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

Water Supply Planning Committee
Of the Monterey Peninsula Water Management District
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Monday, May 3, 2021, 4:00 pm, Virtual Meeting

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

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Meeting password: 05032021
Participate by phone: (669) 900 - 9128

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

Water Supply Planning Committee Members:
George Riley, Chair
Karen Paull
Mary Adams

Alternate:
Alvin Edwards

Staff Contact
David J. Stoldt, General Manager

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

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 April 5, 2021 Committee Meeting Minutes

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

2. Update on Pure Water Monterey Project

3. Discuss Issues Related to Seaside Groundwater Basin Replenishment Assessments

4. Discuss Funding Concepts for Pure Water Monterey Expansion

Suggest Items to be Placed on Future Agendas

Adjournment

Upon request, MPWMD will make a reasonable effort to provide written agenda materials in appropriate alternative formats, or disability-related modification or accommodation, including auxiliary aids or services, to enable individuals with disabilities to participate in public meetings. MPWMD will also make a reasonable effort to provide translation services upon request. Submit requests by 5:00 pm on April 29, 2021, to the Board Secretary, joel@mpwmd.net or call 831-658-5652.

Instructions for Connecting to the Zoom Meeting

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

Begin: Within 10 minutes of the meeting start time from your computer click on this link: https://zoom.us/j/99357894843?pwd=OUk0TWVqMlRqMWhZTG9vVGx2Wk5zZz09 or paste the link into your browser.

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

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

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

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

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

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

USING AN APPLE/ANDROID MOBILE DEVICE OR SMART PHONE

1.Download the Zoom application through the Apple Store or Google Play Store (the application is free).
2.Once download is complete, open the Zoom app.
3.Tap "Join a Meeting"
4.Enter the Meeting ID number
5.Enter your name. It is imperative that you put in your first and last name, as participants and attendees should be able to easily identify who is communicating during the meeting.
6.Tap "Join Meeting"
7.Tap "Join Audio" on the bottom left hand corner of your device
8.You may select either ONE of two options: "Call via Device Audio" or "Dial in"

DIAL IN

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

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

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

Present Public Comment

Receipt of Public Comment – the Chair will ask for comments from the public on all items. Limit your comment to 3 minutes.

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

Submit Written Comments

If you are unable to participate via telephone or computer to present oral comments, you may also submit your comments by e-mailing them to comments@mpwmd.net with one of the following subject lines "PUBLIC COMMENT ITEM #" (insert the item number relevant to your comment) or "PUBLIC COMMENT – ORAL COMMUNICATIONS". Comments must be received by 12:00 p.m. on Monday, May 3, 2021. Comments submitted by noon will be provided to the committee members and compiled as part of the record of the meeting.

WATER SUPPLY PLANNING COMMITTEE

ITEM: ACTION ITEM

1. CONSIDER ADOPTION OF APRIL 5, 2021 COMMITTEE MEETING MINUTES

Meeting Date: May 3, 2021

From: David J. Stoldt,
General Manager

Prepared By: Joel G. Pablo

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

SUMMARY: Attached as **Exhibit 1-A** are draft minutes of the April 5, 2021 committee meeting.

RECOMMENDATION: The Committee should adopt the minutes by motion.

EXHIBIT
1-A Draft Minutes of the April 5, 2021 Committee Meeting

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MONTEREY PENINSULA WATER MANAGEMENT DISTRICT

EXHIBIT 1-A

DRAFT MINUTES
Water Supply Planning Committee of the Monterey Peninsula Water Management District
April 5, 2021

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

Committee members present: George Riley, Chair
Mary L. Adams
Alvin Edwards

Committee members absent: None

Staff members present: David J. Stoldt, General Manager
Jonathan Lear, Water Resources Division Manager
Thomas Christensen, Environmental Resources Div. Mgr.
Maureen Hamilton, Senior Water Resources Engineer
Joel G. Pablo, Executive Assistant / Board Clerk

District Counsel present: David Laredo, De Lay & Laredo

Comments from the Public: No Comments

Action Items

1. Consider Adoption of March 1, 2021 Committee Meeting Minutes

The Board Clerk confirmed with the MPWMD Water Supply Planning Committee that the committee members have received and reviewed the revised draft meeting minutes for March 1, 2021. The clerk responded and answered questions from the committee. Chair Riley accepted the revised minutes for consideration and adoption.

A motion was made by Director Paull and second by Director Adams, to approve the meeting minutes of the Water Supply Planning Committee on March 1, 2021. The motion passes unanimously on a vote of 3 – 0 by Riley, Adams and Paull.

Public Comment: None

Discussion Items

Note: Chair Riley moved Item No. 4 ahead of Item No. 2 at the request of Director Adams.

2. Ability of Pure Water Monterey to Provide Protective Well Levels in the Seaside Basin

David J. Stoldt, General Manager (GM) and Jonathan Lear, Water Resources Division Manager presented, summarized the staff report and responded to questions from the committee. Stoldt reported that the Pure Water Monterey can provide for water to meet water levels that could be made available for protective levels, act as a water source and identified potential interested parties to purchase and store excess water.
Public Comment: None

3. Update on Seaside Well FO09 and Seaside Intrusion

Jonathan Lear, Water Resources Manager presented, summarized the staff note and answered questions from the committee. Lear provided a further update to the committee on Fort Ord Well No. 9 (FO09) and advised the committee on the districts next steps. The consultant (Feeney) plans to video-record the extent of the issue, report out and the district will work with the County Health Department. Lear's analysis suggests that the district may not be able to reliably remedy the issue consistent with County Health Department standards and recommends for the well to be destroyed. As a result, the Marina Coast Water District and the Seaside Basin Watermaster both having a vested interest in the well may want the well to be replaced for monitoring purposes, Lear reported. Lear further added the district has no need for the well to be replaced and financial contributions (if any) towards a replacement well will need to need to be decided on.

Tamara Voss, Associate Hydrologist with the Monterey County Water Resources Agency reiterated Jonathan Lear's findings, conclusions and assessments.

Public Comment: None

4. Long- Term Expectations for Aquifer Storage and Recovery Output

David J. Stoldt, General Manager (GM) and Jonathan Lear, Water Resources Division Manager presented, summarized the staff report and responded to questions from the committee. Discussion ensued pertaining to supply and demand, the need for long term build up for ASR for drought years and various scenarios based on historical data. Directory Riley requested from staff to produce a graph that conceptionally and clearly describes the information presented during the hearing.

Public Comment: None

5. Federal Legislation for COVID-19 Relief Programs for Water Agencies

David J. Stoldt, General Manager presented, summarized the staff report and responded to questions from the committee members. Stoldt informed the committee of how monies from both the Consolidated Appropriations Act of 2021 and the American Rescue Plan Act of 2021 would be allocated to states, counties, cities and individuals. Stoldt and committee members made mention of various efforts by local and state representatives who are attempting to bring monies in for Special Districts. Stoldt described and made mention of a memo circulated by the California Special District's Association attempting to garner support for special districts on an initiative whereby 5% of the pocketed money that would go to the state would be segregated for use by special districts. Stoldt responded to Director Riley and added that the MPWMD has endorsed and added their name to the signature page of the initiative consistent with the MPWMD Legislative Advocacy Committee recommendation and approval.

Public Comment: None

6. Update on Pure Water Monterey Project

David J. Stoldt, General Manger provided an update on the Pure Water Monterey Project. Stoldt noted as a result of a broken drilling rig Deep Injection Wells 3 and 4 has taken a pause and for the month of March, 2021 – 313 Acre Feet has been injected.

Maureen Hamilton, Senior Water Resources Engineer responded to Stoldt comments and informed the committee the rig is repaired and drilling commenced well through Easter weekend.

Public Comment: None

Suggest Items to be Placed on Future Agendas

David J. Stoldt, General Manager responded to Director Riley on items to be placed on future agenda(s) of the MPWMD Water Supply Planning Committee to include:

a. Further updates on the Seaside Fort Ord Wells
b. Funding for Pure Water Monterey
c. Watermaster Replenishment Assessments and Calculation of the Replenishment Rate

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WATER SUPPLY PLANNING COMMITTEE

ITEM: DISCUSSION ITEM

3. DISCUSS ISSUES RELATED TO SEASIDE GROUNDWATER BASIN REPLENISHMENT ASSESSMENTS

Meeting Date:	**May 3, 2021**	**Budgeted:**	
From:	**David J. Stoldt** **General Manager**	**Program/** **Line Item:**	**N/A**
Prepared By:	**David Stoldt**	**Cost Estimate:**	

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

SUMMARY: Directors have identified several subject areas the Seaside Groundwater Basin Watermaster (the Watermaster), produces and includes in its annual report that might merit greater understanding by the Committee and possibly additional discussion with the Watermaster.

Water Year 2021 Replenishment Assessment Unit Cost calculations are shown in **Exhibit 3-A**, attached. Also shown are the Replenishment Assessment calculations by entity in **Exhibit 3-B** and a page from the Adjudication Decision describing offsetting of Replenishment Assessments with capital expenditures of permanent water supply projects is included as **Exhibit 3-C**. Other additional information on recent pumping in the basin is in **Exhibit 3-D**.

Such issues are unlikely to be resolved at the Committee meeting, rather it is expected to agree on areas of additional study and follow-up. Topics may include, but are not limited to the following:

- Weighting of various "proxy" projects in calculation of Replenishment Assessments
- Which "proxy" projects merit inclusion?
- Capacity of "proxy" projects assumed
- Use of project expenditures to offset Replenishment Assessments
- Ease of use in finding data

EXHIBITS
3-A 2021 Replenishment Assessment Unit Cost Calculations
3-B Replenishment Assessment Calculations by Entity
3-C Adjudication Decision Describing Offsetting of Replenishment Assessments
3-D Other Additional Information on Recent Pumping in the Basin

EXHIBIT 3-A

ITEM VIII.C
9-2-20

SEASIDE GROUNDWATER BASIN WATERMASTER

TO: Board of Directors

FROM: Robert S. Jaques, Technical Program Manager

DATE: September 2, 2020

SUBJECT: Discuss/Consider Recommendation to the Watermaster Board to Approve the Proposed Replenishment Assessment Unit Costs for Natural Safe Yield and Operating Yield Overproduction

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RECOMMENDATIONS:
Adopt a Replenishment Assessment Natural Safe Yield Unit Cost of $2,947/AF and an Operating Yield Unit Cost of $737/AF for Water Year 2021 (October 1, 2020 through September 30, 2021).

BACKGROUND:
Per page 33 of the Decision, "The per acre-foot (AF) amount of the Replenishment Assessments shall be determined and declared by Watermaster in October of each Water Year in order to provide Parties with advance knowledge of the cost of Over-Production in that Water Year." Thus, the per acre-foot amount determined by the Board on or before October of 2020 will be used to calculate Replenishment Assessments for pumping that occurs during Water Year 2021 which begins on October 1, 2020 and ends on September 30, 2021.

For Water Years 2014, 2015, and 2016 the Board adopted a Replenishment Assessment Natural Safe Yield Unit Cost of $2,702/AF. This unit cost was developed starting with Water Year 2014 by taking the average of the Base Unit Cost ($/AF) of the four potential water supply projects that the Board felt were the most likely to be implemented. For Water Year 2017 the Board adopted a revised Replenishment Assessment Natural Safe Yield Unit Cost of $2,872. This revised Unit Cost was calculated using updated unit cost data for the three projects which the Board at that time felt were the most likely to be implemented. The number of projects was reduced from four to three, because when the WY 2017 Unit Cost was being calculated, it was determined that two of the previous four projects (Regional Desalination and the Pure Water Monterey Groundwater Replenishment Projects) would be part of a combined project referred to as the Monterey Peninsula Water Supply Project. The Water Year 2017 Unit Cost was carried over to the three subsequent Water Years because no updated cost data was available for those projects, and no other viable projects could be identified.

DISCUSSION
At its August 18, 2020 meeting, the Budget and Finance Committee was presented, and discussed, the attached Table which includes updated cost data for one of the three projects, the Pure Water Monterey Project. The proponents of the Cal Am desalination project and the Regional Urban Water Augmentation Project reported that the previously used cost data had not been updated, and that the previously used unit costs should still be used. In that Table a blended unit cost value is provided for the Monterey Peninsula Water Supply Project based on a reduced size desalination plant offset by water to be provided by the Pure Water Monterey Project. Based on the updated Pure Water Monterey Project's unit cost, the blended unit cost for that combined project was updated from $4,591/AF to $4,817/AF.

The Table also includes updated "Potential Dates Replenishment Water Could Become Available."

During the Budget and Finance Committee meeting, it was noted that the ASR Expansion Project unit cost might also need to be updated. MPWMD reported that if the figure needed to be updated, it would provide the updated figure to Mr. Jaques. Subsequent to the Budget and Finance Committee meeting, MPWMD reported that it would be appropriate to continue using the $2,025 per acre-foot unit cost that had been previously provided by them for the Seaside Basin ASR Expansion Project. Thus, there was no need to revise the Replenishment Assessment unit cost figure from that which had been presented at the Budget and Finance Committee meeting.

Therefore, the updated Natural Safe Yield Unit Cost that is recommended for use in Water Year 2021 is $2,947/AF, calculated as: ($4,817+$2,025+$2,000)/3. These are the three **bold-faced** unit costs in the attached Table. The Operating Yield Over Production Replenishment Assessment Unit Cost is 25% of that amount, or $737.

ATTACHMENTS

1. Updated Unit Cost Data Table
2. Water Year 2014 Unit Cost Data
3. Water Year 2017 Unit Cost Data

WATER YEAR 2021 (October 1, 2020-September 30, 2021)

ANTICIPATED UNIT COSTS OF WATER COULD POTENTIALLY BE USED FOR REPLENISHMENT OF THE SEASIDE BASIN

POTENTIAL SOURCE OF REPLENISHMENT WATER	POTENTIAL DATE REPLENISHMENT WATER COULD BECOME AVAILABLE	POTENTIAL VOLUME OF WATER THAT COULD BE SUPPLIED BY THE PROJECT (AFY) [1]	BASE UNIT COST ($/AF)	BASE UNIT COST YEAR
Regional Desalination[2]	2022	6,250	$6,147	2019
Groundwater Replenishment Project (Pure Water Monterey)[6]	2020	3,500	$2,442	2020
Monterey Peninsula Water Supply Project (Combined Regional Desalination with Groundwater Replenishment Project)	GWRP in 2020 Regional Desalination in 2022	9,750	**$4,817**[3]	2018-2020
Seaside Basin ASR Expansion [4]	2020	1,000	**$2,025**	2016
Regional Urban Water Augmentation Project [5]	2020	1,400-1,700	**$2,000**	2018

FOOTNOTES:

(1) For the Regional Desalination Project this is the total amount of water from this source which could potentially come to the CAW distribution system, based on the desalination plant having a 6.4 MGD capacity which is equivalent to 7,169 AFY. Only a portion of this amount might be available as initially unused capacity that could be used to help replenish the Seaside Basin. For the RUWAP this is the total amount of non-potable water from this source. Only a portion of this amount might be used for in-lieu replenishment of the Seaside Basin. For the ASR Expansion Project this is the additional amount of water that could potentially be provided by this project (see footnote 4). For the GWRP this is the quantity of water that is being planned at this time by CAW for inclusion in its Monterey Peninsula Water Supply Project.

(2) Base unit cost data based on PUC filing documents and provided by Dave Stoldt of MPWMD . This unit cost was confirmed in August 2020 by Tim O'Halloran of Cal Am as being the latest unit cost available for this project.

(3) Flow-weighted average unit cost of the combined desalination and groundwater replenishment projects, calculated as:

(6,250x$6,147 + 3,500x$2,442)/9,750 = **$4,817**.

(4) Base unit cost data provided by MPWMD in 2016 and confirmed as still applicable in August 2020. The 1,000 AFY of potential water that this project could supply would be in addition to the 1,300 AFY included as part of the Monterey Peninsula Water Supply Project, and would be an annual average taking into account river flow and hydrologic conditions that change from year to year.

(5) Project data provided by MCWD in 2016. This unit cost was confirmed in August 2020 by Patrick Breen of MCWD as being the latest unit cost available for this project.

(6) Base unit cost based on information provided by Dave Stoldt of MPWMD as reported in the Carmel Pine Cone in early August 2020, and confirmed during Budget and Finance Committee meeting on August 18, 2020.

WATER YEAR 2014 (October 1, 2013-September 30, 2014)

ANTICIPATED UNIT COSTS OF REPLENISHMENT WATER FOR THE SEASIDE BASIN

POTENTIAL SOURCE OF REPLENISHMENT WATER	POTENTIAL DATE REPLENISH-MENT WATER COULD BECOME AVAILABLE	POTENTIAL VOLUME OF WATER THAT COULD BE SUPPLIED BY THE PROJECT (AFY) [1]	LEVEL OF PROJECT DEVELOP-MENT	CONTINGENCY INCLUDED IN BASE UNIT COST [2] (%)	BASE UNIT COST ($/AF)	BASE UNIT COST YEAR	ADDITIONAL CONTINGENCY ADDED TO REFLECT LEVEL OF PROJECT DEVELOPMENT [3] (%)	UNIT COST INCLUDING ADDITIONAL CONTINGENCY ($/AF)	UNIT COST INFLATED @ 3% FROM COST BASIS YEAR TO YEAR REPLENISH-MENT WATER COULD BECOME AVAILABLE ($/AF)	VOLUME-WEIGHTED AVG %
Monterey Peninsula Water Supply Project (Regional Desalination) [4]	2018	9,752	Project Report	30%	$3,507	2012	0%	$3,507	$4,188	56.53%
Seaside Basin ASR Expansion [5]	2015	1,000	Conceptual	11%	$1,800	2012	39%	$2,502	$2,734	5.80%
Regional Urban Water Augmentation Project [6]	2017	3,000	Design	5%	$2,000	2013	10%	$2,200	$2,476	17.39%
Groundwater Replenishment Project (GWRP) [7]	2017	3,500	Conceptual	50%	$3,500	2017	0%	$3,500	$3,500	20.29%
Total Quantity of Replenishment Water (AFY) the Listed Projects Could Cumulatively Potentially be Able to Produce Within the Next 10 Years [8] =										**17,252**

FOOTNOTES:

(1) For the Monterey Peninsula Water Supply Project this is the total amount of water from this source which could potentially come to the CAW distribution system. Only a portion of this amount might be available as initially unused capacity that could be used to help replenish the Seaside Basin. For the RUWAP this is the total amount of water from this source. Only a portion of this amount might be used for in-lieu replenishment of the Seaside Basin. For the ASR Expansion Project this is the additional amount of water that could potentially be provided by this project (see footnote 5). For the RUWAP this is the total amount of water that this project is expected to produce. Only a portion of this amount might be used as in-lieu replenishment of the Seaside Basin. For the GWRP this is the quantity of water that is being considered at this time by CAW for inclusion in its Monterey Peninsula Water Supply Project.

(2)(3) The following Contingency percentages were considered reasonable for the indicated levels of project development: Conceptual Level - 50%, Project Report Level - 30%, and Design Level - 15%. The sum of the values in the columns titled "Contingency Included in Base Unit Cost" and "Additional Contingency Added to Reflect Level of Project Development" equals the Contingency appropriate for the project's level of development.

(4) Project data based on documents provided by Cal Am and MPWMD.

(5) Project data provided by MPWMD. The 1,000 AFY of potential water that this project could supply would be in addition to the 1,300 AFY included as part of the Monterey Peninsula Water Supply Project, and would be an annual average taking into account river flow and hydrologic conditions that change from year to year.

(6) Project data provided by MCWD.

(7) Project data provided by MRWPCA. MRWPCA reported that the GWRP quantity being used in the current CEQA documentation is 3,500 AFY, but that the project could potentially supply 6,500 AFY or more. The unit cost would be lower if a quantity larger than 3,500 AFY were produced.

(8) This value is the cumulative production capacity of all of the Potential Sources of Replenishment Water that listed in this table, and is used only to determine the "Volume-Weighted Average." It is not the amount of water that is expected to be available to the Seaside Basin.

TABLE 2

WATER YEAR 2017 (October 1, 2016-September 30, 2017)

ANTICIPATED UNIT COSTS OF WATER COULD POTENTIALLY BE USED FOR REPLENISHMENT OF THE SEASIDE BASIN

POTENTIAL SOURCE OF REPLENISHMENT WATER	POTENTIAL DATE REPLENISH-MENT WATER COULD BECOME AVAILABLE	POTENTIAL VOLUME OF WATER THAT COULD BE SUPPLIED BY THE PROJECT (AFY) [1]	BASE UNIT COST ($/AF)	BASE UNIT COST YEAR
Regional Desalination[2]	2020	6,250	$6,147	2019
Groundwater Replenishment Project (Pure Water Monterey)[2]	2018	3,500	$1,811	2018
Monterey Peninsula Water Supply Project (Combined Regional Desalination with Groundwater Replenishment Project)	GWRP in 2018 Regional Desalination in 2020	9,750	$4,591	
Seaside Basin ASR Expansion[3]	2020	1,000	$2,025	2016
Regional Urban Water Augmentation Project[4]	2018	1,400-1,700	$2,000	2018

FOOTNOTES:

(1) For the Regional Desalination Project this is the total amount of water from this source which could potentially come to the CAW distribution system, based on the desalination plant having a 6.4 MGD capacity which is equivalent to 7,169 AFY. Only a portion of this amount might be available as initially unused capacity that could be used to help replenish the Seaside Basin. For the RUWAP this is the total amount of non-potable water from this source. Only a portion of this amount might be used for in-lieu replenishment of the Seaside Basin. For the ASR Expansion Project this is the additional amount of water that could potentially be provided by this project (see footnote 3). For the GWRP this is the quantity of water that is being planned at this time by CAW for inclusion in its Monterey Peninsula Water Supply Project.

(2) Base unit cost data based on PUC filing documents and provided by Dave Stoldt of MPWMD .

(3) Base unit cost data provided by MPWMD. The 1,000 AFY of potential water that this project could supply would be in addition to the 1,300 AFY included as part of the Monterey Peninsula Water Supply Project, and would be an annual average taking into account river flow and hydrologic conditions that change from year to year.

(4) Project data provided by MCWD.

EXHIBIT 3-B

WATERMASTER PRODUCER ALLOCATIONS WATER YEAR 2020 IN ACRE-FEET (AF)
INCLUDING A 10% TRIENNIEL REDUCTION FOR 100% OF THIS WATER YEAR

Initial Basin-Wide Operating Yield[1]	**3360.00**	**Coastal Operating Yield[1]**	**2716.00**
Natural Safe Yield (NSY)[2]	**3000.00**	**Laguna Seca Operating Yield[1]**	**644.00**

ALTERNATIVE PRODUCER ALLOCATIONS

Coastal Subarea[3]	AF	Laguna Seca Subarea[3]	AF
Seaside (Golf)	540.00	Nicklaus Club Monterey	251.00
SNG	149.00	Bishop	320.00
Calabrese	6.00	York School	32.00
Mission Memorial (Alderwood)	31.00	Laguna Seca County Park	41.00
Sand City	9.00		
Total[1]	**735.00**	**Total[1]**	**644.00**

ALTERNATIVE PRODUCER AMOUNT PUMPED WY 2020

Coastal Subarea[3]	AF	Laguna Seca Subarea[3]	AF	
Seaside (Golf)	537.00	The Club at Pasadera	214.00	
SNG	0.26	Bishop	174.96	
Calabrese	0.00	York School	17.39	
Mission Memorial (Alderwood)	20.00	Laguna Seca County Park	19.06	**Total Alternative Producer WY 2020 Production**
Sand City	1.35			
Total[1]	**558.61**	**Total[1]**	**425.41**	**984.02**

STANDARD PRODUCER ALLOCATIONS

Coastal Operating Yield Available to Standard Producers (AF)			**1981.00**	**Laguna Seca Operating Yield Available to Standard Producers (AF)**			**0.00**
Coastal Subarea	**Standard Producer Allocations**		**AF Available to This Producer**	**Laguna Seca Subarea**	**Standard Producer Allocations**		**AF Available to This Producer**
	Base Water Right %[4]	**Weighted %[5]**			**Base Water Right %[4]**	**Weighted %[5]**	
California American Water (CAW)	77.55%	90.44%	1791.62	CAW	45.13%	100.00%	0.00
Seaside (Municipal)	6.36%	7.42%	146.99				
Granite Rock	0.60%	0.70%	13.87				
D.B.O. Development No. 30	1.09%	1.27%	25.16				
Calabrese (Cypress Pacific Investors LLC)	0.15%	0.17%	3.37				
Total	**85.75%**	**100.0%**	**1981.00**	**Total**	**45.13%**	**100.0%**	**0.00**

Allocation of Available Operating Yield Among Standard Producers	**Base Water Right Available to this Producer (AF)**	**% NSY to SPA (Base Water Right ./. Total Water Right)**	**NSY Available to Producers (AF) Current Water Year**	**Free Carryover Credits from Prior Water Year**	**Not-Free Carryover Credits from Prior Water Year**	**Water Rights Transferred / Sold DBO to CAW 710 Amador (0.16) DBO to CAW 2 Upper Ragsdale (2.15)**	**Water Rights Transferred / Sold Calabrese to CAW Ryan Ranch CHOMP**	**Total Producer NSY (AF) (NSY Available + Free Carryover Credits)**	**Total Authorized Production Current WY (Base Water Right Plus All Carryover)[6]**	**Actual AF Pumped by Producer in WY 2020**	**Free Carry over Credits to WY 2021**	**Not-Free Carry over Credits to WY 2021**	**Stored Water Credits to WY 2021**
		NSY 3000 - 984.01 AF =	WY 2020 APA Pumped 984.01 AF **2015.99**										
California American Water	1791.62	90.44%	1823.26	0.00	130.75	2.31	3.17	1828.74	1927.84	2157.47	0.00	0.00	845.93
Seaside (Municipal)	146.99	7.42%	149.59	0.00	0.00	0.00	0.00	149.59	146.99	181.65	0.00	0.00	0.00
Granite Rock	13.87	0.70%	14.11	194.88	27.12	0.00	0.00	208.99	235.87	0.00	208.99	13.01	0.00
D.B.O. Development No. 30	25.16	1.27%	25.60	364.98	38.98	(2.31)	0.00	388.27	426.81	0.00	388.27	15.69	0.00
Calabrese (Cypress Pacific Investors LLC)	3.37	0.17%	3.43	14.65	1.64	0.00	(3.17)	14.91	16.49	0.00	14.91	1.58	0.00
Total	**1981.00**	**100.00%**	**2015.99**	**574.50**	**198.49**	**0.00**	**0.00**	**2590.49**	**2754.00**	**2339.12**	**612.17**	**30.28**	**845.93**

Footnotes:

(1) From page 17 of Exhibit A (Amended Decision)of Court Order filed February 9, 2007.
(2) From page 14 of Exhibit A (Amended Decision)of Court Order filed February 9, 2007.
(3) From page 21 of Exhibit A (Amended Decision)of Court Order filed February 9, 2007.
(4) From Table 1 on page 19 of Exhibit A (Amended Decision) of Court Order filed February 9, 2007.
(5) Calculated from the Base Water Right percentages in the adjacent column. Any discrepancy in totals is due to rounding.
(6) Base Water Right plus Free and Not Free Carryover Credit = 2018 Production Allocation capped at storage allocation (see 2018 Declaration from 12/6/2017 Watermaster board meeting)

Note: Calabrese (Cypress Pacific Investors LLC) opted to convert 8AF of its 14AF Alternative Production Allocation to Standard Production Allocation on January 22, 2015 (notice filed by Cypress with Superior Court).
Producers carryover is capped at their storage capacity.

CALCULATION OF REPLENISHMENT ASSESSMENTS WATER YEAR 2020

Using the Basin-wide methodology approved by the Court on January 12, 2007, and as shown in detail on the spreadsheet contained in this attachement, Watermaster calculated the Water Year (WY) (October 1st through September 30th) 2020 Replenisment Assessments as follows:

	2020 Replenishment Assessment NSYO Unit Charge =					$2,872.00			
	2020 Replenishment Assessment OSYO Unit Charge =					$718.00			
2020 Natural Safe Yield (NSY) Available to Standard Producers =						2,015.99	AF (3,000 AF NSY - 984.01 Alternative Producers 2020 Production)		
Standard Producers	**WY 2020 Production (AF)**	**% of NSY Available**	**Volume of NSY Available (AF)**	**NSY Overproduction (AF)**	**NSY Overproduction Assessment**	**Operating Yield Available (AF)**	**Operating Yield Overproduction (AF)**	**Operating Yield Overproduction Assessment**	**Total Assessment**
California American Water	2,157.47	90.44%	1,823.26	334.21	$ 959,859.26	1,927.84	229.63	$ 164,871.96	$ 1,124,731.22
Seaside (Municipal)	181.65	7.42%	149.59	32.06	92,088.74	146.99	34.66	24,886.10	116,974.84
Granite Rock	-	0.70%	14.11	-	-	235.87	-	-	-
D.B.O. Development No. 30	-	1.27%	25.60	-	-	426.81	-	-	-
Calabrese (Cypress Pacific Inv.)	-	0.17%	3.43	-	-	16.49	-	-	-
Total Production	**2,339.12**	**100.00%**	2,015.99	**366.28**	**$ 1,051,947.99**	**2,754.00**	**264.29**	**$ 189,758.06**	**$ 1,241,706.05**
Alternative Producers	**WY 2020 Production (AF)**	**% of NSY Available**	**Volume of NSY Available (AF)**	**NSY Overproduction (AF)**	**NSY Overproduction Assessment**	**Operating Yield Available (AF)**	**Operating Yield Overproduction (AF)**	**Operating Yield Overproduction Assessment**	**Total Assessment**
City of Seaside (Golf Courses)	537.00	N/A	540.00	0.00	$ -	540.00	0.00	$ -	$0
Security National Guaranty	0.26	N/A	149.00	0.00	-	149.00	0.00	-	-
Calabrese (Cypress Pacific Inv.)	-	N/A	6.00	0.00	-	6.00	0.00	-	-
Mission Memorial (Alderwoods)	20.00	N/A	31.00	0.00	-	31.00	0.00	-	-
City of Sand City	1.35	N/A	9.00	0.00	-	9.00	0.00	-	-
Nicklaus Club Monterey	214.00	N/A	251.00	0.00	-	251.00	0.00	-	-
Laguna Seca Golf Resort (Bisho	174.96	N/A	320.00	0.00	-	320.00	0.00	-	-
York School	17.39	N/A	32.00	0.00	-	32.00	0.00	-	-
Laguna Seca County Park	19.06	N/A	41.00	0.00	-	41.00	0.00	-	-
Total Production	**984.02**	**N/A**	**1,379.00**	**0.00**	**$ -**	**1,379.00**	**0.00**	**$ -**	**$0**

Commission ("CPUC"). Accordingly, California American will not be considered in default under this Section III.M.1 if it uses reasonable best efforts to obtain the required approvals and authorizations.

d. Credit Toward Replenishment Assessment. California American's expenditures for water supply augmentation may also provide replenishment water for the Basin. Accordingly, on an annual basis, California American will provide the Watermaster with an accounting of all expenditures it has made for water supply augmentation that it contends has or will result in replenishment of the Basin. The Watermaster shall review these expenditures and if it concurs reduce California American's Replenishment Assessment obligation, for that year, by an amount equal to the amount claimed by California American. To the extent that the Watermaster rejects any of the claimed amounts, it shall provide California American with an explanation for the rejection and allow California American an opportunity to meet and confer on the disputed amount. In the event that the Watermaster and California American cannot agree, the matter may be referred to the Court through a request filed by California American.

2. Assignment and Transfer of Production Allocation. Subject to other provisions of this Decision, and any applicable Watermaster Rules and Regulations, the Parties may assign and transfer any portion of their respective Production Allocation either on an annual Water Year basis or in perpetuity to any Person for use within the Basin.

The Parties may also assign and transfer the right to Extract any quantity of Water associated with an existing Stored Water Credit or Carryover Credit, subject to other provisions of this Decision, and any applicable Watermaster Rules and Regulations.

3. Export of Groundwater Outside of Subarea or Seaside Basin.

a. Exports Authorized from the Coastal Subarea. Producers may export Water Produced from the Coastal Subarea for reasonable and beneficial uses within another Subarea of the Seaside Basin. Only California American may export water outside the Basin, and then only to provide water to its current customers. This means that, in any Water Year, any Producer may export from the Coastal Subarea up to, but not in excess of, a quantity

EXHIBIT 3-D

ITEM VIII.B.
12/4/2019

NOTICE TO ALL SEASIDE GROUNDWATER PRODUCERS:

Case No. M66343 Amended Decision Section III.B.2.

Commencing with the fourth Water Year, and triennially thereafter, the Operating Yield for both Subareas will be decreased by ten percent (10%) until Operating Yield is the equivalent of the Natural Safe Yield unless:

a. *The Watermaster has secured and is adding an equivalent amount of Non-Native water to the Basin on an annual basis; or*
b. *The Watermaster has secured reclaimed water in an equivalent amount and has contracted with one or more of the Producers to utilize said water in lieu of their Production Allocation, with the Producer agreeing to forego their right to claim a Stored Water Credit for such forbearance; or*
c. *Any combination of a and b above which results in the decrease in Production of Native Water required by this Decision; or*
d. *The Watermaster has determined that Groundwater levels within the Santa Margarita and Paso Robles aquifers are at sufficient levels to ensure a positive offshore gradient to prevent seawater intrusion.*

The Watermaster has determined that the conditions necessary to avoid the ten percent Operating Yield reduction have not been met as follows:

1. Watermaster has not secured water for adding an equivalent amount of Non-Native water to the Basin on an annual basis.
2. The Watermaster has not secured reclaimed water in an equivalent amount.
3. The Watermaster has not secured Non-Native water or reclaimed water that results in the decrease in Production of Native Water required by the Decision.
4. The firm contracted by Watermaster for technical analyses continued to report in 2019 that Groundwater levels within the Santa Margarita and Paso Robles aquifers are not at sufficient levels to ensure a positive offshore gradient to prevent seawater intrusion, so the requirement for this item continues to not be met.

Section III.L.3.j.iii: Watermaster declares that for Water Year 2020 Artificial Replenishment Water is not available to offset Operating Yield Over-Production and producers are limited in production to the following quantities of water:

Coastal Subarea Alternative Producers:

Seaside (Golf)	540.00 acre-feet
SNG	149.00 acre-feet
Cypress (Calabrese)	6.00 acre-feet
Mission Memorial (Alderwood)	31.00 acre-feet
Sand City	9.00 acre-feet

Laguna Seca Subarea Alternative Producers:

The Club at Pasadera	251.00 acre-feet
Bishop	320.00 acre-feet
York School	32.00 acre-feet
Laguna Seca County Park	41.00 acre-feet

Coastal Subarea Standard Producers:

California American Water.....	1,922.36 acre-feet*
Seaside (Municipal)	146.99 acre-feet**
Granite Rock	235.87 acre-feet***
D.B.O. Development 30	429.12 acre-feet****
Cypress (Calabrese).....	19.66 acre-feet*****

Laguna Seca Subarea Standard Producers:

California American Water.....	0.0 acre-feet

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* Total is the 2020 base allocation of 1,791.62 acre-feet plus 130.75 of not free carryover. California American Water has a positive balance of 590.71 acre-feet of stored water credit at WY-end 2019 from Basin extractions exceeding injections since WY 2010 under the CAW/MPWMD ASR Program, formalized through a Storage Agreement in 2012.

** Total is the 2020 base allocation of 146.99 acre-feet.

*** Total includes 194.88 acre-feet of "free" carryover and 27.12 acre-feet of "not-free" carryover credit from previous water years ***capped at the producers storage allocation of 222.0 acre-feet***, plus the 2020 base allocation of 13.87 acre-feet.

**** Total includes 364.98 acre-feet of "free" carryover plus 38.98 acre-feet of "not-free" carryover credit from previous water years ***capped at the producers storage allocation of 403.96 acre-feet***, plus the 2020 base allocation of 25.16 acre-feet.

***** Total includes 14.65 acre-feet of "free" carryover and 1.64 acre-feet of "not-free" carryover credit from previous water years plus the 2020 base allocation of 3.37 acre-feet.

NOTICE TO ALL SEASIDE GROUNDWATER PRODUCERS

Pursuant to Section III.3.L.3.j.xix of the Amended Decision Filed February 2, 2007 in the Superior Court of the State of California, in and for the County of Monterey, Case No. M66343 (the "Decision"), the Seaside Basin Watermaster hereby Declares that the Total Usable Storage Space in the Seaside Groundwater Basin ("Basin") is as follows:

Total Usable Storage Space in the Coastal and Northern Inland Subareas is 31,770 acre-feet.
Total Usable Storage Space in the Laguna Seca Subarea is 20,260 acre-feet.
Total Usable Storage Space in the entire Seaside Groundwater Basin is 52,030 acre-feet.

Pursuant to Section III.B.3.b of the Decision, Alternative Producers do not receive a storage allocation, only Standard Producers receive such an allocation. Pursuant to Section III.H.2 of the Decision, the Seaside Basin Watermaster further Declares that the Total Usable Storage Space in the Basin shall be allocated to the Standard Producers, who are identified in the Decision, as follows:

	Current Allocation (Using Table 1 of the Decision)		
Producer	**Operating Yield Allocation Percentage (1)**	**Usable Storage Allocation Percentage (2)**	**Useable Storage Allocation (acre-feet)**
Coastal and Northern Inland Subareas			
California American Water(3)	77.55%	90.44%	28,733
City of Seaside (Municipal)	6.36%	7.42%	2,357
Granite Rock Company	0.60%	0.70%	222
DBO Development No. 27	1.09%	1.27%	404
Calabrese (Cypress Pacific Investors LLC)	0.15%	0.17%	54
SUBAREAS TOTAL	**85.75%**	**100.00%**	**31,770**
Laguna Seca Subarea			
California American Water (3)	45.13%	100.00%	20,260
SUBAREA TOTAL	**45.13%**	**100%**	**20,260**
BASIN TOTAL		**100%**	**52,030**

Footnotes:
(1) From Table 1 on page 19 of the Decision.
(2) Calculated as each Standard Producer's percentage of the total Standard Producers' operating yield allocation percentages within each subarea.
(3) CAW's Usable Storage Allocation is subject to the provisions and requirements of Section III.H.3 of the Decision.

Pursuant to Section III.H.6 of the Decision, no Producer may store water in the Basin without first executing with the Watermaster a Storage and Recovery Agreement.

February 3, 2010
Revised January 15, 2015

WATER SUPPLY PLANNING COMMITTEE

ITEM: DISCUSSION ITEM

4. DISCUSS FUNDING CONCEPTS FOR PURE WATER MONTEREY EXPANSION

Meeting Date:	**May 3, 2021**	**Budgeted:**	
From:	**David J. Stoldt General Manager**	**Program/ Line Item:**	**N/A**
Prepared By:	**David Stoldt**	**Cost Estimate:**	

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

SUMMARY: On April 26, 2021 the Monterey One Water (M1W) Board certified the Supplemental Environmental Impact Report (SEIR) for a 2,250 acre-foot per year (AFY) Pure Water Monterey (PWM) expansion. There has been much discussion about whether a water purchase agreement (WPA) with Cal-Am is a necessary precursor to financing and construction of an expansion. Because an expansion can likely serve as a long-term replacement water supply for Cal-Am, a WPA with Cal-Am is preferred, but not necessary, as discussed below. The five concepts below are merely for discussion and would need additional detail and negotiation to execute.

In 2018 dollars, the estimates for PWM expansion costs were as follows:

Advanced Water Purification Facility (AWPF) expansion	$37.7 million
Preconstruction and reimbursements	2.9 million
New extraction wells (2)	11.5 million
Total to Finance	$52.1 million

With escalation due to the passage of time, it is likely the total cost would be over $60 million. Further, the project description has changed somewhat since first evaluated, so other changes – positive and negative – could occur. To gain financing commitments, the long-term financing of the capital cost would need to be secured through a pledge of revenues under a WPA or another mechanism.

M1W currently has a $38 million loan commitment through the federal Environmental Protection Agency WIFIA program, which would cover all or most of the AWPF expansion. Other costs were initially thought be Cal-Am capital investments, but could also come through a public borrowing secured by revenues of the District or other public agencies.

The financing concepts which would create a predictable revenue stream against which to secure financing include the following:

1) WPA with Cal-Am on terms similar to the existing WPA: In this case, Cal-Am would commit to the full output capacity of the plant. In other words, if the District delivers 2,250 AFY Cal-Am is obligated to purchase it. The water which exceeds need for customer demand would be banked by Cal-Am for future use, drought reserve, replenishment, or other purpose.

2) WPA with Cal-Am on a "take-or-pay" basis: Cal-Am would commit to cover the fixed costs of financing every year, whether or not they take full delivery of the capacity. If they take less than full capacity, they pay only the O&M expenses of producing the water they take, in addition to the fixed cost. In this scenario, the door is open to other parties to purchase water and help reduce Cal-Am's fixed cost obligation.

3) WPA with the District: The District commits to purchase all of the output, secured by its water Supply Charge and/or User Fee. The District can then enter into a WPA with Cal-Am to sell annual amounts needed, or the District can build up a drought reserve, sell to others, or replenish or provide protective water levels in the Seaside Basin.

4) Joint WPA with Marina Coast Water District (MCWD) and the District: In this instance, MCWD and the District build a model of future use based on storage. Both MCWD and the District begin by banking all excess capacity of the expansion, and if possible MCWD sends its unneeded wastewater flows to PWM for additional deliveries to storage. The District can then enter into a WPA with Cal-Am to sell annual amounts needed and bank the rest. MCWD delivers approximately 741 AFY to its RUWAP project until approximately the 10^{th} year when it begins to extract water to serve customer growth. MCWD and the District pay for the water during the storage phase and Cal-Am agrees to pay for annual scheduled water deliveries.

5) WPA with the Watermaster: The District could sell water to the Watermaster to replenish or provide protective water levels in the Seaside Basin. This would require identification of a secure Watermaster funding source and an allocation of such a funding requirement to benefitted parties. It could be combined with an agreement with Cal-Am (or others) to sell annual amounts needed. The District could act as the security for the WPA, but would need to enter into subagreements with benefitted parties.

The Committee shall discuss these concepts at a high level, recognizing that additional detail and negotiation with other parties will likely be required.

EXHIBITS
None