.* Continue to improve tools for staff and supervisors related to implementing an expanded telework strategy.

- *HR Center of Excellence*. Complete tasks and milestones associated with the newly-established Human Resources (HR) Center of Excellence, in coordination with all CalEPA organizations, to maximize the efficiency and effectiveness of HR programs and ensure the State and Regional Water Boards put the right people, processes, and culture in place to achieve the State Water Board mission.
- 4.4.6. **Contracts and processes for laboratory and science services.** Continue to reduce the number of contracts and improve business services and workflows by consolidating statewide contracts for analytical laboratory services and science consulting services. [OIMA]

**Acronyms or short names of State Water Board Divisions and Offices**

COMMS	=	Communications Office (the Communications Office includes the Office of Public Affairs and the Office of Public Participation)
DAS	=	Division of Administrative Services
DDW	=	Division of Drinking Water
DFA	=	Division of Financial Assistance
DIT	=	Division of Information Technology
DWQ	=	Division of Water Quality
OCC	=	Office of the Chief Counsel
ODW	=	Office of the Delta Watermaster
OE	=	Office of Enforcement
OIMA	=	Office of Information Management and Analysis
OLA	=	Office of Legislative Affairs
ORPP	=	Office of Research, Planning, and Performance



## Selected changes from the State Water Board 2022 Strategic Work Plan

The following actions from the 2022 Strategic Work have been removed from this plan because they have either been completed or largely completed (<sup>a</sup>), or because work on the action has stopped (<sup>b</sup>) or been deprioritized due to the need to focus on competing priorities. In most cases, State Water Board staff will continue to work on these actions, but they won't tracked as part of the plan.

Large habitat restoration permit <sup>a</sup>	Future drinking water regulation prioritization
Legal Delta: water rights <sup>a</sup>	Integrated Report and data system improvements
COVID-19 and water and wastewater arrearage programs <sup>a</sup>	Mandatory minimum penalty workload
Statewide Sanitary Sewer System General Order reissuance <sup>a</sup>	Microplastics monitoring methods and monitoring plan
401 water quality certifications (large hydropower projects)	Trash
Climate resolution	Pesticides <sup>b</sup>
Focused UST enforcement	Toxicity water quality objectives for ocean waters <sup>b</sup>
	Wastewater consolidation projects <sup>b</sup>

**EXHIBIT 9-B**

**Congress of the United States**  
**Washington, D.C. 20510**

February 7, 2023

The Honorable Camille Touton  
Commissioner, Bureau of Reclamation  
1849 C Street NW  
Washington, DC 20240-0001

Dear Commissioner Touton:

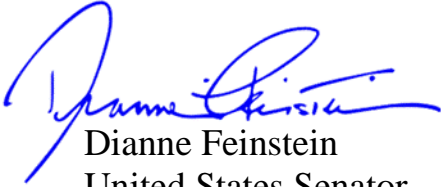
We write to urge the Bureau of Reclamation (BOR) to make the greatest possible use of the \$250 million that Congress appropriated for desalination projects in the *Infrastructure Investment and Jobs Act* (IIJA) by waiving BOR's \$30 million per-project cap and allowing projects to receive federal funding up to the full statutory federal cost share of 25 percent of the total project cost. Addressing the devastating effects of climate change, including chronic drought as we have in California, requires innovative technologies and solutions; lifting the \$30 million per-project cap would incentivize regional desalination projects.

Regional cooperation ocean water desalination projects like the Doheny Desalination Project in Dana Point, California are of particular importance to our coastal communities' ability to reduce drought. This project, which has already received significant federal funding through the BOR's desalination grant program, will provide a drought-proof and environmentally sustainable source of water for south Orange County, California, which is heavily reliant on imported water. Further, the Doheny Desalination Project is carbon neutral and has other significant environmental advantages such as incorporating subsurface slant well intake technology and salt brine blending. In addition, regionalizing the project will achieve efficiencies of scale, reducing the cost per acre-foot of water generated by 15 percent.

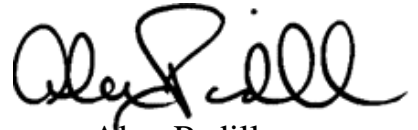
As you know, Congress and the Biden Administration have made historic federal investments in critical infrastructure projects and desalination projects during the past two years. However, federal funding for projects like the broadly supported Doheny Desalination Project have been administratively capped at \$30 million. This project funding cap disincentivizes regional cooperation projects that cost more than \$120 million by providing a lower federal cost share than the statutory 25 percent rate. We urge you to waive the \$30 million per-project cap, which would affirmatively *incentivize* regional projects, delivering more affordable water at a lower unit cost and providing regional solutions to drought challenges.

We appreciate everything you are doing to help with California and the West's drought, and thank you for your consideration of this request.

Sincerely,



Dianne Feinstein  
United States Senator



Alex Padilla  
United States Senator



Mike Levin  
Member of Congress