

This meeting has been noticed according to the Brown Act rules. The Board of Directors meets regularly on the third Monday of each month, except in January and February. The meetings begin at 6:00 PM, *unless otherwise noted.*



Agenda
Regular Meeting
Board of Directors
Monterey Peninsula Water Management District

Monday, September 19, 2022 at 6:00 p.m. | Virtual Meeting

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

Join the meeting at this link:

<https://mpwmd-net.zoom.us/j/83899596553?pwd=RXFpMGMvajerVU9hVWVPRUh3WHcyQT09>

Or join at: <https://zoom.us/>

Webinar ID: 838 9959 6553

Passcode: 09192022

Participate by phone: (669) 900-9128

For detailed instructions on how to connect to the meeting, please see page 5 of this agenda.

You may also view the live webcast on AMP <https://accessmediaproductions.org/>
scroll down to the bottom of the page and select AMP 1.

Staff notes will be available on the District web site at

<http://www.mpwmd.net/who-we-are/board-of-directors/bod-meeting-agendas-calendar/>
by 5:00 P.M. on Friday, September 16, 2022

CALL TO ORDER / ROLL CALL

PLEDGE OF ALLEGIANCE

ADDITIONS AND CORRECTIONS TO THE AGENDA - *The General Manager will announce agenda corrections and proposed additions, which may be acted on by the Board as provided in Sections 54954.2 of the California Government Code.*

Board of Directors

Karen Paull, Chair – Division 4
Mary L. Adams, Vice Chair – Monterey County
Board of Supervisors Representative
Alvin Edwards – Division 1
George Riley – Division 2
Safwat Malek – Division 3
Amy Anderson – Division 5
Clyde Roberson – Mayoral Representative

General Manager

David J. Stoldt

This agenda was posted at the District office at 5 Harris Court, Bldg. G, Monterey, California on Friday, September 16, 2022. After staff reports have been posted and distributed, if additional documents are produced by the District and provided to a majority of the Board regarding any item on the agenda, they will be posted on the District website. Documents distributed on the afternoon of the meeting will be available upon request, and posted to the web within five days of adjournment of the meeting. The next scheduled meeting of the MPWMD Board of Director's will be on Monday, October 17, 2022 at 6:00 p.m.

ORAL COMMUNICATIONS – *Anyone wishing to address the Board on Consent Calendar, Information Items, Closed Session items, or matters not listed on the agenda may do so only during Oral Communications. Please limit your comment to three (3) minutes. The public may comment on all other items at the time they are presented to the Board.*

CONSENT CALENDAR - *The Consent Calendar consists of routine items for which staff has prepared a recommendation. Approval of the Consent Calendar ratifies the staff recommendation. Consent Calendar items may be pulled for separate consideration at the request of a member of the public, or a member of the Board. Following adoption of the remaining Consent Calendar items, staff will give a brief presentation on the pulled item. Members of the public are requested to limit individual comment on pulled Consent Items to three (3) minutes. Unless noted with double asterisks “**”, Consent Calendar items do not constitute a project as defined by CEQA Guidelines section 15378.*

1. Consider Adoption of Minutes of the Regular Board Meeting on August 15, 2022
2. Consider Adopting Draft Resolution No. 2022-24 Authorizing Remote Teleconferencing Meetings of all District Legislative Bodies for the Following 30 Days in Accord with the Ralph M. Brown Act and AB 361 (*Rivas*)
3. Consider Approval of Fourth Quarter Fiscal Year 2021-2022 Investment Report
4. Consider Adoption of Treasurer’s Report for June 2022
5. Receive and File Fourth Quarter Financial Activity Report for Fiscal Year 2021-2022
6. Consider Adoption of Resolution No. 2022-27 Amending Table 2: Non-Residential Water Use Factors
7. Declaration of Surplus Assets
8. Consider Grant Funding for Mobile Direct Recirculating Apparatus Firefighting Training and Sustainability (Drafts) Unit

GENERAL MANAGER’S REPORT

9. Status Report on California American Water Compliance with State Water Resources Control Board Order 2016-0016 and Seaside Groundwater Basin Adjudication Decision (*Verbal Report*)
10. Update on Development of Water Supply Projects (*Verbal Report*)
11. Update on Sleepy Hollow Improvement Projects (*Verbal Report*)
12. Overview of District Legal Expenditures for FY2021-22 (*Verbal Report*)

REPORT FROM DISTRICT COUNSEL

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

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

PUBLIC HEARINGS – *Public Comment will be received. Please limit your comments to three (3) minutes per item.*

14. Consider Adoption of October through December 2022 Quarterly Water Supply Strategy and Budget

Recommended Action: *The Board will consider approval of a proposed production strategy for the California American Water Distribution Systems for the three-month period of October through December 2022. The strategy sets monthly goals for surface and groundwater production from various sources within the California American Water systems.*

15. Consider Adoption of Resolution No. 2022-25 Modifying Rule 160 – Regulatory Water Production Targets for California American Water System

[Exempt from environmental review per SWRCB Order Nos. 95-10 and 2016-0016, and the Seaside Basin Groundwater Basin adjudication decision, as amended and Section 15268 of the California

(Item No. 15: Continued to Page 3 of 6)

Environmental Quality Act (CEQA) Guidelines, as a ministerial project; Exempt from Section 15307, Actions by Regulatory Agencies for Protection of Natural Resources.]

Recommended Action: *The Board will consider adopting Resolution No. 2022-25 modifying Rule 160.*

16. Consider Second Reading and Adoption of Ordinance No. 192 to Define Montage Health's Main Campus, Carmel Hills Professional Center, and Ryan Ranch Campus as the "Community Hospital Site" and Amend Definitions of "Site" and "Parcel"

Recommended Action: *The Board will consider approving the CEQA finding and adopt Ordinance No. 192.*

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

17. Consider Adoption of District's 2022 Supply and Demand Forecast

Recommended Action: *The Board will hear a report on updated supply and demand estimates and consider adoption of staff's Technical Memorandum titled "MPWMD 2022 Water Supply and Demand Forecast."*

18. Consider Request for Water from District Reserve and Delay of Payment of Fees for Non-Profit Public Benefit Projects – Casa De Noche Buena, 1292 Olympia Avenue, Seaside And Shuman Hearhouse, 600 Franklin Street, Monterey

Recommended Action: *The Board will consider a request for District Reserve water for a new shelter in Monterey, an expansion in use at the Casa de Noche Buena shelter in Seaside and consider adopting the Findings of Approval. The applicant is a California Non-Profit Public Benefit Corporation and qualifies for consideration of payment deferral.*

19. Consider Adding the Position of Public Outreach Coordinator / Public Outreach Specialist to the District's Organizational Chart

Recommended Action: *The Board will consider adding a Public Outreach Coordinator / Public Outreach Specialist position to the District's current organizational chart and associated salary range.*

20. Approve Budget and Consider Method for Hiring an Outside Consultant for Public Outreach Services

Recommended Action: *The Board will consider approving a contract budget with a monthly retainer of no more than \$8,000 and discuss and take action on a method for hiring a consultant. If proposed budget for a consultant's contract exceeds that amount, Board approval shall be sought at a subsequent meeting.*

21. Consider Adding the Position of District Engineer to the District's Organizational Chart

Recommended Action: *The Board will consider authorizing staff to add the District Engineer position to the District's current organizational chart and associated salary range.*

22. Consider Adoption of Resolution 2022-26: A Resolution of the Board of Directors Authorizing the Grant Application, Acceptance, and Execution for the Expansion of the Pure Water Monterey Project

Recommended Action: *The Board will consider adoption Resolution No. 2022 – 26 and direct staff to submit a grant application.*

INFORMATIONAL ITEMS/STAFF REPORTS - *The public may address the Board on Information Items and Staff Reports during the Oral Communications portion of the meeting. Please limit your comments to three minutes.*

23. Report on Activity/Progress on Contracts Over \$25,000
24. Status Report on Measure J / Rule 19.8 Phase II Spending
25. Letters Received Supplemental Letter Packet
26. Committee Reports
27. Monthly Allocation Report
28. Water Conservation Program Report
29. Carmel River Fishery Report for August 2022
30. Monthly Water Supply and California American Water Production Report

ADJOURNMENT

Board Meeting Schedule			
Thursday, September 29, 2022	Special Meeting	6:00 p.m.	Virtual – Zoom
Monday, October 17, 2022	Regular Meeting	6:00 p.m.	Virtual – Zoom
Monday, November 14, 2022	Regular Meeting	6:00 p.m.	Virtual – Zoom

Board Meeting Television and On-Line Broadcast Schedule	
Television Broadcast	Viewing Area
Comcast Ch. 24 View live broadcast on meeting dates, and replays on Mondays, Tuesdays and Thursdays at 4:00 p.m.	All Peninsula Cities
Comcast Ch. 28 (Monterey County Government Channel) Replays only at 9:00 a.m. on Saturdays	Throughout the Monterey County Government Television viewing area.
Internet Broadcast	
AMP 1 View live broadcast on meeting dates, and replays on Mondays, Tuesdays, and Thursdays at 4:00 p.m. and at https://accessmediaproductions.org/ scroll to AMP 1 .	
Monterey County Government Channel Replays only at 9:00 a.m. on Saturdays at www.mgtvonline.com	
MPWMD YouTube Page – View live broadcast on meeting dates. Recording/Replays available five (5) days following meeting date - https://www.youtube.com/channel/UCg-2VgzLBmgV8AaSK67BBRg	

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 noon on Friday, September 16, 2022 to joel@mpwmd.net, or at (831) 658-5652. You may reach out to Sara Reyes, Admin Services Division at (831) 658-5610 or at sara@mpwmd.net.

Instructions for Connecting to the **Zoom Meeting**

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

Begin: Within 10 minutes of the meeting start time from your computer click on this link: <https://mpwmd-net.zoom.us/j/83899596553?pwd=RXFpMGMvajerVU9hVWVPRUh3WHcyQT09> or copy / 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”.
 - a. 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. 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. 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. The phone will automatically dial the number, and input the Webinar Meeting ID No. and your Password.
4. Do not hang up the call, and return to the Zoom app
5. You are now connected to the meeting.

Presenting Public Comment

Receipt of Public Comment – the Chair will ask for comments from the public on all items. Limit your comment to 3 minutes but the Chair could decide to set the time for 2 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, dial *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, September 19, 2022. Comments submitted by noon will be provided to the Board of Directors and compiled as part of the record of the meeting.

ITEM: CONSENT CALENDAR

**1. CONSIDER ADOPTION OF MINUTES OF THE REGULAR BOARD MEETING
ON AUGUST 15, 2022**

Meeting Date: September 19, 2022

Budgeted: N/A

From: David J. Stoldt,
 General Manager

Program/ N/A
Line Item No.:

Prepared By: Joel G. Pablo

Cost Estimate: N/A

General Counsel Review: N/A

Committee Recommendation: N/A

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

SUMMARY: The Board will review, provide suggested edits, and consider approval of the draft meeting minutes of the MPWMD Board of Director's Regular Board Meeting on August 15, 2022. The draft minutes are attached as **Exhibit 1-A** to the staff report.

RECOMMENDATION: The Board will consider approval of the draft minutes of the MPWMD Board of Director's Regular Board Meeting on August 15, 2022

EXHIBIT

1-A MPWMD Board of Director's Regular Meeting on August 15, 2022
 *(Provided Under Separate Cover by E-mail and Posted on Friday, September 16, 2022
 on the District's Website)*

ITEM: CONSENT CALENDAR**2. CONSIDER ADOPTING DRAFT RESOLUTION NO. 2022-24 AUTHORIZING REMOTE TELECONFERENCING MEETINGS OF ALL DISTRICT LEGISLATIVE BODIES FOR THE FOLLOWING 30 DAYS IN ACCORD WITH THE RALPH M. BROWN ACT AND AB 361 (RIVAS)****Meeting Date:** September 19, 2022 **Budgeted:** N/A**From:** David J. Stoldt,
General Manager **Program/** N/A
Line Item No.:**Prepared By:** David Laredo **Cost Estimate:** N/A**General Counsel Review:** *Prepared by District Counsel***Committee Recommendation:** N/A**CEQA Compliance:** This action does not constitute a project as defined by the California Environmental Quality Act Guidelines Section 15378.

DISCUSSION:

Assembly Bill 361 (Rivas) requires the District within 30 days of holding a virtual meeting for the first time, and every 30 days thereafter, to make findings ratifying the state of emergency.

District Counsel has prepared the attached resolution to satisfy the provisions of AB 361. This Resolution can have effect for only 30 days. After 30 days, the District must renew the effect of the resolution by either adopting another, or ratifying it. If no action is taken the resolution shall lapse.

RECOMMENDATION:

Consider adopting draft Resolution No. 2022-24 authorizing remote teleconference meetings of all District legislative bodies for the following 30 days in accord with the Ralph M. Brown Act and AB 361 (Rivas).

OPTIONS:

Take no action.

FINANCIAL IMPACT:

There is no fiscal impact.

EXHIBIT**2-A** Draft Resolution No. 2022-24



EXHIBIT 2-A

DRAFT

RESOLUTION NO. 2022-24

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE MONTEREY PENINSULA WATER MANAGEMENT DISTRICT PROCLAIMING A LOCAL EMERGENCY, RATIFYING THE STATE OF EMERGENCY PROCLAIMED ON MARCH 4, 2020, AND AUTHORIZING REMOTE TELECONFERENCE MEETINGS OF ALL DISTRICT LEGISLATIVE BODIES FOR THE FOLLOWING 30 DAYS IN ACCORD WITH THE RALPH M. BROWN ACT AND AB 361 (RIVAS)

FACTS

1. The Monterey Peninsula Water Management District (District) is public entity established under the laws of the State of California; and
2. The District is committed to preserving and nurturing public access and participation in meetings of the District Board and Committees; and
3. All meetings of District legislative bodies are open and public, as required by the Ralph M. Brown Act (Cal. Gov. Code sections 54950 – 54963), so that any member of the public may attend, observe, and participate when District legislative bodies conduct business; and
4. The Brown Act, Government Code section 54953(e), enables remote teleconferencing participation in meetings by members of a legislative body, without strict compliance with requirements of Government Code section 54953(b)(3), subject to the existence of certain conditions; and
5. One required condition is that a state of emergency has been declared by the Governor of the State of California pursuant to Government Code section 8625, proclaiming the existence of conditions of disaster or of extreme peril to the safety of persons and property within the state caused by conditions as described in Government Code section 8558; and
6. A proclamation is made that there is an actual incident, threat of disaster, or extreme peril to the safety of persons and property within the District's jurisdiction, caused by natural, technological, or human-caused disasters; and
7. State or local officials have imposed or recommended measures to promote social distancing, or having the legislative body meet in person would present imminent risks to the health and safety of attendees; and

8. The District Board affirms these conditions now exist in the District. Specifically, on March 4, 2020, the Governor proclaimed a State of Emergency to exist as a result of the threat of COVID-19. That Proclamation has not been terminated by either the Governor or the Legislature pursuant to Government Code section 8629; and
9. Despite sustained efforts to remedy this circumstance, the District Board determines that meeting in person poses an imminent risk to health and safety of attendees due to the COVID-19 virus and its variants; and
10. The District Board finds the emergency created by the COVID-19 virus and its variants has caused, and will continue to cause, conditions of peril to the safety of persons within the District that are likely to be beyond the control of services, personnel, equipment, and facilities of the District, and desires to proclaim a local emergency and ratify the proclamation of state of emergency by the Governor and similar local health orders that require social distancing; and
11. As a consequence of the local emergency, the District Board determines that all legislative bodies of the District are required to conduct their meetings without full compliance with paragraph (3) of subdivision (b) of Government Code section 54953, as authorized by subdivision (e) of section 54953, and that those District legislative bodies shall comply with the requirements to provide public access to the meetings remotely? as prescribed in paragraph (2) of subdivision (e) of section 54953; and
12. Each District legislative body shall continue to conduct meetings with public access available via call-in or internet-based service options and the public shall be allowed to address the legislative body directly in real time; and
13. This Resolution shall authorize the General Manager to establish and maintain platforms necessary for each District legislative body to hold teleconference meetings and provide an avenue for real-time public comments for such meetings; and
14. The District Board finds the introduction and adoption of this resolution is not subject to the California Environmental Quality Act (CEQA) as the activity is not a project as defined in Section 15378) of the CEQA Guidelines.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS THE MONTEREY PENINSULA WATER MANAGEMENT DISTRICT:

SECTION 1. RECITALS. The foregoing findings are true and correct and are adopted by the District Board as though set forth in full.

SECTION 2. PROCLAMATION OF LOCAL EMERGENCY. The Board hereby proclaims that a local emergency now exists throughout the District, and meeting in person would present imminent risk as a result of the COVID-19 virus and its variants.

SECTION 3. RATIFICATION OF PROCLAMATION OF A STATE OF EMERGENCY. The Board hereby ratifies the Governor of the State of California's Proclamation of State of Emergency, effective as of its issuance date of March 4, 2020.

SECTION 4. REMOTE TELECONFERENCE MEETINGS. The General Manager and legislative bodies of the Monterey Peninsula Water Management District are hereby authorized and directed to take all actions necessary to carry out the intent and purpose of this Resolution including, conducting open and public meetings in accordance with Government Code section 54953(e) and other applicable provisions of the Brown Act.

SECTION 5. EFFECTIVE DATE OF RESOLUTION. This Resolution shall take effect immediately upon its adoption and shall remain in effect for a period of 30 days, or until such time the District Board adopts a subsequent resolution in accordance with Government Code section 54953(e)(3) to extend the time during which District legislative bodies may continue to teleconference without compliance with paragraph (3) of subdivision (b) of section 54953.

PASSED AND ADOPTED on this 19th day of September 2022 on a motion by Director _____ and second by Director _____ by the following vote, to wit:

AYES:

NOES:

ABSENT:

I, David J. Stoldt, Secretary to the Board of Directors of the Monterey Peninsula Water Management District, hereby certify the foregoing is a resolution adopted on 19th day of September 2022.

David J. Stoldt,
Secretary to the Board

ITEM: CONSENT CALENDAR**3. CONSIDER APPROVAL OF FOURTH QUARTER FISCAL YEAR 2021-2022
INVESTMENT REPORT**

Meeting Date:	September 19, 2022	Budgeted:	N/A
From:	David J. Stoldt, General Manager	Program/ Line Item No.:	N/A
Prepared By:	Suresh Prasad	Cost Estimate:	N/A

General Counsel Review: N/A**Committee Recommendation: The Finance and Administration Committee considered this item on September 12, 2022 and recommended approval.****CEQA Compliance: This action does not constitute a project as defined by the California Environmental Quality Act Guidelines Section 15378.**

SUMMARY: The District's investment policy requires that each quarter the Board of Directors receive and approve a report on investments held by the District. **Exhibit 3-A** is the report for the quarter ending June 30, 2022. District staff has determined that these investments do include sufficient liquid funds to meet anticipated expenditures for the next six months and as a result this portfolio is in compliance with the current District investment policy. This portfolio is also in compliance with the California Government Code, and the permitted investments of Monterey County.

RECOMMENDATION: The Finance and Administration Committee recommends that the Board approve the Fourth Quarter Fiscal Year 2021-2022 Investment Report.

EXHIBIT**3-A Investment Report as of June 30, 2022**

**MONTEREY PENINSULA WATER MANAGEMENT DISTRICT
INVESTMENT REPORT AS OF JUNE 30, 2022**

MPWMD

Issuing Institution Security Description	Purchase Date	Maturity Date	Cost Basis	Par Value	Market Value	Annual Rate of Return	Portfolio Distribution
Local Agency Investment Fund	06/30/22	07/01/22	\$10,648,421	\$10,648,421	\$10,648,421	0.750%	49.11%
Bank of America:							
Money Market	06/30/22	07/01/22	5,617,171	5,617,171	5,617,171	0.000%	
Checking	06/30/22	07/01/22	981,648	981,648	981,648	0.000%	
			\$6,598,819	\$6,598,819	\$6,598,819		30.43%
Multi-Bank Securities Cash Account	06/30/22	07/01/22	54,799	54,799	54,799	0.000%	
Multi-Securities Bank Securities:							
Interest Bearing Certificate of Deposit	02/06/20	02/06/23	\$247,000	\$247,000	\$246,353	1.800%	
Interest Bearing Certificate of Deposit	10/09/21	04/29/24	\$250,000	\$250,000	\$238,385	0.600%	
Interest Bearing Certificate of Deposit	09/30/20	09/30/24	\$249,000	\$249,000	\$233,295	0.400%	
Interest Bearing Certificate of Deposit	11/30/21	11/29/24	\$250,000	\$250,000	\$235,672	0.850%	
Interest Bearing Certificate of Deposit	03/13/20	03/13/25	\$249,000	\$249,000	\$235,379	1.250%	
Interest Bearing Certificate of Deposit	03/30/20	03/31/25	\$248,000	\$248,000	\$236,505	1.600%	
Interest Bearing Certificate of Deposit	03/04/22	09/04/25	\$250,000	\$250,000	\$237,662	1.750%	
Interest Bearing Certificate of Deposit	09/22/20	09/22/25	\$249,000	\$249,000	\$227,531	0.550%	
Interest Bearing Certificate of Deposit	06/16/21	06/16/26	\$249,000	\$249,000	\$226,415	0.900%	
Interest Bearing Certificate of Deposit	07/14/21	07/14/26	\$250,000	\$250,000	\$227,977	1.000%	
Interest Bearing Certificate of Deposit	07/22/21	07/22/26	\$250,000	\$250,000	\$227,372	0.950%	
Interest Bearing Certificate of Deposit	10/27/21	10/27/26	\$250,000	\$250,000	\$226,592	1.050%	
Interest Bearing Certificate of Deposit	01/07/22	01/07/27	\$250,000	\$250,000	\$230,250	1.500%	
Interest Bearing Certificate of Deposit	05/11/22	05/11/27	\$250,000	\$250,000	\$245,700	3.050%	
Interest Bearing Certificate of Deposit	05/12/22	05/12/27	\$250,000	\$250,000	\$247,365	3.200%	
			\$3,741,000	\$3,741,000	\$3,522,453	1.430%	17.25%
Multi-Securities Bank Securities:							
U.S. Government Bonds	02/25/21	02/25/26	\$390,000	\$390,000	\$360,519	0.700%	
U.S. Government Bonds	03/10/22	03/10/27	\$250,000	\$250,000	\$242,900	2.500%	
			\$640,000	\$640,000	\$603,419	1.403%	2.95%
TOTAL MPWMD			\$21,683,039	\$21,683,039	\$21,427,911	0.657%	

CAWD/PBCSD WASTEWATER RECLAMATION PROJECT

Issuing Institution Security Description	Purchase Date	Maturity Date	Cost Basis	Par Value	Market Value	Annual Rate of Return	Portfolio Distribution
US Bank Corp Trust Services:							0.97%
Certificate Payment Fund	06/30/22	07/01/22	818	818	818	0.000%	
Interest Fund	06/30/22	07/01/22	338	338	338	0.000%	
Rebate Fund	06/30/22	07/01/22	19	19	19	0.000%	
			\$1,176	\$1,176	\$1,176	0.000%	
Bank of America:							99.03%
Money Market Fund	06/30/22	07/01/22	119,594	119,594	\$119,594	0.000%	
TOTAL WASTEWATER RECLAMATION PROJECT			\$120,770	\$120,770	\$120,770	0.000%	

These investments do include sufficient liquid funds to meet anticipated expenditures for the next six months as reflected in the FY 2021-2022 annual budget adopted on June 21, 2021.

ITEM: CONSENT CALENDAR**4. CONSIDER ADOPTION OF TREASURER'S REPORT FOR JUNE 2022**

Meeting Date:	September 19, 2022	Budgeted:	N/A
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From:	David J. Stoldt, General Manager	Program/ Line Item No.:	N/A
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Prepared By:	Suresh Prasad	Cost Estimate:	N/A
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General Counsel Review: N/A**Committee Recommendation: The Finance and Administration Committee considered this item on September 12, 2022 and recommended approval.****CEQA Compliance: This action does not constitute a project as defined by the California Environmental Quality Act Guidelines Section 15378.**

SUMMARY: Exhibit 4-A comprises the Treasurer's Report for June 2022. Exhibit 4-B and Exhibit 4-C are listings of check disbursements for the period June 1-30, 2022. Checks, virtual checks (AP Automation), direct deposits of employee's paychecks, payroll tax deposits, and bank charges resulted in total disbursements for the period in the amount of \$1,543,703.06. There were \$34,013.99 conservation rebates paid out during the current period. Exhibit 4-D reflects the unaudited version of the financial statements for the month ending June 30, 2022.

RECOMMENDATION: The Finance and Administration Committee recommends that the Board adopt the June 2022 Treasurer's Report and financial statements, and ratification of the disbursements made during the month.

EXHIBITS

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

**MONTEREY PENINSULA WATER MANAGEMENT DISTRICT
TREASURER'S REPORT FOR JUNE 2022**

<u>Description</u>	<u>Checking</u>	<u>MPWMD Money Market</u>	<u>L.A.I.F.</u>	<u>Multi-Bank Securities</u>	<u>MPWMD Total</u>	<u>PB Reclamation Money Market</u>
Beginning Balance	\$525,351.20	\$5,685,070.07	\$10,648,421.04	\$4,434,749.99	\$21,293,592.30	\$92,489.86
Fee Deposits		1,932,101.62			1,932,101.62	627,114.40
MoCo Tax & WS Chg Installment Pymt					0.00	
Interest Received				1,049.21	1,049.21	
Transfer - Checking/LAIF					0.00	
Transfer - Money Market/LAIF					0.00	
Transfer - Money Market/Checking	2,000,000.00	(2,000,000.00)			0.00	
Transfer - Money Market/Multi-Bank					0.00	
Transfer to CAWD					0.00	(600,000.00)
Voided Checks	70.00				70.00	
Bank Corrections/Reversals/Errors	(677.77)				(677.77)	
Bank Charges/Other	(950.43)				(950.43)	(10.00)
Credit Card Fees	(828.21)				(828.21)	
Returned Deposits	-				0.00	
Payroll Tax/Benefit Deposits	(134,667.29)				(134,667.29)	
Payroll Checks/Direct Deposits	(135,141.09)				(135,141.09)	
General Checks	(66,053.37)				(66,053.37)	
Rebate Payments	(34,013.99)				(34,013.99)	
Bank Draft Payments	(28,441.65)				(28,441.65)	
AP Automation Payments	(1,142,999.26)				(1,142,999.26)	
Ending Balance	\$981,648.14	\$5,617,171.69	\$10,648,421.04	\$4,435,799.20	\$21,683,040.07	\$119,594.26

EXHIBIT 4-B

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Check Report

By Check Number

Date Range: 06/01/2022 - 06/30/2022



Monterey Peninsula Water Management Dist

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
Bank Code: APBNK	-Bank of America Checking					
Payment Type: Regular						
00252	Cal-Am Water	06/09/2022	Regular	0.00	9,950.00	40676
00252	Cal-Am Water	06/16/2022	Regular	0.00	-9,950.00	40676
16823	Mercer-Fraser Company	06/09/2022	Regular	0.00	38,387.13	40677
16823	Mercer-Fraser Company	06/09/2022	Regular	0.00	8,612.87	40678
00271	UPEC, Local 792	06/09/2022	Regular	0.00	1,019.50	40679
00252	Cal-Am Water	06/16/2022	Regular	0.00	9,950.00	40682
00269	U.S. Bank	06/23/2022	Regular	0.00	8,083.87	40683
	Void	06/23/2022	Regular	0.00	0.00	40684
Total Regular:				0.00	66,053.37	

Check Report

Date Range: 06/01/2022 - 06/30/2022

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
Payment Type: Virtual Payment						
00010	Access Monterey Peninsula	06/02/2022	Virtual Payment	0.00	875.00	APA000809
04732	AM Conservation Group, Inc.	06/02/2022	Virtual Payment	0.00	8,072.87	APA000810
21461	Cinthia Kneemeyer	06/02/2022	Virtual Payment	0.00	59.67	APA000811
00224	City of Monterey	06/02/2022	Virtual Payment	0.00	826.71	APA000812
04040	City of Seaside	06/02/2022	Virtual Payment	0.00	13,036.20	APA000813
00281	CoreLogic Information Solutions, Inc.	06/02/2022	Virtual Payment	0.00	1,482.17	APA000814
04041	Cynthia Schmidlin	06/02/2022	Virtual Payment	0.00	967.69	APA000815
12655	Graphicsmiths	06/02/2022	Virtual Payment	0.00	162.50	APA000816
04717	Inder Osahan	06/02/2022	Virtual Payment	0.00	1,332.00	APA000817
00094	John Arriaga	06/02/2022	Virtual Payment	0.00	3,200.00	APA000818
06999	KBA Docusys	06/02/2022	Virtual Payment	0.00	1,823.82	APA000819
07622	KISTERS North America, Inc.	06/02/2022	Virtual Payment	0.00	4,000.00	APA000820
00222	M.J. Murphy	06/02/2022	Virtual Payment	0.00	28.57	APA000821
00242	MBAS	06/02/2022	Virtual Payment	0.00	495.00	APA000822
09129	Monterey County Hospitality Association (MCHA)	06/02/2022	Virtual Payment	0.00	70.00	APA000823
13396	Navia Benefit Solutions, Inc.	06/02/2022	Virtual Payment	0.00	800.83	APA000824
17965	The Maynard Group	06/02/2022	Virtual Payment	0.00	1,524.34	APA000825
00994	Whitson Engineers	06/02/2022	Virtual Payment	0.00	3,075.00	APA000826
01188	Alhambra	06/09/2022	Virtual Payment	0.00	132.00	APA000827
01016	Brine Shrimp Direct	06/09/2022	Virtual Payment	0.00	2,630.00	APA000828
00028	Colantuono, Highsmith, & Whatley, PC	06/09/2022	Virtual Payment	0.00	5,589.00	APA000829
18734	DeVeera Inc.	06/09/2022	Virtual Payment	0.00	7,854.90	APA000830
00235	Green Rubber- Kennedy AG	06/09/2022	Virtual Payment	0.00	502.38	APA000831
02833	Greg James	06/09/2022	Virtual Payment	0.00	804.56	APA000832
00222	M.J. Murphy	06/09/2022	Virtual Payment	0.00	5.66	APA000833
00259	Marina Coast Water District	06/09/2022	Virtual Payment	0.00	3,410.54	APA000834
05829	Mark Bekker	06/09/2022	Virtual Payment	0.00	1,255.00	APA000835
00223	Martins Irrigation Supply	06/09/2022	Virtual Payment	0.00	102.79	APA000836
00242	MBAS	06/09/2022	Virtual Payment	0.00	960.00	APA000837
18325	Minuteman Press Monterey	06/09/2022	Virtual Payment	0.00	212.40	APA000838
00118	Monterey Bay Carpet & Janitorial Svc	06/09/2022	Virtual Payment	0.00	1,260.00	APA000839
00274	Monterey One Water	06/09/2022	Virtual Payment	0.00	1,003,001.21	APA000840
00278	Monterey Tire Service	06/09/2022	Virtual Payment	0.00	973.65	APA000841
22836	One Workplace L. Ferrari, LLC	06/09/2022	Virtual Payment	0.00	1,472.11	APA000842
00154	Peninsula Messenger Service	06/09/2022	Virtual Payment	0.00	667.00	APA000843
00755	Peninsula Welding Supply, Inc.	06/09/2022	Virtual Payment	0.00	65.69	APA000844
13430	Premiere Global Services	06/09/2022	Virtual Payment	0.00	33.92	APA000845
00262	Pure H2O	06/09/2022	Virtual Payment	0.00	65.54	APA000846
04709	Sherron Forsgren	06/09/2022	Virtual Payment	0.00	976.80	APA000847
06009	yourservicesolution.com	06/09/2022	Virtual Payment	0.00	2,615.00	APA000848
20230	Zoom Video Communications Inc	06/09/2022	Virtual Payment	0.00	448.69	APA000849
00253	AT&T	06/16/2022	Virtual Payment	0.00	957.66	APA000896
21461	Cinthia Kneemeyer	06/16/2022	Virtual Payment	0.00	139.23	APA000897
00281	CoreLogic Information Solutions, Inc.	06/16/2022	Virtual Payment	0.00	1,264.91	APA000898
00046	De Lay & Laredo	06/16/2022	Virtual Payment	0.00	35,753.50	APA000899
13431	Lynx Technologies, Inc	06/16/2022	Virtual Payment	0.00	3,450.00	APA000900
00222	M.J. Murphy	06/16/2022	Virtual Payment	0.00	40.93	APA000901
00274	Monterey One Water	06/16/2022	Virtual Payment	0.00	429.68	APA000902
22201	Montgomery & Associates	06/16/2022	Virtual Payment	0.00	2,277.00	APA000903
13396	Navia Benefit Solutions, Inc.	06/16/2022	Virtual Payment	0.00	700.83	APA000904
00036	Parham Living Trust	06/16/2022	Virtual Payment	0.00	850.00	APA000905
00755	Peninsula Welding Supply, Inc.	06/16/2022	Virtual Payment	0.00	64.50	APA000906
00251	Rick Dickhaut	06/16/2022	Virtual Payment	0.00	557.00	APA000907
02838	Solinst Canada Ltd	06/16/2022	Virtual Payment	0.00	444.76	APA000908
09989	Star Sanitation Services	06/16/2022	Virtual Payment	0.00	71.01	APA000909
04719	Telit Io T Platforms, LLC	06/16/2022	Virtual Payment	0.00	249.03	APA000910
14567	Applicant Information	06/23/2022	Virtual Payment	0.00	120.00	APA000911
18321	CalDesal	06/23/2022	Virtual Payment	0.00	1,000.00	APA000912
04041	Cynthia Schmidlin	06/23/2022	Virtual Payment	0.00	967.69	APA000913
18734	DeVeera Inc.	06/23/2022	Virtual Payment	0.00	2,403.13	APA000914

Check Report

Date Range: 06/01/2022 - 06/30/2022

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
18225	DUDEK	06/23/2022	Virtual Payment	0.00	1,680.00	APA000915
00192	Extra Space Storage	06/23/2022	Virtual Payment	0.00	1,127.00	APA000916
21053	Green Valley Industrial Supply	06/23/2022	Virtual Payment	0.00	27.02	APA000917
19897	John K. Cohan dba Telemetry	06/23/2022	Virtual Payment	0.00	1,162.00	APA000918
00242	MBAS	06/23/2022	Virtual Payment	0.00	747.00	APA000919
13394	Regional Government Services	06/23/2022	Virtual Payment	0.00	1,059.50	APA000920
00225	Trowbridge Enterprises Inc.	06/23/2022	Virtual Payment	0.00	826.97	APA000921
22792	Uline	06/23/2022	Virtual Payment	0.00	3,769.80	APA000922
00767	AFLAC	06/30/2022	Virtual Payment	0.00	869.48	APA000923
00224	City of Monterey	06/30/2022	Virtual Payment	0.00	697.75	APA000924
00235	Green Rubber- Kennedy AG	06/30/2022	Virtual Payment	0.00	119.30	APA000925
22159	Joel Pablo	06/30/2022	Virtual Payment	0.00	61.47	APA000926
00117	Marina Backflow Company	06/30/2022	Virtual Payment	0.00	85.00	APA000927
00756	Monterey Bay Air Resources District	06/30/2022	Virtual Payment	0.00	361.00	APA000928
04736	Pitney Bowes Global Financial Svc, LLC	06/30/2022	Virtual Payment	0.00	392.41	APA000929
13394	Regional Government Services	06/30/2022	Virtual Payment	0.00	850.00	APA000930
00176	Sentry Alarm Systems	06/30/2022	Virtual Payment	0.00	185.50	APA000931
09425	The Ferguson Group LLC	06/30/2022	Virtual Payment	0.00	69.65	APA000932
00024	Three Amigos Pest Control DBA Central Coast Exte	06/30/2022	Virtual Payment	0.00	104.00	APA000933
00750	Valley Saw & Garden Equipment	06/30/2022	Virtual Payment	0.00	192.34	APA000934
Total Virtual Payment:				0.00	1,142,999.26	

Check Report

Date Range: 06/01/2022 - 06/30/2022

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
Payment Type: Bank Draft						
00266	I.R.S.	06/03/2022	Bank Draft	0.00	13,006.38	DFT0002440
00266	I.R.S.	06/03/2022	Bank Draft	0.00	2,749.68	DFT0002441
00267	Employment Development Dept.	06/03/2022	Bank Draft	0.00	5,324.69	DFT0002442
00266	I.R.S.	06/03/2022	Bank Draft	0.00	290.56	DFT0002443
00252	Cal-Am Water	06/02/2022	Bank Draft	0.00	84.78	DFT0002444
00252	Cal-Am Water	06/02/2022	Bank Draft	0.00	198.34	DFT0002445
00758	FedEx	06/02/2022	Bank Draft	0.00	365.17	DFT0002446
18163	Wex Bank	06/02/2022	Bank Draft	0.00	1,969.39	DFT0002447
00768	ICMA	06/03/2022	Bank Draft	0.00	5,294.09	DFT0002451
00277	Home Depot Credit Services	06/09/2022	Bank Draft	0.00	4,625.98	DFT0002452
00252	Cal-Am Water	06/09/2022	Bank Draft	0.00	175.34	DFT0002453
00282	PG&E	06/09/2022	Bank Draft	0.00	127.01	DFT0002454
00266	I.R.S.	06/10/2022	Bank Draft	0.00	14.52	DFT0002455
00266	I.R.S.	06/10/2022	Bank Draft	0.00	70.48	DFT0002456
00266	I.R.S.	06/10/2022	Bank Draft	0.00	301.32	DFT0002457
00266	I.R.S.	06/17/2022	Bank Draft	0.00	13,052.87	DFT0002458
00266	I.R.S.	06/17/2022	Bank Draft	0.00	2,786.30	DFT0002459
00267	Employment Development Dept.	06/17/2022	Bank Draft	0.00	5,307.56	DFT0002460
00266	I.R.S.	06/17/2022	Bank Draft	0.00	447.14	DFT0002461
00256	PERS Retirement	06/02/2022	Bank Draft	0.00	16,543.87	DFT0002462
18163	Wex Bank	06/16/2022	Bank Draft	0.00	2,132.79	DFT0002463
00277	Home Depot Credit Services	06/16/2022	Bank Draft	0.00	59.00	DFT0002464
00282	PG&E	06/16/2022	Bank Draft	0.00	20.04	DFT0002465
00282	PG&E	06/16/2022	Bank Draft	0.00	27.13	DFT0002466
00282	PG&E	06/16/2022	Bank Draft	0.00	7,352.27	DFT0002467
00769	Laborers Trust Fund of Northern CA	06/13/2022	Bank Draft	0.00	31,096.00	DFT0002468
00768	ICMA	06/17/2022	Bank Draft	0.00	5,294.09	DFT0002469
00758	FedEx	06/23/2022	Bank Draft	0.00	211.70	DFT0002470
00277	Home Depot Credit Services	06/23/2022	Bank Draft	0.00	130.22	DFT0002471
00282	PG&E	06/23/2022	Bank Draft	0.00	1,955.49	DFT0002472
00282	PG&E	06/23/2022	Bank Draft	0.00	6,038.14	DFT0002473
00766	Standard Insurance Company	06/21/2022	Bank Draft	0.00	1,464.79	DFT0002474
18163	Wex Bank	06/30/2022	Bank Draft	0.00	247.94	DFT0002479
00252	Cal-Am Water	06/30/2022	Bank Draft	0.00	84.78	DFT0002480
00221	Verizon Wireless	06/30/2022	Bank Draft	0.00	1,171.35	DFT0002481
00256	PERS Retirement	06/24/2022	Bank Draft	0.00	16,543.87	DFT0002486
00256	PERS Retirement	06/13/2022	Bank Draft	0.00	16,543.87	DFT0002487
Total Bank Draft:				0.00	163,108.94	

	Bank Code APBNK	Summary		
Payment Type	Payable Count	Payment Count	Discount	Payment
Regular Checks	30	6	0.00	76,003.37
Manual Checks	0	0	0.00	0.00
Voided Checks	0	2	0.00	-9,950.00
Bank Drafts	61	37	0.00	163,108.94
EFT's	0	0	0.00	0.00
Virtual Payments	93	80	0.00	1,142,999.26
	184	125	0.00	1,372,161.57

Check Report

Date Range: 06/01/2022 - 06/30/2022

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
Bank Code: REBATES-02-Rebates: Use Only For Rebates						
Payment Type: Virtual Payment						
22799	Alice Tao	06/16/2022	Virtual Payment	0.00	175.00	APA000850
22813	Anita Roth	06/16/2022	Virtual Payment	0.00	500.00	APA000851
19495	Anuradha Tummala	06/16/2022	Virtual Payment	0.00	750.00	APA000852
22825	Barbara Callaway	06/16/2022	Virtual Payment	0.00	125.00	APA000853
22802	Benjamin A Miller	06/16/2022	Virtual Payment	0.00	500.00	APA000854
22822	Carl R Cooper	06/16/2022	Virtual Payment	0.00	125.00	APA000855
22805	Charles Baxter	06/16/2022	Virtual Payment	0.00	500.00	APA000856
22816	Christina Haschka	06/16/2022	Virtual Payment	0.00	500.00	APA000857
22801	Cody Vaughn	06/16/2022	Virtual Payment	0.00	500.00	APA000858
22800	Dane Hurley	06/16/2022	Virtual Payment	0.00	500.00	APA000859
22821	David S Sabih	06/16/2022	Virtual Payment	0.00	500.00	APA000860
22826	Donald Criley	06/16/2022	Virtual Payment	0.00	125.00	APA000861
22823	Elizabeth Pischel	06/16/2022	Virtual Payment	0.00	125.00	APA000862
22835	Harry Bruce McClane	06/16/2022	Virtual Payment	0.00	75.00	APA000863
22797	James Haker	06/16/2022	Virtual Payment	0.00	3,281.00	APA000864
22804	James Sommerville	06/16/2022	Virtual Payment	0.00	1,000.00	APA000865
08708	JANET LOWERY	06/16/2022	Virtual Payment	0.00	75.00	APA000866
22796	John Duddy	06/16/2022	Virtual Payment	0.00	2,625.00	APA000867
22830	John Marston - Seafever Further Protection Trust	06/16/2022	Virtual Payment	0.00	199.00	APA000868
22824	John McCleave	06/16/2022	Virtual Payment	0.00	125.00	APA000869
22817	Justin Noren	06/16/2022	Virtual Payment	0.00	500.00	APA000870
22828	Kevin Solliday	06/16/2022	Virtual Payment	0.00	125.00	APA000871
22820	Koh Young	06/16/2022	Virtual Payment	0.00	500.00	APA000872
22795	Larry Hulette	06/16/2022	Virtual Payment	0.00	150.00	APA000873
22808	Leslie Anastasia	06/16/2022	Virtual Payment	0.00	500.00	APA000874
22834	Marjorie Coleman	06/16/2022	Virtual Payment	0.00	75.00	APA000875
22827	Martin Harrison	06/16/2022	Virtual Payment	0.00	125.00	APA000876
22819	Marvin Biasotti	06/16/2022	Virtual Payment	0.00	500.00	APA000877
22810	Michael Campos	06/16/2022	Virtual Payment	0.00	500.00	APA000878
22832	Michael Kovac	06/16/2022	Virtual Payment	0.00	75.00	APA000879
22806	Michele Jayson	06/16/2022	Virtual Payment	0.00	500.00	APA000880
22807	Nancy Dayton	06/16/2022	Virtual Payment	0.00	500.00	APA000881
22812	Nancy Howe	06/16/2022	Virtual Payment	0.00	500.00	APA000882
22814	Patrick Carroll	06/16/2022	Virtual Payment	0.00	500.00	APA000883
22811	Qun Wang	06/16/2022	Virtual Payment	0.00	500.00	APA000884
19663	Robert Long	06/16/2022	Virtual Payment	0.00	500.00	APA000885
22809	Robin Joseph	06/16/2022	Virtual Payment	0.00	500.00	APA000886
22798	Ronald Garcia	06/16/2022	Virtual Payment	0.00	50.00	APA000887
22818	Sara Youngbar	06/16/2022	Virtual Payment	0.00	500.00	APA000888
22829	Seaside Pacific Investment Co	06/16/2022	Virtual Payment	0.00	199.00	APA000889
22803	Simone Sprague	06/16/2022	Virtual Payment	0.00	500.00	APA000890
22833	Susan Gaylor	06/16/2022	Virtual Payment	0.00	75.00	APA000891
22831	Susie Tanaka	06/16/2022	Virtual Payment	0.00	75.00	APA000892
22815	Uli Fowler	06/16/2022	Virtual Payment	0.00	500.00	APA000893
18168	Wesley Truscott	06/16/2022	Virtual Payment	0.00	75.00	APA000894
13442	WILLIAM VOGT	06/16/2022	Virtual Payment	0.00	500.00	APA000895
22879	A. Paul Klein	06/30/2022	Virtual Payment	0.00	500.00	APA000935
22895	Ann K. McElyea	06/30/2022	Virtual Payment	0.00	75.00	APA000936
22891	Bruce Vogt	06/30/2022	Virtual Payment	0.00	149.00	APA000937
22892	Dale W Zelles	06/30/2022	Virtual Payment	0.00	75.00	APA000938
22883	Davina Higgins	06/30/2022	Virtual Payment	0.00	125.00	APA000939
19610	Dawn Buist	06/30/2022	Virtual Payment	0.00	500.00	APA000940
22890	Dean Bobrowski	06/30/2022	Virtual Payment	0.00	199.00	APA000941
22881	Dora Lisa Rosenbaum	06/30/2022	Virtual Payment	0.00	125.00	APA000942
22877	Gale Short	06/30/2022	Virtual Payment	0.00	500.00	APA000943
19855	Helena Lum	06/30/2022	Virtual Payment	0.00	75.00	APA000944
22875	Jeffrey S Stablein	06/30/2022	Virtual Payment	0.00	500.00	APA000945
22872	Jenifer Bovey	06/30/2022	Virtual Payment	0.00	500.00	APA000946
22896	Jessica Wheeler	06/30/2022	Virtual Payment	0.00	75.00	APA000947

Check Report

Date Range: 06/01/2022 - 06/30/2022

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
22899	Joanne May	06/30/2022	Virtual Payment	0.00	150.00	APA000948
22898	Kathleen Hughes	06/30/2022	Virtual Payment	0.00	125.00	APA000949
22871	Katie Lopez	06/30/2022	Virtual Payment	0.00	500.00	APA000950
22838	Kay Healey	06/30/2022	Virtual Payment	0.00	500.00	APA000951
22894	Linda Guy	06/30/2022	Virtual Payment	0.00	75.00	APA000952
22893	Linda Hurtig	06/30/2022	Virtual Payment	0.00	75.00	APA000953
22897	Michael Henderson	06/30/2022	Virtual Payment	0.00	250.00	APA000954
22888	Nick Strong	06/30/2022	Virtual Payment	0.00	199.99	APA000955
22870	Oliver Dinsmore	06/30/2022	Virtual Payment	0.00	1,225.00	APA000956
20674	Patrick Dowd	06/30/2022	Virtual Payment	0.00	1,018.00	APA000957
22889	Paul & Kadance File	06/30/2022	Virtual Payment	0.00	100.00	APA000958
22878	Peggy Norris	06/30/2022	Virtual Payment	0.00	500.00	APA000959
22876	Richard Cannon	06/30/2022	Virtual Payment	0.00	500.00	APA000960
22880	Richard Kendall	06/30/2022	Virtual Payment	0.00	500.00	APA000961
22887	Rick Aaronian	06/30/2022	Virtual Payment	0.00	900.00	APA000962
22839	Rosie Bird	06/30/2022	Virtual Payment	0.00	75.00	APA000963
22884	Shannon Hughes	06/30/2022	Virtual Payment	0.00	125.00	APA000964
22886	Stephan Georis	06/30/2022	Virtual Payment	0.00	1,094.00	APA000965
22885	Susan Bruer	06/30/2022	Virtual Payment	0.00	125.00	APA000966
22873	Taylor Erlbaum	06/30/2022	Virtual Payment	0.00	500.00	APA000967
22874	Tony Flores	06/30/2022	Virtual Payment	0.00	625.00	APA000968
22882	Zooey Lober	06/30/2022	Virtual Payment	0.00	125.00	APA000969
Total Virtual Payment:				0.00	34,013.99	

Bank Code REBATES-02 Summary

Payment Type	Payable Count	Payment Count	Discount	Payment
Regular Checks	0	0	0.00	0.00
Manual Checks	0	0	0.00	0.00
Voided Checks	0	0	0.00	0.00
Bank Drafts	0	0	0.00	0.00
EFT's	0	0	0.00	0.00
Virtual Payments	81	81	0.00	34,013.99
	81	81	0.00	34,013.99

All Bank Codes Check Summary

Payment Type	Payable Count	Payment Count	Discount	Payment
Regular Checks	30	6	0.00	76,003.37
Manual Checks	0	0	0.00	0.00
Voided Checks	0	2	0.00	-9,950.00
Bank Drafts	61	37	0.00	163,108.94
EFT's	0	0	0.00	0.00
Virtual Payments	174	161	0.00	1,177,013.25
	265	206	0.00	1,406,175.56

Fund Summary

Fund	Name	Period	Amount
99	POOL CASH FUND	6/2022	1,406,175.56
			1,406,175.56

EXHIBIT 4-C

Monterey Peninsula Water Management Dist

Payroll Bank Transaction Report

By Payment Number

Date: 6/1/2022 - 6/30/2022

Payroll Set: 01 - Monterey Peninsula Water Management District

Payment Number	Payment Date	Payment Type	Employee Number	Employee Name	Check Amount	Direct Deposit Amount	Total Payment
6525	06/03/2022	Regular	1077	Pablo, Joel G	0.00	2,127.37	2,127.37
6526	06/03/2022	Regular	1024	Stoldt, David J	0.00	6,197.62	6,197.62
6527	06/03/2022	Regular	1044	Bennett, Corryn D	0.00	2,292.59	2,292.59
6528	06/03/2022	Regular	1078	Mossbacher, Simona F	0.00	2,192.73	2,192.73
6529	06/03/2022	Regular	1018	Prasad, Suresh	0.00	3,759.39	3,759.39
6530	06/03/2022	Regular	1019	Reyes, Sara C	0.00	2,012.02	2,012.02
6531	06/03/2022	Regular	1081	Banker-Hix, William C	0.00	2,252.50	2,252.50
6532	06/03/2022	Regular	1042	Hamilton, Maureen C.	0.00	3,412.90	3,412.90
6533	06/03/2022	Regular	6063	Hampson, Larry M	0.00	1,670.24	1,670.24
6534	06/03/2022	Regular	1011	Lear, Jonathan P	0.00	4,368.41	4,368.41
6535	06/03/2022	Regular	1012	Lindberg, Thomas L	0.00	2,773.81	2,773.81
6536	06/03/2022	Regular	1080	Steinmetz, Cory S	0.00	2,176.56	2,176.56
6537	06/03/2022	Regular	1045	Atkins, Daniel N	0.00	2,125.25	2,125.25
6538	06/03/2022	Regular	1004	Chaney, Beverly M	0.00	2,788.51	2,788.51
6539	06/03/2022	Regular	1005	Christensen, Thomas T	0.00	3,275.54	3,275.54
6540	06/03/2022	Regular	1079	Gallagher, Riley M	0.00	1,752.08	1,752.08
6541	06/03/2022	Regular	1007	Hamilton, Cory R	0.00	2,358.04	2,358.04
6542	06/03/2022	Regular	6078	Kneemeyer, Cinthia A	0.00	290.44	290.44
6543	06/03/2022	Regular	1048	Lumas, Eric M	0.00	2,021.08	2,021.08
6544	06/03/2022	Regular	1001	Bravo, Gabriela D	0.00	2,726.34	2,726.34
6545	06/03/2022	Regular	1076	Jakic, Tricia	0.00	2,536.02	2,536.02
6546	06/03/2022	Regular	1010	Kister, Stephanie L	0.00	2,677.79	2,677.79
6547	06/03/2022	Regular	1017	Locke, Stephanie L	0.00	3,596.21	3,596.21
6548	06/03/2022	Regular	1082	Osborn, Carrie S	0.00	1,924.97	1,924.97
6549	06/03/2022	Regular	1040	Smith, Kyle	0.00	2,578.92	2,578.92
6550	06/10/2022	Regular	7015	Adams, Mary L	0.00	239.07	239.07
6551	06/10/2022	Regular	7020	Anderson, Amy E	0.00	498.69	498.69
6552	06/10/2022	Regular	7019	Paull, Karen P	0.00	498.69	498.69
6553	06/10/2022	Regular	7018	Riley, George T	0.00	374.02	374.02
6554	06/17/2022	Regular	1077	Pablo, Joel G	0.00	2,127.37	2,127.37
6555	06/17/2022	Regular	1024	Stoldt, David J	0.00	6,197.62	6,197.62
6556	06/17/2022	Regular	1044	Bennett, Corryn D	0.00	2,292.59	2,292.59
6557	06/17/2022	Regular	1078	Mossbacher, Simona F	0.00	2,192.73	2,192.73
6558	06/17/2022	Regular	1018	Prasad, Suresh	0.00	3,759.39	3,759.39
6559	06/17/2022	Regular	1019	Reyes, Sara C	0.00	2,012.02	2,012.02
6560	06/17/2022	Regular	1081	Banker-Hix, William C	0.00	2,252.50	2,252.50
6561	06/17/2022	Regular	1042	Hamilton, Maureen C.	0.00	3,412.91	3,412.91
6562	06/17/2022	Regular	6063	Hampson, Larry M	0.00	1,207.17	1,207.17
6563	06/17/2022	Regular	1011	Lear, Jonathan P	0.00	4,368.41	4,368.41
6564	06/17/2022	Regular	1012	Lindberg, Thomas L	0.00	2,773.81	2,773.81
6565	06/17/2022	Regular	1080	Steinmetz, Cory S	0.00	2,176.57	2,176.57
6566	06/17/2022	Regular	1045	Atkins, Daniel N	0.00	2,125.26	2,125.26
6567	06/17/2022	Regular	1004	Chaney, Beverly M	0.00	2,788.51	2,788.51
6568	06/17/2022	Regular	1005	Christensen, Thomas T	0.00	3,275.54	3,275.54
6569	06/17/2022	Regular	1079	Gallagher, Riley M	0.00	1,752.08	1,752.08
6570	06/17/2022	Regular	1007	Hamilton, Cory R	0.00	2,358.04	2,358.04
6571	06/17/2022	Regular	6078	Kneemeyer, Cinthia A	0.00	412.80	412.80
6572	06/17/2022	Regular	6080	Lucas, Isabelle	0.00	677.77	677.77
6573	06/17/2022	Regular	1048	Lumas, Eric M	0.00	2,021.08	2,021.08
6574	06/17/2022	Regular	6079	Lupian-Deltoro, Jose A	0.00	799.75	799.75
6575	06/17/2022	Regular	1001	Bravo, Gabriela D	0.00	2,726.35	2,726.35
6576	06/17/2022	Regular	1076	Jakic, Tricia	0.00	2,536.01	2,536.01
6577	06/17/2022	Regular	1010	Kister, Stephanie L	0.00	2,677.78	2,677.78
6578	06/17/2022	Regular	1017	Locke, Stephanie L	0.00	3,596.22	3,596.22
6579	06/17/2022	Regular	1082	Osborn, Carrie S	0.00	1,924.98	1,924.98
6580	06/17/2022	Regular	1040	Smith, Kyle	0.00	2,578.92	2,578.92
40680	06/10/2022	Regular	7009	Edwards, Alvin	369.77	0.00	369.77

Payment Number	Payment Date	Payment Type	Employee Number	Employee Name	Check Amount	Direct Deposit Amount	26 Total Payment
40681	06/10/2022	Regular	7021	Malek, Safwat	249.34	0.00	249.34
Total:					619.11	134,521.98	135,141.09



MONTEREY PENINSULA WATER MANAGEMENT DISTRICT
STATEMENT OF REVENUES AND EXPENDITURES
FOR THE MONTH JUNE 30, 2022

	Mitigation	Conservation	Water Supply	Current Period Activity	FY 2021/2022 Year-to-Date Actual	FY 2021/2022 Annual Budget	Prior FY Year-to-Date Actual
REVENUES							
Property taxes	\$ -	\$ 18,155	\$ 108,267	\$ 126,423	\$ 2,403,904	\$ 2,300,000	\$ 2,311,197
Water supply charge			65,794	65,794	3,379,872	3,400,000	3,422,117
User fees	326,868	126,439	75,261	528,568	4,853,507	5,300,000	5,908,495
Mitigation revenue	-			-	-	-	-
PWM Water Sales			723,609	723,609	9,828,000	9,828,000	5,908,182
Capacity fees			71,179	71,179	503,981	400,000	474,040
Permit fees	-	21,796		21,796	235,890	198,000	194,822
Investment income	487	190	372	1,049	31,348	130,000	93,931
Miscellaneous	109	69	87	265	20,011	15,000	10,067
Sub-total district revenues	327,464	166,650	1,044,570	1,538,683	21,256,513	21,571,000	18,322,851
Project reimbursements	-	26,380	51,768	78,148	1,344,761	1,802,100	1,425,015
Legal fee reimbursements		600		600	4,650	16,000	2,356
Grants	114,698	-	-	114,698	469,183	1,096,200	82,253
Recording fees		4,840		4,840	55,990	10,400	43,435
Sub-total reimbursements	114,698	31,820	51,768	198,286	1,874,584	2,924,700	1,553,059
From Reserves	-	-	-	-	-	2,802,100	66,900
Total revenues	442,162	198,470	1,096,338	1,736,970	23,131,098	27,297,800	19,942,811
EXPENDITURES							
Personnel:							
Salaries	122,181	76,727	148,936	347,844	2,645,780	2,611,200	2,517,303
Retirement	11,462	7,252	13,961	32,676	696,899	707,100	635,897
Unemployment Compensation	99	-	-	99	697	12,000	9,503
Auto Allowance	157	157	471	785	6,023	6,000	6,024
Deferred Compensation	234	234	702	1,170	9,823	10,000	9,713
Temporary Personnel	3,542	2,644	3,318	9,504	42,385	50,000	-
Workers Comp. Ins.	5,385	418	3,822	9,625	73,113	66,800	63,707
Employee Insurance	23,164	14,141	22,293	59,597	492,706	506,900	473,800
Medicare & FICA Taxes	2,419	1,177	2,133	5,730	45,813	43,600	46,690
Personnel Recruitment	21	73	91	185	1,209	3,000	-
Other benefits	40	26	34	100	1,878	2,000	1,879
Staff Development	250	379	772	1,401	9,591	15,300	5,628
Sub-total personnel costs	168,953	103,228	196,533	468,715	4,025,918	4,033,900	3,770,143
Services & Supplies:							
Board Member Comp	980	980	1,010	2,970	33,480	34,000	36,990
Board Expenses	106	69	90	266	4,076	4,000	5,938
Rent	876	293	808	1,977	25,260	24,200	25,648
Utilities	956	635	825	2,416	30,627	33,200	27,722
Telephone	1,461	1,036	896	3,394	42,855	50,000	53,552
Facility Maintenance	3,815	2,480	3,242	9,537	53,182	56,600	57,265
Bank Charges	711	462	605	1,779	31,125	20,000	22,216
Office Supplies	3,015	2,256	2,791	8,061	18,677	19,000	12,660
Courier Expense	95	142	-	237	6,668	6,000	5,058
Postage & Shipping	22	14	18	54	3,691	5,900	2,736
Equipment Lease	518	329	417	1,264	12,067	13,000	12,553
Equip. Repairs & Maintenance	-	-	-	-	3,694	7,000	2,167
Photocopy Expense							
Printing/Duplicating/Binding	-	-	-	-	210	500	161
IT Supplies/Services	4,570	2,986	3,898	11,454	236,118	231,000	224,158
Operating Supplies	328	1,495	-	1,823	25,809	16,700	6,481
Legal Services	4,085	2,903	20,879	27,867	282,193	400,000	277,354



MONTEREY PENINSULA WATER MANAGEMENT DISTRICT
STATEMENT OF REVENUES AND EXPENDITURES
FOR THE MONTH JUNE 30, 2022

	Mitigation	Conservation	Water Supply	Current Period Activity	FY 2021/2022 Year-to-Date Actual	FY 2021/2022 Annual Budget	Prior FY Year-to-Date Actual
Professional Fees	8,498	5,510	7,184	21,192	367,593	455,000	299,893
Transportation	3,323	347	300	3,970	37,174	31,000	27,946
Travel	590	513	376	1,480	5,255	14,000	3,409
Meeting Expenses	904	588	768	2,260	17,433	19,600	15,750
Insurance	4,461	2,900	3,792	11,153	133,882	134,000	105,107
Legal Notices	-	-	-	-	666	3,100	454
Membership Dues	400	260	390	1,050	36,562	35,400	31,752
Public Outreach	70	46	60	175	1,800	2,600	302
Assessors Administration Fee	-	-	-	-	31,751	30,000	32,016
Miscellaneous	-	-	-	-	387	3,100	386
Sub-total services & supplies costs	39,784	26,243	48,351	114,378	1,442,235	1,648,900	1,289,673
Project expenditures	105,030	48,569	799,663	953,262	14,680,385	18,827,200	12,419,925
Fixed assets	18,349	11,927	15,597	45,874	149,099	448,500	35,981
Contingencies	-	-	-	-	-	70,000	-
Election costs	-	-	-	-	-	-	119,628
Debt service: Principal	-	-	-	-	-	-	-
Debt service: Interest	-	-	49,538	49,538	101,925	730,000	122,731
Flood drought reserve	-	-	-	-	-	-	-
Capital equipment reserve	-	-	-	-	-	339,300	324,400
General fund balance	-	-	-	-	-	500,000	-
Debt Reserve	-	-	-	-	-	500,000	500,000
Pension reserve	-	-	-	-	-	100,000	100,000
OPEB reserve	-	-	-	-	-	100,000	100,000
Other	-	-	-	-	-	-	-
Sub-total other	123,379	60,497	864,798	1,048,673	14,931,409	21,615,000	13,722,665
Total expenditures	332,117	189,968	1,109,682	1,631,767	20,399,562	27,297,800	18,782,482
Excess (Deficiency) of revenues over expenditures	\$ 110,045	\$ 8,502	\$ (13,344)	\$ 105,203	\$ 2,731,535	\$ -	\$ 1,160,329

ITEM: CONSENT CALENDAR**5. RECEIVE AND FILE FOURTH QUARTER FINANCIAL ACTIVITY REPORT
FOR FISCAL YEAR 2021-2022****Meeting Date:** September 19, 2022 **Budgeted:** N/A**From:** David J. Stoldt,
 General Manager **Program/** N/A
 Line Item No.:**Prepared By:** Suresh Prasad **Cost Estimate:** N/A**General Counsel Review:** N/A**Committee Recommendation:** The Finance and Administration Committee considered this item on September 12, 2022 and recommended approval.**CEQA Compliance:** This action does not constitute a project as defined by the California Environmental Quality Act Guidelines Section 15378.

SUMMARY: The fourth quarter of Fiscal Year (FY) 2021-2022 concluded on June 30, 2022. Table comparing budgeted and actual year-to-date revenues and expenditures for the period are included as **Exhibit 5-A**. **Exhibits 5-B** and **5-C** presents the same information in bar graph format. The following comments summarize District staff's observations:

REVENUES

The revenue table compares amounts received through the fourth quarter of FY 2021-2022 to the amounts budgeted for that same time-period. Total revenues collected were \$23,131,098, or 84.7% of the budgeted amount of \$27,297,800. Variances within the individual revenue categories are described below:

- Water Supply Charge revenues were \$3,379,872, or 99.4% of the budget for the period. The first installment of this revenue was received in December 2021. The second installment was received in April 2022. Final installment was received in June 2022.
- Property tax revenues were \$2,403,904, or 104.5% of the budget for the period. The first installment of this revenue was received in December 2021. The second installment was received in April 2022. Final installment was received in June 2022.
- User fee revenues were \$4,853,507, or about 91.6% of the amount budgeted. This is slightly lower than the budgeted amount as collections for May/June was received after close of fiscal quarter. Accrual adjustments are pending.
- Pure Water Monterey Water Sales revenue was \$9,828,000, or 100.0% of the budget for the period. This is water sales revenue for water purchased from Monterey One Water and sold to California American Water and is a pass-through to the District.
- Connection Charge revenues were \$503,981, or 126.0% of the budget for the period. Actual collection was higher than anticipated budgeted figure as the forecasted figures are based on estimated number of customers pulling permits. There were more connections received than budgeted for the current quarter.
- Permit Fees revenues were \$235,890, or 119.1% of the budget for the period. Actual collection was higher than anticipated budgeted figure as the forecasted figures are based

on estimated number of customers pulling permits. There were more permits received than budgeted for the current quarter.

- Interest revenues were \$31,348, or 24.1% of the budget for the period. Some of the interest income revenue will be recorded with the adjusting entries. Additionally, current quarter interest rates have been down compared to rates from previous years.
- Reimbursements of \$1,405,401 or 76.9% of the budget. This is based on actual spending and collection of reimbursement project funds. This is due to projects being deferred and continued to next quarter.
- Grant revenue of \$469,183, or 42.8% of the budget. This is due to grant funded projects being deferred and continued to next quarter.
- The Other revenue category totaled \$20,012 or about 133.4% of the budgeted amount. This category includes insurance refunds, miscellaneous reimbursements, and other miscellaneous services. Actual collections were higher than anticipated.
- The Reserves category totaled \$0 or about 0.00% of the budgeted amount. This category includes potential use of reserves and the water supply carry forward balance during the fiscal year for which adjustments will be made at the conclusion of the fiscal year.

EXPENDITURES

Expenditure activity as depicted on the expenditure table is similar to patterns seen in past fiscal years. Total expenditures of \$20,399,562 were about 74.7% of the budgeted amount of \$27,297,800 for the period. Variances within the individual expenditure categories are described below:

- Personnel costs of \$4,025,918 were about 99.8% of the budget. This was in line with the budgeted number.
- Expenditures for supplies and services were \$1,442,235, or about 87.5% of the budgeted amount. This was lower than the anticipated budget due to consulting services being lower than anticipated for the current quarter.
- Fixed assets purchases of \$149,099 represented around 33.2% of the budgeted amount. This was due to some of the fixed asset purchases deferred to next quarter.
- Funds spent for project expenditures were \$14,680,385, or approximately 78.0% of the amount budgeted for the period. This is lower than budgeted due to some of the project spending being deferred to next quarter. This line also includes water purchased from Monterey One Water.
- Debt Service included costs of \$101,925, or 14.0% of the budget for the period. Debt service is paid semi-annually, in December and June. Additional payment of \$500,000 was recorded as loan reduction.
- Contingencies/Other expenditures \$0, or 0% of the budgeted amount. This was due to the contingency budget not spent during this quarter.
- Reserve expenditures of \$0, or 0% of the budgeted amount. This was due to the adjustments made at the conclusion of the fiscal year.

EXHIBITS

5-A Revenue and Expenditure Table

5-B Revenue Graph

5-C Expenditure Graph

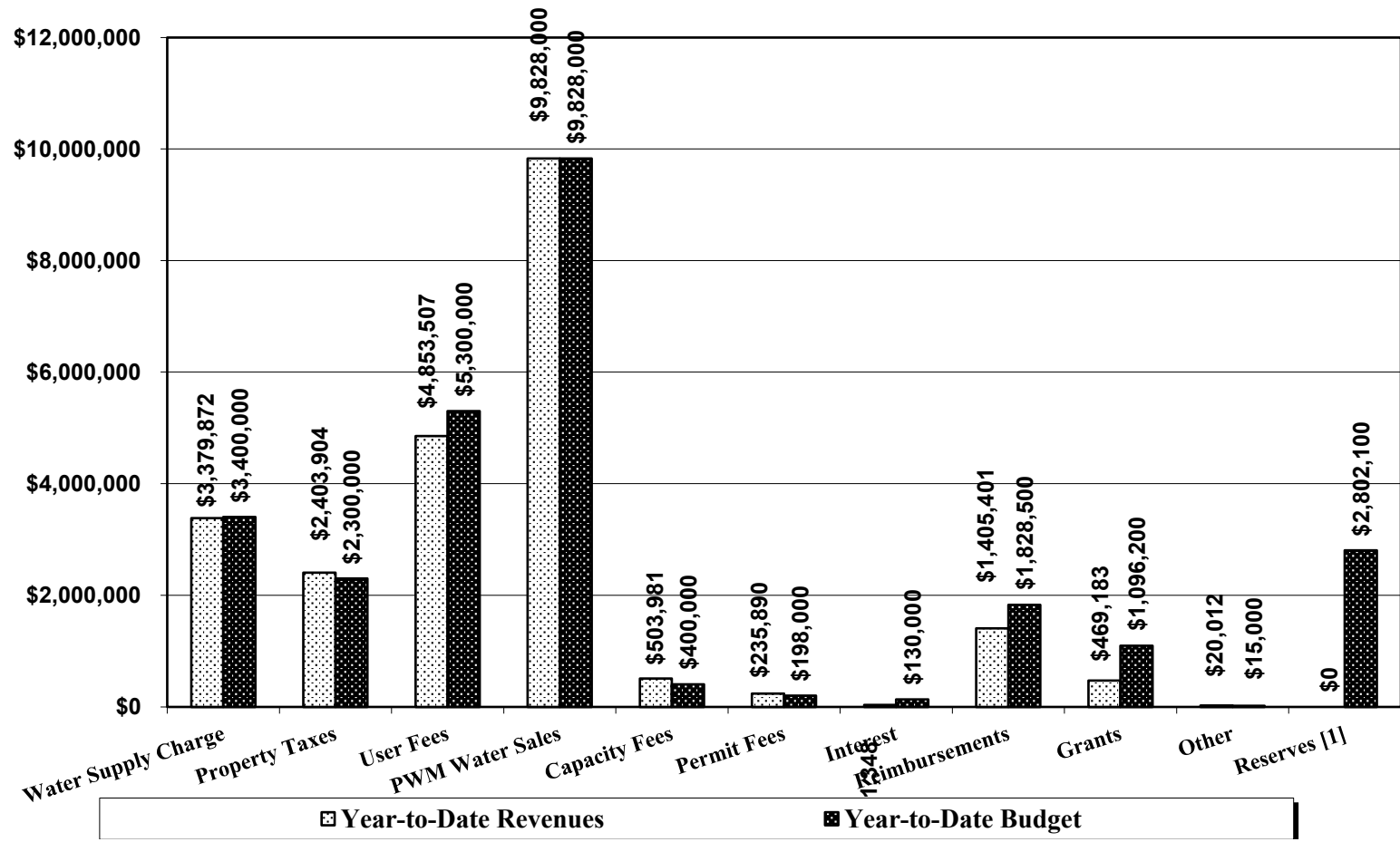
Monterey Peninsula Water Management District
Financial Activity as of June 30, 2022
Fiscal Year 2021-2022

	Year-to-Date <u>Revenues</u>	Year-to-Date <u>Budget</u>	<u>Variance</u>	Percent of <u>Budget</u>
Water Supply Charge	\$3,379,872	\$3,400,000	\$20,128	99.4%
Property Taxes	\$2,403,904	\$2,300,000	(\$103,904)	104.5%
User Fees	\$4,853,507	\$5,300,000	\$446,493	91.6%
PWM Water Sales	\$9,828,000	\$9,828,000	\$0	100.0%
Capacity Fees	\$503,981	\$400,000	(\$103,981)	126.0%
Permit Fees	\$235,890	\$198,000	(\$37,890)	119.1%
Interest	\$31,348	\$130,000	\$98,652	24.1%
Reimbursements	\$1,405,401	\$1,828,500	\$423,099	76.9%
Grants	\$469,183	\$1,096,200	\$627,017	42.8%
Other	\$20,012	\$15,000	(\$5,012)	133.4%
Reserves [1]	\$0	\$2,802,100	\$2,802,100	0.0%
Total Revenues	<u>\$23,131,098</u>	<u>\$27,297,800</u>	<u>\$4,166,702</u>	<u>84.7%</u>

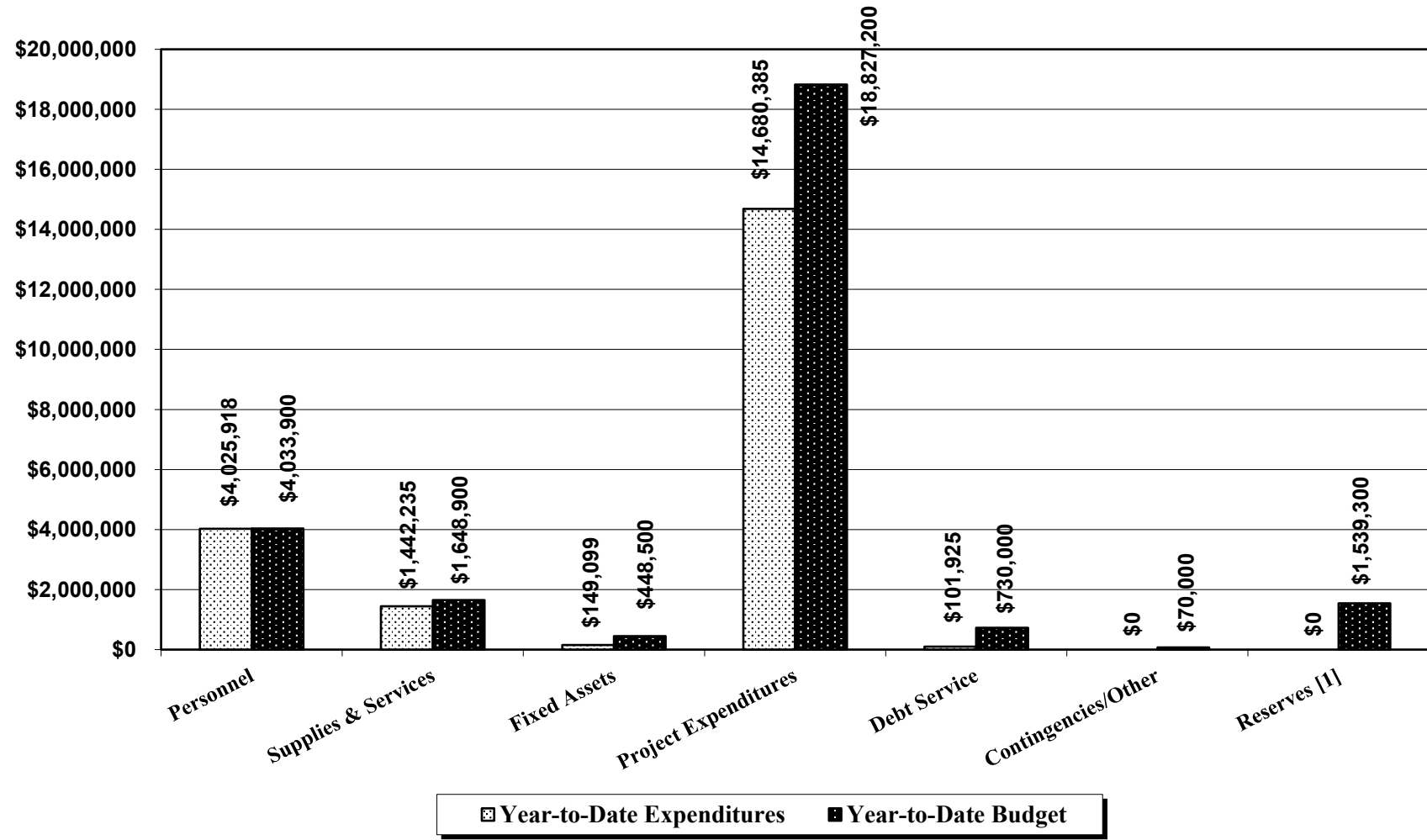
	Year-to-Date <u>Expenditures</u>	Year-to-Date <u>Budget</u>	<u>Variance</u>	Percent of <u>Budget</u>
Personnel	\$4,025,918	\$4,033,900	\$7,982	99.8%
Supplies & Services	\$1,442,235	\$1,648,900	\$206,665	87.5%
Fixed Assets	\$149,099	\$448,500	\$299,401	33.2%
Project Expenditures	\$14,680,385	\$18,827,200	\$4,146,815	78.0%
Debt Service	\$101,925	\$730,000	\$628,075	14.0%
Contingencies/Other	\$0	\$70,000	\$70,000	0.0%
Reserves [1]	\$0	\$1,539,300	\$1,539,300	0.0%
Total Expenditures	<u>\$20,399,562</u>	<u>\$27,297,800</u>	<u>\$6,898,238</u>	<u>74.7%</u>

[1] Budget column includes fund balance, water supply carry forward,
and reserve fund

REVENUES
Fiscal Year Ended June 30, 2022
 Year-to-Date Actual Revenues \$23,131,098
 Year-to-Date Budgeted Revenues \$27,297,800



EXPENDITURES
Fiscal Year Ended June 30, 2022
 Year-to-Date Actual Exenditures \$20,399,562
 Year-to-Date Budgeted Expenditures \$27,297,800



ITEM: CONSENT CALENDAR**6. CONSIDER ADOPTION OF RESOLUTION NO. 2022-27 AMENDING TABLE
2: NON-RESIDENTIAL WATER USE FACTORS****Meeting Date: September 19, 2022 Budgeted: N/A****From: David J. Stoldt,
 General Manager Program/
 Line Item No.:****Prepared By: Gabriela Bravo Cost Estimate: N/A****General Counsel Review: No****Committee Recommendation: N/A****CEQA Compliance: This action does not constitute a project as defined by the California
Environmental Quality Act Guidelines Section 15378.**

SUMMARY: Resolution 2022-27 (**Exhibit 6-A**) amends Rule 24, Table 2: Non-Residential Water Use Factors to clarify the factor for hotel/motel. The District considers hotel “suites” with more than one bedroom/sleeping area to be multiple “rooms” and applies the hotel water factor to the number of sleeping areas. This is consistent with the data used to develop the hotel water factor.

RECOMMENDATION: The Board should adopt Resolution 2022-27 and approve the clarification to the Hotel/Hotel/Bed & Breakfast factor on Table II.

EXHIBIT**6-A Draft Resolution 2022-27**



EXHIBIT 6-A

DRAFT RESOLUTION 2022-27

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE MONTEREY PENINSULA WATER MANAGEMENT DISTRICT AMENDING TABLE 2: NON-RESIDENTIAL WATER USE FACTORS

WHEREAS, District Rule 24-B (Non-Residential Calculation of Water Use Capacity) allows changes to Table 2: Non-Residential Water Use Factors through Resolution of the Board of Directors; and

WHEREAS, on July 15, 2019, the Board of Directors approved the change to the hotel/motel room factor to 0.064 Acre-Feet/per room; and

WHEREAS, hotel “suites” or units with more than one bedroom/sleeping area have been deemed to be multiple “rooms” for purposes of calculating Water Use Capacity; and

WHEREAS, the factor for hotel rooms that was updated in 2019 was based on single sleeping rooms which prompts this clarifying amendment to Table 2: Non-Residential Water Use Factors.

NOW THEREFORE BE IT RESOLVED that the Board of Directors of the Monterey Peninsula Water Management District approves amendment to District Rule 24-B, Table 2: Non-Residential Water Use Factors to revise the Non-Residential water use factor for hotel/motel sleeping room as shown in **Attachment 1**.

PASSED AND ADOPTED on this _____ day of _____ 2022 on a motion of Director _____ with a second by Director _____ by the following vote, to wit:

AYES:

NAYS:

ABSENT:

I, David J. Stoldt, Secretary to the Board of Directors of the Monterey Peninsula Water Management District, hereby certify the foregoing resolution was duly adopted on the ____ day of _____ 2022.

David J. Stoldt, Secretary to the Board of Director

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Attachment 1 to MPWMD Resolution No. 2022-27

TABLE 2: NON-RESIDENTIAL WATER USE FACTORS

Group I 0.00007 AF/SF

Users in this category are low water uses where water is primarily used for employee hygiene and minimal janitorial uses. Examples are offices, warehouses, and low water use retail businesses.

Group II 0.0002 AF/SF

Users in this category prepare and/or sell food/beverages that are primarily provided to customers in/on disposable tableware. Food with high moisture content and liquid food may be served on reusable tableware. Glassware may be used to serve beverages. Users in this category are not full-service restaurants.

Group III

Assisted Living (more than 6 beds) ²	0.085 AF/Bed
Bar (limited food/not a full-service restaurant)	0.0002 AF/SF ¹
Beauty Shop/Dog Grooming	0.0567 AF/Station
Child/Dependent Adult Day Care	0.0072 AF/Person
Dry Cleaner w/on-Site laundry	0.0002 AF/SF
Dormitory ³	0.02 AF/Bed
Laundromat	0.2 AF/Machine
Motel/Hotel/Bed & Breakfast	0.064 AF/Room bedroom
w/Large Bathtub (Add to bed room factor)	0.03 AF/Tub
w/Each additional Showerhead beyond one <i>per stall</i> (Add to bed room factor)	0.02 AF/Showerhead
Nail Salon	0.00007 AF/SF
Irrigated Areas/Landscaping	ETWU (See Rule 142.1)
Plant Nursery	0.00009 AF/SF Land Area
Public Toilet	0.058 AF/Toilet
Public Urinal	0.036 AF/Urinal
Zero Water Consumption Urinal	No Value
Recreational Vehicle Water Hookup	0.064 AF
Restaurant - Full Service (including associated Bar Seats)	0.02 AF/Interior Restaurant Seat
Exterior Restaurant Seats above the "Standard Exterior Seat Allowance" ⁴	0.01 AF/Exterior Restaurant Seat
Exterior Restaurant Seats within the "Standard Exterior Seat Allowance"	No Value
Restaurant (24-Hour and Fast Food)	0.038 AF/Interior Restaurant Seat
School or Church	0.00007 AF/SF
Self-Storage	0.0008 AF/Storage Unit
Skilled Nursing/Alzheimer's Care	0.12 AF/Bed
Spa	0.05 AF/Spa
Swimming Pool	0.02 AF/100 SF of Surface Area
Theater	0.0012 AF/Seat

Group IV - MODIFIED NON-RESIDENTIAL USES

Users in this category have reduced water Capacity from the types of uses listed in Groups I-V and have received a Water Use Credit for modifications (Rule 25.5-F-4-d) or permanent installation of known and validated technology that results in a quantifiable reduction in Water Use Capacity. Please inquire for specific property information.

Group V – INDUSTRIAL USES

Users in this category use water during the production process for either creating their products or cooling equipment. Industrial water may also be used for fabricating, processing, washing, diluting, cooling, or transporting a product. Water is also used by industries producing chemical products and food products. Industrial uses also include certain hospital uses. Water Use Capacity shall be determined following review of the project's construction and business plans and estimated water use and may be considered for Rule 24 Special Circumstances.

Notes: Any Non-Residential water use which cannot be characterized by one of the use categories set forth in Table 2 shall be designated as “other” and assigned a factor which has a positive correlation to the anticipated Water Use Capacity for that Site. When a Non-Residential project proposes two or more of the uses set forth in Table 2, each proposed use shall be subject to a separate calculation. When the proposed use appears to fall into more than one group or use, the higher factor shall be used.

¹ ABC Licensed Premises Diagram area shall be used for calculation of square-footage.

² Assisted living Dwelling Units shall be permitted as Residential uses per Table 1, Residential Fixture Unit Count Values.

³ Dormitory water use at educational facilities is a Residential use, although the factor is shown on Table 2.

⁴ See Rule 24-B-1 and Rule 25.5 for information about the “Standard Exterior Seat Allowance”.

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

Meeting Date:	September 19, 2022	Budgeted:	N/A
From:	David J. Stoldt General Manager	Program/ Line Item No.:	N/A
Prepared By:	Suresh Prasad	Cost Estimate:	N/A

General Counsel Approval: N/A**Committee Recommendation:** The Finance and Administration Committee reviewed this item on September 12, 2022 and recommended approval.**CEQA Compliance:** This action does not constitute a project as defined by the California Environmental Quality Act Guidelines section 15378.

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

RECOMMENDATION: The Finance and Administration Committee recommends that the Board declare the items listed on **Exhibit 7-A** as surplus assets to be either donated or disposed at the Monterey Regional Waste Management District.

EXHIBIT**7-A Surplus List**

EXHIBIT 7-A

System	Serial #	User/Location
ASUS All Series Desktop	1624404-7800136	Tricia
ASUS All Series Desktop	1624602-7600884	Gabby
ASUS All Series Desktop	1624404-7800113	Kyle
ASUS All Series Desktop	1624404-7800075	Sara
ASUS All Series Desktop	1624503-0900376	Desk outside Sara's office
ASUS All Series Desktop	1624304-7100880	Eric
ASUS All Series Desktop	1624602-7600127	Beverly
ASUS All Series Desktop	1624404-7800052	Thomas
ASUS All Series Desktop	1624503-0900186	Riley
ASUS All Series Desktop	1625702-1901160	Suresh
ASUS All Series Desktop (still in use)	1624404-1700184	Jon
ASUS All Series Desktop (still in use)	1624404-1700226	Larry
HP Prodesk	MXL8512NBD	Patrick
HP Prodesk (still in use)	MXL8512NB9	Fred
Gigabyte Technology H67A-UD3H-B3	N/A	William
Gigabyte Technology H67A-UD3H-B3 (still in use)	N/A	Cory Steinmetz
Dell OptiPlex 5070 (still in use)	CDSZG13	Tom
HP EliteDesk	MXL6243CRH	Maureen

College and the Monterey County Fire Training Officer's Association, conditioned on other funding sources being secured and the purchase occurring within the current District fiscal year.

EXHIBIT

8-A DRAFTS Unit Proposal

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EXHIBIT 8-A



April 14, 2022

Monterey Peninsula College

Quote #: 22-0414MPCMDU-01

Mobile DRAFTS UNIT Proposal

Dear Coordinator Greg Greenlee,

Thank you for your interest in our Pump-Pod DRAFTS UNITS. We are pleased to present the following information per your request for a Mobile DRAFTS Unit (Cistern / Tank exceeds 2,100 USG). The PumpPodUSA - Direct Recirculating Apparatus Firefighting Training & Sustainability (DRAFTS) Unit apparatus is specifically designed to be the ultimate training tool to develop, maintain and test your Engineers and Firefighters. This DRAFTS Unit was originally designed to only enhance the safety, training, and practice for candidates specifically while providing needed additional training opportunities to ensure that your department has the most prepared and qualified workforce today.

The DRAFTS Unit will provide and allow your department to train with Full Flow Water your Firefighters and Engineers. When deployed to the Battalions the Engine Companies can train Without having to "Call Out of Service" thus Significantly increasing the hours of training but reducing time and costs related to these exercises. Another benefit to the DRAFTS Unit is that they are self-contained and re-circulate the water required for a wide variety of training evolutions. The DRAFTS Unit being an "Open System" makes it a perfect platform for performing annual NFPA Pump Testing while conserving water in the process. Each Unit will allow approximately (2,100 USG) amount of water to be pumped continually, saving millions of gallons each year using the DRAFTS Units innovative design and robust construction.

General Construction Notes:

- This apparatus is fabricated from high quality steel and are reinforced in a variety of ways in order to provide long term reliability and durable service.
- A custom bulkhead is welded into the rear portion of the tank. The design also allows a safe flat deck to safely access to the nozzle mounts. This system is customizable to suit your Training & Testing needs. variety of straight nozzle styles as well as custom additions.
- The DRAFTS UNIT is fitted with Drafting and Pressure Pipes, NH Fittings of various sizes ranging from: 1 1/2" - 6" and is available in several configurations based on your department needs.
- The deflector shield is mounted to a frame at an angle to divert the incoming stream downward into the reservoir. The optional hanging targets on the deflector shield are to help train nozzle operators.
- Rhino protective type coatings are applied for rust prevention, containment and durability.
- Photographs are included on the following pages to provide examples of design and features.
- 10 Year Limited Warranty

Thank you again for your interest, after your review please feel free to contact me with any questions or comments.

Sincerely,
Bill Ward

Executive Director Cell: (949)246 6999 Email: bill@pumppodusa.com



Mobile DRAFTS Unit on 26' Trailer Capacity: 2,100 Gallons



Approx. Gross Weight (Empty): 9,300 lbs. Example: How Artwork has been applied on previous Units.



DIRECT RECIRCUCLING APPARATUS FIREFIGHTER TRAINING & SUSTAINABILITY UNIT

Rear Bulkhead Wall & Interior Features:

- 1 Galvanized Diverter Screen mounted to Aluminum Frame (*Optional Target can be mounted*)
- 1 Folding Aluminum Step on outside (Ladder step welded to Inside of Bulkhead Wall)
- 6 Welded Fire Hose & Nozzle Plates in 2.5" Ss Nipples Capped with 2.5" NH Fittings (Aluminum)
- 1 200 PSI Pressure Relief Valve for FDC Plumbing (Red)
- 1 1 1/2" Valve, the same as if they were opening of Interior Standpipe on 2nd or 3rd floor (Red)
(Connected to FDC Siamese with In-line 90° Fittings to provide for the equivalent of 150' of resistance/ friction loss)





Front:

- 1 Safety Rail with folding Aluminum Step at front of Deck
- 1 6" Horizontal Draft Port (Blue) with Butterfly Valve and 6" FNH Double Swivel Fitting (Alum.)
- 1 6" Vertical Riser Draft Training Riser per our discussion, *(for a portion of annual pump testing)*
- 1 Powder Coated Blue Parts Box
- 1 Portable Hydrant with Stainless Steel deck plate to secure to unit to the deck during transport.
- 1 2 ½" Valve with NH fitting - Make-up Water (using an Auto-Fill with Float) - Right side
- 1 2 ½" Siamese FDC plumbed to Right Front with 90° fitting facing outward – Left Side
(Plumbed to series of 90 degree fittings Providing for 150' of Line Restriction / friction loss.)





Standard Items & Features Included:

1 Portable Wet Barrel (DB) Customized Hydrant (6" Supply with 4" reducer Fitting and 4" x 2 ½" ports) .
1 Siamese 2 ½" FDC Connection
Non-skid flooring welded on Rear deck level with Pod Floor with aluminum heavy duty non-skid decking.
Non-skid flooring welded on Front End Deck with expanded & raised Galvanized steel.
Powder Coated Front End Safety Rail with Aluminum Folding Step
Rear Stairs – Folding Aluminum with Web Strap Set for transport. Upper Handles coated with Rhino Liner.
Powder Coated Rear Safety Railing -
Aluminum Speed Rail Hose Guides on each side of Stairs (Protects Hoses & keeps hose off Stairs)
3" Floor Drain – Knife dump valve with Cam Fitting and 25' of Lay Flat Drain Hose
Interior of Apparatus sprayed with watertight Rhino Liner protective coating for containment and durability.
Multi-layer Galvanized Expanded Steel Deflector Screen secured to Aluminum Frame.
Exterior Powder Coated Panel Siding with aluminum diamond plate trim.
All Ball Valve Handles coated with Black Rhino Liner protective coating
Custom Heavy-Duty dual axle trailer for Pump-Pod DRAFTS Unit (Painted Black)

Optional Items & Features

Fire Hose Roller (Inserted when needed into Hitch Receiver – welded on either side of Rear Portion of Trailer
Deflector Screen Target - Bolted Swing Plates coated with Yellow Rhino Liner "type coating"
5' x 5' Galvanized Roof Target
Additional - Portable Wet Barrel Customized Jones Hydrant (DB 4" x 2 1/2", DB 4" x 2 ½" x 2 ½")
Standpipe / FDC 5 Ports or 3 Port
Pump Testing Manifold
Graphics package for Department / agency specific graphics

Warranty

10 Year Limited Warranty (See Warranty Document)

Repairs and Service of Units

Any Warranted Repairs or Non-Preventive Maintenance Service items covered by the warranty, will be performed by PumpPodUSA personnel or designated vendor. Written Notice with photographs documenting the Repair / Service Item in question shall be sent to PumpPodUSA in a timely manner from the Fire Department Fleet Services. Once PumpPodUSA reviews the issue they will decide on the course of action:

1. Local Vendor - Dispatched by PumpPodUSA... (If Item is not completed by Vendor - *Refer to Option #2*)
2. PumpPodUSA personnel will be dispatched to inspect and perform Repairs or Service on-site.
3. If Repair & Service Item(s) can't be completed on-site the Unit will be transported to the factory at the manufactures time and expense. Once Repair / Service are completed, it will be returned back to Fire Department at manufactures expense.
4. Fire Department Fleet representative will confirm Item in question was completed to Department's satisfaction must be signed off at time of delivery.



Monterey Peninsula College

Date: 04/14/2022

Features and Options Price List:

Quote: 22-0414MPCMDU-01

Pump-Pod / DRAFTS Unit	Specifications:	Descriptions	Unit Price:
Mobile DRAFTS Unit – Approx. 2,100 Gallons	See the Following List: <i>Base Model</i>	Mobile Water Capture and Cistern System (see specifications above)	USD \$89,800
Artwork Signage – Wrap or Decals	Graphics Vector Files provided by Customer	Graphic Design provided by PPUSA Wrap or Decals applied by PPUSA	Included
Deflector Shield	Expanded Galvanized Screen	Secured to Aluminum Frame	Included
Bulkhead Inside Rear Door	(1) Aluminum Folding Steps	(1) Welded Step to Inside of Bulkhead	Included
	(6) – 2.5" Ss Pipe Nipples Welded on Nozzle Plates	2.5" NST Fittings on each nipple	Included
Front - Left Hand Side	(1) x 2.5" standard valve w/ auto-refill float inside	Make-up Water 2.5" FNPT x 2.5" MNH Fitting	Included
	6" Butterfly Valve on Primary Horizontal Drafting Connection	6" FNPT to 6" FNH Dbl. Swivel Fitting W /6" MNST x 4" FNST Swivel reducer	Included
	On vertical on Draft Riser – Mat. Sched. 80 PVC	6" FNPT to 6" MNH Fitting Convert from Pipe to Fire Hose Threads 1" Bleeder Valve on Riser	Included
Front - Right Hand Side	3 Port FDC :4" x 2.5" x2.5" x2.5" Plumbed to 2.5" to 1 ½" Pipe	Plumbed to fittings inside providing 150' of Line Restriction & Friction loss (Pressure Relief Valve dumps inside)	Included
Flexible Suction Hoses	(2) - 6" Hoses 10' in Length	6" with NH Threaded Fittings	Included
(1) Portable Jones Hydrant	Bronze Jones DB 4" x 2 ½"	6" Supply can be reduced to 4" FNH Dbl. Swivel Color - Safety Yellow	Included
Tool / Parts Box:	Blue Powder coated		Included
Base Model Total:			\$89,800
Accessories / Options			
Roof Target 5' x 5'	Inset into Roof top for Drainage	6" Rim around roof to act like funnel	\$5,150.00
Nozzle Swinging Target	Powder-coated	Mounted to Diverter Screen	\$450.00
Pump Testing Manifold	Powder Coated	(5) 2 ½" Brass Clappered Snoops	\$4,800.00
Storz Fitting Reducers	(2) 5" Storz to 4 ½" Reducer		\$450.00
Add-on & Options Sub-Total:			\$10,850.00
Sub-Total before Sales Tax:			\$100,650.00
Sales Tax:		9.25% Sales Tax	\$9,310.13
Total Including Sales Tax:			\$109,960.13
Delivery & Training:	Provided by PumpPodUSA	Fuel & Travel & Training	\$1,680.00
Grand Total:			\$111,640.13

Please Make Payment To: **PumpPodUSA**
3850 Royal Avenue, Suite B
Simi Valley, CA 93063

Payment Installment: 50% Deposit with P.O.
50% Upon Delivery

ITEM: PUBLIC HEARING**14. CONSIDER ADOPTION OF OCTOBER THROUGH DECEMBER 2022
QUARTERLY WATER SUPPLY STRATEGY AND BUDGET****Meeting Date:** September 19, 2022 **Budgeted:** N/A**From:** David J. Stoldt,
General Manager **Program/** N/A
Line Item No.:**Prepared By:** Jonathan Lear **Cost Estimate:** N/A**General Counsel Review:** N/A**Committee Recommendation:** N/A**CEQA Compliance:** Notice of Exemption, CEQA, Article 19, Section 15301 (Class 1)**ESA Compliance:** Consistent with the September 2001 and February 2009 Conservation Agreements between the National Marine Fisheries Service and California American Water to minimize take of listed steelhead in the Carmel River and Consistent with SWRCB WR Order Nos. 95-10, 98-04, 2002-0002, and 2016-0016.

SUMMARY: The Board will accept public comment and take action on the **October** through **December 2022** Quarterly Water Supply Strategy and Budget for California American Water's (Cal-Am's) Main and Satellite Water Distribution Systems (WDS), which are within the Monterey Peninsula Water Resources System (MPWRS). The proposed budget, which is included as **Exhibit 14-A**, outline monthly production by source of supply that will be required to meet projected customer demand in Cal-Am's Main and Laguna Seca Subarea systems, i.e., Ryan Ranch, Bishop, and Hidden Hills, during the **October** through **December 2022** period. The proposed strategy and budget is designed to maximize the long-term production potential and protect the environmental quality of the Seaside Groundwater and Carmel River Basins.

Exhibit 14-A shows the anticipated production by Cal-Am's Main system for each production source and the actual production values for the water year to date through the end of **August 2022**. Cal-Am's annual Main system production from the Monterey Peninsula Water Resource System (MPWRS) for Water Year (WY) 2023 will not exceed 4,850 acre-feet (AF). Sources available to meet customer demand are 1,474 AF from the Coastal Subareas of the Seaside Groundwater Basin as set by the Seaside Basin Adjudication Decision and 3,376 AF from the Carmel River as set by WRO 2016-16. Additional water projects and water rights available are an estimated 930 AF of Pure Water Monterey Injection over this quarter, an estimated 1,300 AF from ASR Phase 1 and 2 storage remaining from WY 2021 and 2022 injection are available but is being banked for drought reserve, an estimated 150 AF from the Sand City Desalination Plant, and an estimated 24 AF from Cal-Am's Table 13 water rights. Under Table 13 water rights, Cal-Am is allowed to produce water for in-basin uses when bypass flows are in excess of permit conditions. This water budget proposes to inject an estimated 930 AF of Pure Water Monterey and recover about 930 AF. The schedule of production from the Carmel Valley Alluvial Aquifer is consistent with State Water Resources Control Board (SWRCB) Order Nos. 95-10, 98-04, 2002-0002, and 2016-0016.

According to the Seaside Basin Adjudication Decision, CalAm's production has been reduced to 0 AF. The Quarterly Water Budget Group recognizes that CalAm will need to produce water to serve its customers in the Hidden Hills Distribution System and not all of the demand can be served by the intertie with the main system. Therefore, production in Laguna Seca will be tracked as a ministerial component of tracking production against the Adjudication Decision.

RECOMMENDATION: The Board should receive public input, close the Public Hearing, and discuss the proposed quarterly water supply budget. District staff recommends adoption of the proposed budget. The budget is described in detail in **Exhibit 14-B**, Quarterly Water Supply Strategy Report: **October to December 2022**.

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

If flows exceed 20 cfs at the District's Don Juan Gage, CalAm is allowed to produce from its Upper Carmel Valley Wells, which are used to supply water for injection into the Seaside Groundwater Basin. The permitted diversion season for ASR is between December 1 and May 31. Diversions to storage for ASR will be initiated whenever flows in the river are above permit threshold values. For planning purposes, the QWB group schedules diversions to ASR storage based on operational days that would occur in an average streamflow year. CalAm may also divert under Table 13 Water Rights for in-basin use within Carmel Valley when flows are adequate. This schedule is estimated with average year streamflow conditions and daily demand for Carmel Valley. CalAm will schedule the recovery of Pure Water Monterey water stored in the Seaside Basin with the goal of removing all water injected over the operational reserve for WY 2023. There is also a projected goal of producing 25 AF of treated brackish groundwater from the Sand City Desalination Plant in each of these three months.

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

EXHIBITS

14-A Quarterly Water Supply Strategy and Budget for Cal-Am Main System: October - December 2022

14-B Quarterly Water Supply Strategy and Budget Report: October - December 2022

California American Water Main Distribution System
Quarterly Water Supply Strategy and Budget: October - December 2022
Proposed Production Targets by Source and Projected Use in Acre-Feet

SOURCE/USE	MONTH			YEAR-TO-DATE		
	Oct-22	Nov-22	Dec-22	Oct-21 - Aug-22	% of YTD	% of Annual Budget
<u>Source</u>						
<u>Carmel Valley Aquifer</u>						
Upper Subunits (95-10)	0	0	100	183		
Lower Subunits (95-10)	350	250	130	3,814	97.8%	92.8%
Diversions for Injection (ASR)	0	0	145	71		
Upper and Lower (Table 13)	0	0	24	68		
Total	350	250	399			
<u>Seaside Groundwater Basin</u>						
Coastal Subareas	145	125	105	1,820	122.7%	100.0%
ASR Recovery	0	0	0	0	0.0%	0.0%
Sand City Desalination	25	25	25	107	38.9%	35.7%
Pure Water Monterey	310	310	310	3,420	106.9%	97.7%
Total	480	460	440			
<u>Total for All Sources</u>	830	710	839			
<u>Use</u>						
Customer Service (95-10 & SGB)	830	710	670			
ASR Injection	0	0	145			
Customer Service (Table 13)	0	0	24			
Total	830	710	839			

Notes:

1. The annual budget period corresponds to the Water Year, which begins on October 1 and ends on September 30 of the following Calendar Year.
2. Total monthly production for "Customer Service" in CAW's main system was calculated by multiplying total annual production (4,850 AF) times the average percentage of annual production for October, November, and December 9.1%, 7.5%, and 6.7% , respectively). According to District Rule 160, the annual production total was based on the assumption that production from the Coastal Subareas of the Seaside Groundwater Basin would not exceed 1,474 AF and production from Carmel River sources would not exceed 3,376 AF in WY 2023. The average production percentages were based on monthly data for customer service from WY 2013 to 2018.
3. Anticipated production for ASR injection is based on an average diversion rate of approximately 4,500 gallons per minute (gpm) or 19.9 AF per day from CAW's sources in the Carmel River Basin. "Total" monthly CAW "Use" includes water for customer service and water for injection into the Seaside Basin.
4. The production targets for CAW's wells in the Upper Subunits of the Carmel Valley Aquifer are set at 0 assuming low flow periods.
5. The production target for CAW's wells in the Seaside Coastal Subareas in December is based on the assumption that sufficient flow will occur in the Carmel River at the targeted levels, to support ASR injection. It is planned that Coastal Subarea pumping will not occur, or will be proportionally reduced, if ASR injection does not occur at targeted levels.
6. The production targets for CAW's wells in the Seaside Coastal Subareas are based on the need for CAW to produce its full native water allocation during WY 2023 to be in compliance with SWRCB WRO No 2016-0016.
7. It should be noted that monthly totals for Carmel Valley Aquifer sources may be different than those shown in MPWMD Rule 160, Table XV-3. These differences result from monthly target adjustments needed to be consistent with SWRCB WRO 98-04, which describes how the Cal-Am Seaside Wellfield is to be used to offset production in Carmel Valley during low-flow periods. Adjustments are also made to the Quarterly Budgets to ensure that compliance is achieved on an annual basis with MPWMD Rule 160 totals.
8. Table 13 values reflect source/use estimates based on SWRCB Permit 21330, which allows diversions from the CVA for "in Basin use" (3.25 AFD) when flows in the River exceed threshold values.

EXHIBIT 14-B

Quarterly Water Supply Strategy and Budget Report California American Water Main Water Distribution System: October - December 2022

1. Management Objectives

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

2. Quarterly Water Supply Strategy: October - December 2022

On September 8, 2022 the Quarterly Water Budget Group which includes staff from the District, CalAm, the National Marine Fisheries Services (NMFS), State Water Resources Control Board's Division of Water Rights (SWRCB-DWR), and the California Department of Fish and Wildlife (CDFW) met and discussed the proposed water supply strategy and related topics for upcoming quarter.

Carmel River Basin Cal-Am will operate its wells in the Lower Carmel Valley in a downstream to upstream sequence, as needed to meet customer demand. The group recognized that WY 2022 was a dry year and the storms in later December and early January did not result in large sustainable flows on that Carmel River that would trigger sustained ASR Operations or Table 13 Diversions. The River dropped below flow triggers for diversion of ASR and Table 13 on February 3rd and with the dry conditions additional ASR injection did not occur. For this quarterly water budget, it was agreed that CalAm would plan to produce water from the wells in the Lower Carmel Valley to support system demand. The Low Flow period as defined in SBO 2002-02 began on May 2, 2022. The first 2 months of this budget remain in the Low Flow regime using the Lower River wells and PWM Recovery as the primary sources to meet system demand. December is the first month permits allow for ASR and Table 13 Diversions. If storms in December bring River conditions within permit conditions, Cal-Am will use the Upper Valley wells to provide water for injection into the Seaside Basin while producing water from the Lower Valley and PWM Recovery to meet system demand.

Seaside Groundwater Basin Because flows in the Carmel River remain in the Low Flow regime, Cal-Am has shut off the Upper Carmel Valley wells and turned on the Seaside wellfield. The Seaside wells are currently being used to recover PWM injected water and Native Seaside Groundwater. PWM water will be recovered at the same rate injected this quarter with the goal maximizing PWM as a source to meet system demand and shift pumping away from the Carmel River Basin. There is also a goal to produce 25 AF of treated brackish groundwater from the Sand City Desalination Plant in each of these three months.

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

ITEM: PUBLIC HEARING**15. CONSIDER ADOPTION OF RESOLUTION NO. 2022-25 MODIFYING RULE 160 – REGULATORY WATER PRODUCTION TARGETS FOR CALIFORNIA AMERICAN WATER SYSTEMS**

Meeting Date:	September 19, 2022	Budgeted:	N/A
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From:	David J. Stoldt, General Manager	Program/ Line Item No.:	N/A
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Prepared By:	Jonathan Lear	Cost Estimate:	N/A
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General Counsel Review: N/A**Committee Recommendation: N/A**

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

SUMMARY: District Rule 160 specifies the regulatory water production targets that are used in the District's *Expanded Water Conservation and Standby Rationing Plan* to trigger higher stages of water conservation to facilitate California American Water (Cal-Am) compliance with the production limits set by State Water Resources Control Board (SWRCB) Orders 95-10 and 2016-0016 and the Seaside Groundwater Basin adjudication decision, as amended. Specifically, Table XV-1 in **Exhibit 15-A** shows monthly and year-to-date at month-end targets for all Cal-Am systems that derive their source of supply or rely on production offsets from the Monterey Peninsula Water Resource System (MPWRS). Similarly, Table XV-2 in **Exhibit 15-A** breaks out monthly and year-to-date at month-end targets for Cal-Am satellite systems that derive their source of supply from the Laguna Seca Subarea of the Seaside Groundwater Basin, which is part of the MPWRS. It should be noted that in WY 2022, the Seaside Adjudication decision lowers the limit in the satellite systems to 0 Acre Feet, however the compliance of CalAm with the Adjudication decision limits are calculated using production limits set for the entire Basin. In addition, Table XV-3 in **Exhibit 15-A** breaks out monthly and year-to-date at month-end targets for Cal-Am Carmel River system sources and is included to provide additional clarification as to the production target maximums for this component of the MPWRS.

It is understood that water allocated by Rule 160 constitutes the legal sources of water from the MPWRS and does not represent all of the water that will be needed to meet system demand in WY 2023. The remainder of system demand will be met through augmentation of water projects. Pure Water Monterey recovery, recovery of banked Carmel River water, and Sand City Desalination will be allocated at the Quarterly Water Budget Meetings to meet forecasted demands.

Rule 160 authorizes modifications to Tables XV-1, XV-2 and XV-3 to account for changes in the amount of water that Cal-Am is allowed to divert from the Carmel River System under the

pertinent SWRCB Orders and the amount of water that Cal-Am is allowed to produce from the Seaside Groundwater Basin under the Seaside Basin Decision, as administered by the Seaside Basin Watermaster. Any modifications to these tables must be made by Board resolution.

Resolution 2021-12 (**Exhibit 15-A**) modifies Tables XV-1, XV-2 and XV-3 of Rule 160 to account for the projected change in allowable diversions by Cal-Am from the Carmel River and Seaside Groundwater Basins for Water Year 2022.

RECOMMENDATION: District staff recommends adoption of Resolution 2022-25 (**Exhibit 15-A**) modifying Rule 160.

EXHIBIT

15-A Resolution 2022-25 Modifying Rule 160 – Regulatory Water Production Targets for California American Water Systems



DRAFT

EXHIBIT 15-A

**RESOLUTION NO. 2022-25
A RESOLUTION OF THE BOARD OF DIRECTORS OF THE
MONTEREY PENINSULA WATER MANAGEMENT DISTRICT
MODIFYING RULE 160 – REGULATORY PRODUCTION TARGETS FOR
CALIFORNIA AMERICAN WATER SYSTEMS**

WHEREAS, the Monterey Peninsula Water Management District has developed a set of rules to facilitate compliance by California American Water systems with the regulatory and legal water production limits set by the State Water Resources Control Board and the Seaside Basin Adjudication as administered by the Seaside Groundwater Basin Watermaster;

WHEREAS, District Rule 160 specifies the regulatory water production targets that are used to trigger higher stages of water conservation to ensure compliance with these legal and regulatory water production limits;

WHEREAS, these limits are subject to change by action of the State Water Resources Control Board and Seaside Groundwater Basin Watermaster;

WHEREAS, the State Water Resources Control Board adopted Order WR 2016-0016 on July 19, 2016, which requires California American Water to divert no more than 3,376 acre-feet in Water Year 2023 from its Carmel River system sources;

WHEREAS, the Monterey County Superior Court adopted an Amended Decision in the Seaside Groundwater Basin Adjudication on February 9, 2007 (*California American Water v. City of Seaside, et al.*, Case No. M66343), which requires California American Water to divert no more than 1,474 acre-feet from the Coastal Subareas and 0 acre-feet from the Laguna Seca Subarea of the Seaside Groundwater Basin in Water Year 2023;

WHEREAS, the Seaside Groundwater Basin Watermaster has not yet determined the amount of carryover credit, if any, that California American Water has from Water Year 2022 that will be available for diversion in Water Year 2023; and

WHEREAS, it is necessary to modify the monthly and year-to-date at month-end water production targets in Tables XV-1, XV-2 and XV-3 to reflect the projected quantities of production available to California American Water for diversion from the Carmel River and Seaside Groundwater Basins for Water Year 2023.

NOW THEREFORE, BE IT RESOLVED:

1. District staff shall modify Tables XV-1, XV-2 and XV-3 of District Rule 160 to reflect the projected quantities of production available to California American Water for diversion from the Carmel River and Seaside Groundwater Basins for Water Year 2023.
2. Specifically, District staff shall replace the monthly and year-to-date at month-end values presently shown in Tables XV-1, XV-2 and XV-3 of Rule 160 with the monthly and year-to-date at month-end values shown on the attached tables (**Attachment 1**).

On motion of Director _____, and second by Director _____, the foregoing resolution is duly adopted this 19th day of September 2022, by the following votes:

AYES:

NAYES:

ABSENT:

I, David J. Stoldt, Secretary of the Board of Directors of the MPWMD, hereby certify that the foregoing is a full, true and correct copy of a resolution duly adopted on the 20th day of September 2021.

Witness my hand and seal of the Board of Directors, this _____ day of September, 2022.

David J. Stoldt, Secretary to the Board

Attachment 1 to MPWMD Resolution No. 2022-25

Table XV-1
Regulatory Water Production Targets
for All California American Water Systems from Sources
Within the Monterey Peninsula Water Resource System

(All Values in Acre-Feet)

Month	Monthly Target	Year-to-Date at Month-End Target
October	443	443
November	363	806
December	335	1,141
January	366	1,507
February	328	1,835
March	383	2,218
April	385	2,603
May	438	3,041
June	437	3,478
July	468	3,946
August	470	4,416
September	434	4,850
TOTAL	4,850	---

Notes:

Monthly and year-to-date at month-end production targets are based on the annual production limit specified for the California American Water (Cal-Am) systems for Water Year (WY) 2023 from Carmel River sources per State Water Resources Control Board Order WR 2016-0016 (3,376 acre-feet) and adjusted annual production limits specified for the Cal-Am satellite systems from its Coastal Subarea sources (1,474 acre-feet) and Laguna Seca Subarea sources (0 acre-feet) of the Seaside Groundwater Basin per the Seaside Basin adjudication decision. These values do not include consideration of any carryover credit in the Seaside Basin for WY 2023. This combined total (4,850 acre-feet) was distributed monthly based on Cal-Am's reported monthly average production for its main and satellite systems during the 2013 through 2018 period.

Table XV-2
Regulatory Water Production Targets
for California American Water Satellite Systems from Sources
Within the Monterey Peninsula Water Resource System

(All Values in Acre-Feet)

Month	Monthly Target	Year-to-Date at Month-End Target
October	0	0
November	0	0
December	0	0
January	0	0
February	0	0
March	0	0
April	0	0
May	0	0
June	0	0
July	0	0
August	0	0
September	0	0
TOTAL	0	---

Notes:

Monthly and year-to-date at month-end production targets are based on the adjusted annual production limit specified for the California American Water (Cal-Am) satellite systems for Water Year 2023 from its sources in the Laguna Seca Subarea of the Seaside Groundwater Basin per the Seaside Basin adjudication decision. This Laguna Seca Subarea total (0 acre-feet) was distributed monthly based on Cal-Am's reported monthly average production for its satellite systems during the 2013 through 2018 period.

Table XV-3
Regulatory Water Production Targets
for California American Water Systems from Carmel River Sources
Within the Monterey Peninsula Water Resource System

(All Values in Acre-Feet)

Month	Monthly Target	Year-to-Date at Month-End Target
October	308	308
November	252	560
December	234	794
January	256	1,049
February	228	1,277
March	266	1,544
April	268	1,812
May	305	2,116
June	304	2,421
July	326	2,747
August	327	3,074
September	302	3,376
TOTAL	3,376	---

Notes:

Monthly and year-to-date at month-end production targets are based on the annual production limit specified for California American Water (Cal-Am) for Water Year (WY) 2023 from its Carmel River system sources per State Water Resources Control Board Order WR 2016-0016 (3,376 acre-feet). This amount was distributed monthly based on Cal-Am's reported monthly average production for its Main system sources during the 2013 through 2018 period. These values incorporate consideration of the triennial reductions specified for the Cal-Am systems in the Seaside Basin adjudication decision, in setting the monthly maximum production targets from each source as part of the MPWMD Quarterly Water Supply Budget Strategy.

ITEM: PUBLIC HEARING**16. CONSIDER SECOND READING AND ADOPTION OF ORDINANCE NO. 192 TO DEFINE MONTAGE HEALTH'S MAIN CAMPUS, CARMEL HILLS PROFESSIONAL CENTER, AND RYAN RANCH CAMPUS AS THE "COMMUNITY HOSPITAL SITE" AND AMEND DEFINITIONS OF "SITE" AND "PARCEL"**

Meeting Date: September 19, 2022 **Budgeted:** N/A

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

Prepared By: Stephanie Locke **Cost Estimate:** N/A

General Counsel Review: Yes

Committee Recommendation: The Water Demand Committee voted unanimously to recommend approval at its July 7, 2022, meeting.

CEQA Compliance: An Initial Study and Notice of Intent to Adopt a Negative Declaration was circulated for 20 days. No comments were received. The Board should adopt the Negative Declaration as part of its consideration of adoption.

SUMMARY: Draft Ordinance No. 192 (**Exhibit 16-A**) responds to direction from the Board of Directors to prepare an ordinance that amends Rule 11, *Definitions*, to define the Ryan Ranch Campus as a "Community Hospital Site" for future expansions and establish a process for the Montage Health properties (Community Hospital of the Monterey Peninsula [CHOMP] and Ryan Ranch Campus) to utilize their existing unused "hospital water use limit" of 119.28 Acre-Feet Annually (AFA) of water that is approved on Assessor's Parcel Number 008-132-011.

The following summarizes the sections of Ordinance No. 192:

1. Rule 11 (Definitions) is amended to add a new definition for "Community Hospital Site."

COMMUNITY HOSPITAL SITE - "Hospital Site" shall mean all facilities and properties owned by Montage Health that are patient care facilities located at the following parcels (Assessor's Parcel Numbers: 008-132-011, 259-221-002, 259-221-004, and 008-132-005) within the MPWMD and that are supplied water by California American Water.

2. Rule 11 (Definitions) is amended to add "Community Hospital Site" to the definition of "Site."

SITE - "Site" shall mean any unit of land which qualifies as a Parcel under the Subdivision Map Act, and shall include all units of land: (1) which are contiguous to any other Parcel (or are separated only by a road or easement), and (2) which have identical owners, or (3) are an Accredited Institution of Higher Education Site, a Department of Defense Site, a

Jurisdiction Site, ~~or~~ a Public School District Site, *or Community Hospital Site*. The term “Site” shall be given the same meaning as the term “Parcel.”

3. Rule 11 (Definitions) is amended to add “Community Hospital Site” to the definition of “Parcel.”

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

A similar consideration was given to Primary and Secondary Public School District Sites when the Board adopted Ordinance No. 162 on August 18, 2014, to amend Rule 11 and add definition for “Public School District Site.” Similarly, the Board adopted Ordinance No. 176 on February 6, 2017, to amend Rule 11 and added definitions for “Accredited Institution of Higher Education Site” and “Jurisdiction Site”.

The Water Demand Committee supports and recommends the Board approve the proposed process to allow utilization of the existing “hospital water use limit” at the Ryan Ranch Campus owned by Montage Health.

An Initial Study and Notice of Intent to Adopt a Negative Declaration (**Exhibit 16-B**) was filed with the County Clerk on August 18, 2022. The review period was from August 18 through September 8, 2022. No comments were received, and the Board should consider adoption of the following Negative Declaration before adoption of the ordinance:

FINDING: Based on the Initial Study and the analysis, documents and record supporting the Initial Study, the Monterey Peninsula Water Management District Board of Directors finds that adoption of Ordinance No. 187 does not have a significant effect on the environment.

RECOMMENDATION: Following a public hearing, the Board should approve the CEQA finding and approve adoption of Ordinance No. 192. Staff will file the appropriate Notice of Determination following adoption.

BACKGROUND: Montage Health in the Ryan Ranch Campus must obtain a Water Permit for a 50,000 square-foot cancer treatment building, which has been planned and pre-approved by the City of Monterey. Using Rule 24, Table 2, *Non-Residential Water Use Factors*, the proposed medical building has an anticipated Water Use Capacity of 3.5 AFA. However, the Ryan Ranch System is under a moratorium on new Connections and Intensification of Use. Due to the shortage of land at the CHOMP Site, medical buildings were constructed in Ryan Ranch in the City of Monterey. The Ryan Ranch Campus currently consists of four medical buildings, including the breast care center. These buildings obtained Water Permits by obtaining Seaside Basin water rights from private entities at a high purchase cost. CHOMP is clearly a unique water user in the community and its facilities are beneficial to residents of Monterey County. Montage Health must have the facilities to provide treatment and services to its patients.

On July 21, 2003, the Board approved Special Circumstances, pursuant to Rule 24-G, setting a “hospital water use limit” of 119.28 AFA for CHOMP. The hospital water use limit is restricted to hospital related uses on Assessor’s Parcel Number: 008-132-011, which is the Site of the main hospital building on Holman Highway. CHOMP’s actual consumption usage has an average use of 82.606 AF per year, resulting 36.674 AF of water under the “hospital water use limit” of 119.28 AF.

Montage Health’s mission and commitment is to deliver exceptional value-based care for all people in Monterey County. To do this, Montage Health needs to have the water for its projects so that it can comply with District law when a project moves forward.

Ordinance No. 192 amends Rule 11, *Definitions*, to clarify definitions of “Site”, “Parcel” and introduces a new definition of “Community Hospital Site,” making the Carmel Hills Professional Center and the Ryan Ranch Campus part of the “Community Hospital Site” that was recognized when the Board approved CHOMP’s “hospital water use limit” of 119.28 Acre-Feet (AF). This approval will allow the issuance of a Water Permit for the important cancer treatment building.

EXHIBITS

16-A Draft Ordinance No. 192

16-B Initial Study and Notice of Intent to Adopt Negative Declaration



EXHIBIT 16-A

DRAFT FOR 2ND READING

ORDINANCE NO. 192

**AN ORDINANCE OF THE BOARD OF DIRECTORS
OF
THE MONTEREY PENINSULA WATER MANAGEMENT DISTRICT
TO DEFINE MONTAGE HEALTH'S MAIN CAMPUS, CARMEL HILLS
PROFESSIONAL CENTER, AND RYAN RANCH CAMPUS AS
THE "COMMUNITY HOSPITAL SITE"
AND AMEND DEFINITIONS OF "SITE" AND "PARCEL"**

FINDINGS

1. The Monterey Peninsula Water Management District ("MPWMD" or "District") was created to address ground and surface water resources in the Monterey Peninsula area which the Legislature found required integrated management and was endowed with the powers set forth in the Monterey Peninsula Water Management District Law (Chapter 527 of the Statutes of 1977, found at West's Water Code, Appendix, Section 118-1, et seq.).
2. The MPWMD has found and determined that it is in the best interests of the MPWMD and its inhabitants to define, implement, and enforce water efficient plumbing standards and requirements for the conservation and management of Potable water supplies. As part of these efforts, all Non-Residential water Users in the MPWMD have been required to implement Best Management Practices to achieve maximum water savings.
3. MPWMD Regulations require a Water Permit before any Person connects to or modifies a Connection to a Water Distribution System regulated by the MPWMD. This process is described in MPWMD Rules 21, 23, and 24. The addition of any Connection and/or modification of an existing water Connection to any Water Distribution System regulated by the MPWMD requires a Water Permit.
4. This ordinance amends Rule 11, Definitions, to add a definition for "Community Hospital Site" and to amend the definitions for "Site" and "Parcel."

5. Montage Health (dba Community Hospital of the Monterey Peninsula, Community Hospital Properties, Montage Health Foundation, and Community Hospital Ryan Ranch) owns Assessor's Parcel Numbers ("APN") 008-132-011, 008-132-006, and 008-131-015 (the "Main Campus" and the adjacent "Carmel Hills Medical Center" located at 23625 and 23845 Holman Highway in Monterey). Montage Health also owns APNs 259-221-003 (medical condominiums and common area), 259-221-001, 259-221-002, 259-221-004, 259-221-005, 259-031-055, and 259-031-056 at its "Ryan Ranch Campus" and provides hospital services at both locations. These APNs are located within the MPWMD, are served by California-American Water Company, and are located within the City of Monterey.
6. Ordinance No. 87 which was adopted in 1997 established an allocation of water specifically for Montage Health build-out at the Main Campus location. The Ordinance created a special community reserve allocation of 18.28 acre-feet ("AF") of water that was created exclusively for the benefit of Montage Health. This allocation was debited from the amount of water conserved to date at that time under the District's 1989 Conservation Plan.
7. Two later actions were taken by the District: (i) at the May 29, 2003 District Board meeting Ordinance No. 87 was unanimously affirmed to remain in place, and (ii) at the July 21, 2003 meeting the District Board approved Special Circumstances pursuant to MPWMD Rule 24-G and established an overall "water consumption cap" of 119.28 AF at the Main Campus.
8. Montage Health is required to annually provide water records to the District to ensure that usage remains below the "water consumption cap." If usage exceeds the cap, Montage Health will be required to take immediate measures to reduce water use to comply. This requirement is permanent.
9. District staff has examined the most recent eight years and five months of actual consumption records for the Main Campus, and average use has been 82.606 AF per year. This means that Montage Health has "unused" Capacity under its "water consumption cap" equal to 36.674 AF. Bringing both campuses under the existing cap would add the Ryan Ranch usage to the historical Montage Health usage, minus water permitted at the Ryan Ranch Site from the Cypress Investors, LLC and DBO Development No. 30 Water Entitlements. The Ryan Ranch Campus usage is estimated to be approximately 13.5 AF based on permits or 14.5 AF based on limited recent billing data. At least 22.2 AF would be available to Montage Health across their whole newly defined "Community Hospital Site."

10. Montage Health has a present need to access some of the remaining Capacity from the Main Campus to construct a building at the Ryan Ranch Campus that will be used to relocate some of the services from the Main Campus.
11. By combining the Montage Health campuses to create a “Site,” the remaining Capacity will be available to meet the community’s health care needs at both the Main Campus, the Ryan Ranch campus, and the Carmel Hills Medical Center.
12. The addition of a definition for “Community Hospital Site” and the amendment of the definition of “Parcel” and “Site” supports critical local hospital/health services and does not result in an increase in Water Use Capacity.
13. An Initial Study was prepared in compliance with the California Environmental Quality Act (“CEQA”) and a Negative Declaration will be considered prior to adoption following second reading.

NOW THEREFORE be it ordained as follows:

ORDINANCE

Section One: Short Title

This ordinance shall be known as the 2022 Community Hospital Ordinance of the Monterey Peninsula Water Management District.

Section Two: Purpose

The Monterey Peninsula Water Management District enacts this ordinance to amend the definition of “Parcel” and “Site” to include the added definition for “Community Hospital Site” to facilitate use of the Montage Health water consumption cap at the Holman Highway and the Ryan Ranch properties.

Section Three: Amendment of Rule 11, Definitions

The following definitions in Rule 11 shall be amended as shown in bold italics (*new language*) and strikeout (~~deletions~~). Numbering is provided for reference only.

1. ***COMMUNITY HOSPITAL SITE*** - “*Community Hospital Site*” shall mean all facilities and properties owned by Montage Health (related subsidiaries or entities) that are used for hospital and health care and the associated landscaping located on the following Parcels: Assessor’s Parcel Numbers 008-132-011, 008-132-006 (23625 Holman Highway, Monterey; APN 008-131-015 (23845 Holman Highway, Monterey); and APNs 259-221-003 (a Parcel with a building consisting of medical condominiums and common area), 259-221-001, 259-221-002, 259-221-004, 259-221-005, 259-031-055, and 259-031-056 located in the Ryan Ranch Business Park in Monterey.

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

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

Section Four: Publication and Application

The provisions of this ordinance shall cause the amendment and republication of Rule 11 of the permanent Rules and Regulations of the Monterey Peninsula Water Management District.

Section Five: Effective Date and Sunset

This ordinance shall take effect at 12:01 a.m. 30 days after second reading.

This Ordinance shall not have a sunset date.

Section Six: Severability

If any subdivision, sentence, clause, or phrase of this ordinance is, for any reason, held to be invalid or unenforceable by a court of competent jurisdiction, such invalidity or unenforceability shall not affect the validity or enforcement of the remaining portions of this ordinance, or of any other provisions of the Monterey Peninsula Water Management District Rules and Regulations. It is the District's express intent that each remaining portion would have been adopted irrespective of the fact that one or more subdivisions, paragraphs, sentences, clauses, or phrases be declared invalid or unenforceable.

On motion of Director _____, and second by Director _____, the foregoing ordinance is adopted upon this ____ day of _____ 2022, by the following vote:

AYES:

NAYS:

ABSENT:

I, David J. Stoldt, Secretary to the Board of Directors of the Monterey Peninsula Water Management District, hereby certify the foregoing ordinance was duly adopted on the ____ day of _____ 2022.

David J. Stoldt, Secretary to the Board

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**NOTICE OF INTENT TO ADOPT A NEGATIVE DECLARATION
AND
PROPOSED NEGATIVE DECLARATION
For MPWMD Board review on September 19, 2022**

1. **PROJECT TITLE:** Consideration of Adoption of Ordinance No. 192: "2022 Community Hospital Ordinance of the Monterey Peninsula Water Management District."
2. **DESCRIPTION AND LOCATION OF PROJECT:** Ordinance No. 192 adds a new definition to Rule 11 for "Community Hospital Site" and amends the definitions of "Parcel" and "Site" to include "Community Hospital Site" to facilitate use of the Montage Health's "water consumption cap" at specific properties on Holman Highway and in Ryan Ranch in the City of Monterey. This action will allow Montage Health ("Montage") to spread its under-utilized Water Use Capacity between its Monterey Holman Highway properties (aka "Main CHOMP Campus") and its Ryan Ranch campus. Similar combined Site definitions were adopted for the Department of Defense in Ordinance No. 187 in July 2021, primary and secondary public school district Sites with the adoption of Ordinance No. 162 in August 2014, and "Accredited Institution of Higher Education Site" and "Jurisdiction Site" by adoption of Ordinance No. 176 in February 2017.

The Project Site is located wholly in the City of Monterey, California, and is provided water by California-American Water Company. The proposed definition is: *"Community Hospital Site" shall mean all facilities and properties owned by Montage Health (related subsidiaries or entities) that are used for hospital and health care and the associated landscaping located on the following Parcels: Assessor's Parcel Numbers 008-132-011, 008-132-006 (23625 Holman Highway, Monterey; APN 008-131-015 (23845 Holman Highway, Monterey); and APNs 259-221-003 (a Parcel with a building consisting of medical condominiums and common area), 259-221-001, 259-221-002, 259-221-004, 259-221-005, 259-031-055, and 259-031-056 located in the Ryan Ranch Business Park in Monterey.*

3. **REVIEW PERIOD:** The Review Period is August 18, 2022, through September 8, 2022. CEQA allows a 20-day comment period for issues of local importance. Comments may be submitted by email to gabby@mpwmd.net or may be mailed to the District office: MPWMD, PO Box 85, Monterey, CA 93942-0085. Comments must be received before 4 p.m. on September 8, 2022.
4. **PUBLIC MEETINGS:** The first reading of Ordinance No. 192 was considered at the MPWMD Board meeting of August 15, 2022. The second reading and adoption is scheduled for public hearing on September 19, 2022 at 6:00 p.m. via Zoom. Information to join the Zoom meeting will be posted to the District's website the Friday before the meeting at <https://www.mpwmd.net/who-we-are/board-of-directors/bod-meeting-agendas-calendar/> or email gabby@mpwmd.net to receive meeting information via email.
5. **LOCATION OF DOCUMENTS:** The proposed Negative Declaration and Initial Study are available for review on the District's website at <https://www.mpwmd.net/regulations/public-notice/>. The staff contact is Gabriela Bravo at Gabby@mpwmd.net or 831-58-5601.
6. **PROPOSED FINDING SUPPORTING NEGATIVE DECLARATION:** Based on the Initial Study and the analysis, documents and record supporting the Initial Study, the Monterey Peninsula Water Management District Board of Directors finds that adoption of Ordinance No. 187 does not have a significant effect on the environment.

**CEQA Environmental Checklist
MPWMD ORDINANCE NO. 192**

PROJECT DESCRIPTION AND BACKGROUND

Project Title:	Consideration of Adoption of Ordinance No. 192: "2022 Community Hospital Ordinance of the Monterey Peninsula Water Management District."
Lead agency name and address:	Monterey Peninsula Water Management District (MPWMD), P.O. Box 85, Monterey, CA 93942-0085 [Street Address: 5 Harris Court, Bldg. G, Monterey, CA 93940]
Contact person and phone number:	Gabriela Bravo, 831/658-5601 and gabby@mpwmd.net
Project Location:	Assessor's Parcel Numbers 008-132-011, 008-132-006 (23625 Holman Highway, Monterey; APN 008-131-015 (23845 Holman Highway, Monterey); and APNs 259-221-003 (a Parcel with a building consisting of medical condominiums and common area), 259-221-001, 259-221-002, 259-221-004, 259-221-005, 259-031-055, and 259-031-056 located in the Ryan Ranch Business Park in Monterey.
Project sponsor's name and address:	Monterey Peninsula Water Management District, P.O. Box 85, Monterey, CA 93942-0085 (Street address: 5 Harris Court, Bldg. G, Monterey, CA 93940)
General plan description:	Varies
Zoning:	Planned Community, Commercial Office, and Industrial
Description of project: (Describe the whole action involved, including but not limited to later phases of the project, and any secondary, support, or off-site features necessary for its implementation.)	Proposed Ordinance No. 192 (Attachment 1) adds a new definition to Rule 11 for "Community Hospital Site" and amends the definitions of "Parcel" and "Site" to include the "Community Hospital Site" to facilitate use of the Montage Health's "water consumption cap" at specific properties on Holman Highway and in Ryan Ranch in the City of Monterey.
Surrounding land uses and setting; briefly describe the project's surroundings:	The Project Site is located wholly in the City of Monterey, California, and is provided water by California-American Water Company.
Other public agencies whose approval is required (e.g. permits, financial approval, or participation agreements):	None
Have California Native American tribes traditionally and culturally affiliated with the project area requested consultation pursuant to public Resources Code section 21080.3.1? If so, is there a plan for consultation that includes, for example, the determination of significance of impacts to tribal cultural resources, procedures regarding confidentiality, etc.?	No.

ENVIRONMENTAL FACTORS POTENTIALLY AFFECTED:

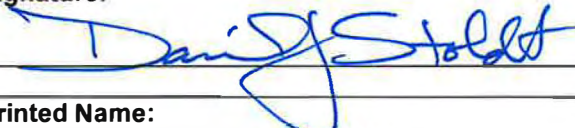
The environmental factors checked below would be potentially affected by this project. Please see the checklist beginning on page 3 for additional information.

<input type="checkbox"/>	Aesthetics	<input type="checkbox"/>	Agriculture and Forestry	<input type="checkbox"/>	Air Quality
<input type="checkbox"/>	Biological Resources	<input type="checkbox"/>	Cultural Resources	<input type="checkbox"/>	Geology/Soils
<input type="checkbox"/>	Greenhouse Gas Emissions	<input type="checkbox"/>	Hazards and Hazardous Materials	<input type="checkbox"/>	Hydrology/Water Quality
<input type="checkbox"/>	Land Use/Planning	<input type="checkbox"/>	Mineral Resources	<input type="checkbox"/>	Noise
<input type="checkbox"/>	Population/Housing	<input type="checkbox"/>	Public Services	<input type="checkbox"/>	Recreation
<input type="checkbox"/>	Transportation/Traffic	<input type="checkbox"/>	Utilities/Service Systems	<input type="checkbox"/>	Mandatory Findings of Significance
<input type="checkbox"/>	Wildfire	<input type="checkbox"/>	Energy	<input type="checkbox"/>	Tribal Cultural Resources

DETERMINATION:

On the basis of this initial evaluation:

<input checked="" type="checkbox"/>	I find that the proposed project COULD NOT have a significant effect on the environment, and a NEGATIVE DECLARATION will be prepared.
<input type="checkbox"/>	I find that although the proposed project could have a significant effect on the environment, there will not be a significant effect in this case because revisions in the project have been made by or agreed to by the project proponent. A MITIGATED NEGATIVE DECLARATION will be prepared.
<input type="checkbox"/>	I find that the proposed project MAY have a significant effect on the environment, and an ENVIRONMENTAL IMPACT REPORT is required.
<input type="checkbox"/>	I find that the proposed project MAY have a "potentially significant impact" or "potentially significant unless mitigated" impact on the environment, but at least one effect 1) has been adequately analyzed in an earlier document pursuant to applicable legal standards, and 2) has been addressed by mitigation measures based on the earlier analysis as described on attached sheets. An ENVIRONMENTAL IMPACT REPORT is required, but it must analyze only the effects that remain to be addressed.
<input type="checkbox"/>	I find that although the proposed project could have a significant effect on the environment, because all potentially significant effects (a) have been analyzed adequately in an earlier EIR or NEGATIVE DECLARATION pursuant to applicable standards, and (b) have been avoided or mitigated pursuant to that earlier EIR or NEGATIVE DECLARATION , including revisions or mitigation measures that are imposed upon the proposed project, nothing further is required

Signature: 	Date: 8-18-22
Printed Name: David J. Stoldt, General Manager	

CEQA Environmental Checklist

This checklist identifies physical, biological, social and economic factors that might be affected by the proposed project. In many cases, background studies performed in connection with the projects indicate no impacts. A NO IMPACT answer in the last column reflects this determination. Where there is a need for clarifying discussion, the discussion is included either following the applicable section of the checklist or is within the body of the environmental document itself. The words "significant" and "significance" used throughout the following checklist are related to CEQA, not NEPA, impacts. The questions in this form are intended to encourage the thoughtful assessment of impacts and do not represent thresholds of significance.

	Potentially Significant Impact	Less Than Significant with Mitigation	Less Than Significant Impact	No Impact
I. AESTHETICS: Would the project:				
a) Have a substantial adverse effect on a scenic vista	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Substantially damage scenic resources, including, but not limited to, trees, rock outcroppings, and historic buildings within a state scenic highway	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c) Substantially degrade the existing visual character or quality of the site and its surroundings?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d) Create a new source of substantial light or glare which would adversely affect day or nighttime views in the area?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
II. AGRICULTURE AND FOREST RESOURCES:				
In determining whether impacts to agricultural resources are significant environmental effects, lead agencies may refer to the California Agricultural Land Evaluation and Site Assessment Model (1997) prepared by the California Dept. of Conservation as an optional model to use in assessing impacts on agriculture and farmland. In determining whether impacts to forest resources, including timberland, are significant environmental effects, lead agencies may refer to information compiled by the California Department of Forestry and Fire Protection regarding the state's inventory of forest land, including the Forest and Range Assessment Project and the Forest Legacy Assessment Project; and the forest carbon measurement methodology provided in Forest Protocols adopted by the California Air Resources Board. Would the project:				
a) Convert Prime Farmland, Unique Farmland, or Farmland of Statewide Importance (Farmland), as shown on the maps prepared pursuant to the Farmland Mapping and Monitoring Program of the California Resources Agency, to non-agricultural use?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Conflict with existing zoning for agricultural use, or a Williamson Act contract?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

	Potentially Significant Impact	Less Than Significant with Mitigation	Less Than Significant Impact	No Impact
c) Conflict with existing zoning for, or cause rezoning of, forest land (as defined in Public Resources Code section 12220(g)), timberland (as defined by Public Resources Code section 4526), or timberland zoned Timberland Production (as defined by Government Code section 51104(g))?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d) Result in the loss of forest land or conversion of forest land to non-forest use?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
e) Involve other changes in the existing environment which, due to their location or nature, could result in conversion of Farmland, to non-agricultural use or conversion of forest land to non-forest use?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
III. AIR QUALITY: Where available, the significance criteria established by the applicable air quality management or air pollution control district may be relied upon to make the following determinations. Would the project:				
a) Conflict with or obstruct implementation of the applicable air quality plan?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Violate any air quality standard or contribute substantially to an existing or projected air quality violation?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c) Result in a cumulatively considerable net increase of any criteria pollutant for which the project region is non- attainment under an applicable federal or state ambient air quality standard (including releasing emissions which exceed quantitative thresholds for ozone precursors)?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d) Expose sensitive receptors to substantial pollutant concentrations?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
e) Create objectionable odors affecting a substantial number of people?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
IV. BIOLOGICAL RESOURCES: Would the project:				
a) Have a substantial adverse effect, either directly or through habitat modifications, on any species identified as a candidate, sensitive, or special status species in local or regional plans, policies, or regulations, or by the California Department of Fish and Game or U.S. Fish and Wildlife Service?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Have a substantial adverse effect on any riparian habitat or other sensitive natural community identified in local or regional plans, policies, regulations or by the California Department of Fish and Game or US Fish and Wildlife Service?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

	Potentially Significant Impact	Less Than Significant with Mitigation	Less Than Significant Impact	No Impact
c) Have a substantial adverse effect on federally protected wetlands as defined by Section 404 of the Clean Water Act (including, but not limited to, marsh, vernal pool, coastal, etc.) through direct removal, filling, hydrological interruption, or other means?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d) Interfere substantially with the movement of any native resident or migratory fish or wildlife species or with established native resident or migratory wildlife corridors, or impede the use of native wildlife nursery sites?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
e) Conflict with any local policies or ordinances protecting biological resources, such as a tree preservation policy or ordinance?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
f) Conflict with the provisions of an adopted Habitat Conservation Plan, Natural Community Conservation Plan, or other approved local, regional, or state habitat conservation plan?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

V. CULTURAL RESOURCES: Would the project:

a) Cause a substantial adverse change in the significance of a historical resource as defined in §15064.5?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Cause a substantial adverse change in the significance of an archaeological resource pursuant to §15064.5?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c) Directly or indirectly destroy a unique paleontological resource or site or unique geologic feature?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d) Disturb any human remains, including those interred outside of formal cemeteries?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

VI. GEOLOGY AND SOILS: Would the project:

a) Expose people or structures to potential substantial adverse effects, including the risk of loss, injury, or death involving:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
i) Rupture of a known earthquake fault, as delineated on the most recent Alquist-Priolo Earthquake Fault Zoning Map issued by the State Geologist for the area or based on other substantial evidence of a known fault? Refer to Division of Mines and Geology Special Publication 42?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
ii) Strong seismic ground shaking?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
iii) Seismic-related ground failure, including liquefaction?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

	Potentially Significant Impact	Less Than Significant with Mitigation	Less Than Significant Impact	No Impact
iv) Landslides?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Result in substantial soil erosion or the loss of topsoil?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c) Be located on a geologic unit or soil that is unstable, or that would become unstable as a result of the project, and potentially result in on- or off-site landslide, lateral spreading, subsidence, liquefaction or collapse?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d) Be located on expansive soil, as defined in Table 18-1-B of the Uniform Building Code (1994), creating substantial risks to life or property?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
e) Have soils incapable of adequately supporting the use of septic tanks or alternative waste water disposal systems where sewers are not available for the disposal of waste water?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

VII. GREENHOUSE GAS EMISSIONS: Would the project:

a) Generate greenhouse gas emissions, either directly or indirectly, that may have a significant impact on the environment?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Conflict with an applicable plan, policy or regulation adopted for the purpose of reducing the emissions of greenhouse gases?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

VIII. HAZARDS AND HAZARDOUS MATERIALS: Would the project:

a) Create a significant hazard to the public or the environment through the routine transport, use, or disposal of hazardous materials?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Create a significant hazard to the public or the environment through reasonably foreseeable upset and accident conditions involving the release of hazardous materials into the environment?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c) Emit hazardous emissions or handle hazardous or acutely hazardous materials, substances, or waste within one-quarter mile of an existing or proposed school?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

	Potentially Significant Impact	Less Than Significant with Mitigation	Less Than Significant Impact	No Impact
d) Be located on a site which is included on a list of hazardous materials sites compiled pursuant to Government Code Section 65962.5 and, as a result, would it create a significant hazard to the public or the environment?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
e) For a project located within an airport land use plan or, where such a plan has not been adopted, within two miles of a public airport or public use airport, would the project result in a safety hazard for people residing or working in the project area?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
f) For a project within the vicinity of a private airstrip, would the project result in a safety hazard for people residing or working in the project area?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
g) Impair implementation of or physically interfere with an adopted emergency response plan or emergency evacuation plan?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
h) Expose people or structures to a significant risk of loss, injury or death involving wildland fires, including where wildlands are adjacent to urbanized areas or where residences are intermixed with wildlands?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

IX. HYDROLOGY AND WATER QUALITY: Would the project:

a) Violate any water quality standards or waste discharge requirements?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Substantially deplete groundwater supplies or interfere substantially with groundwater recharge such that there would be a net deficit in aquifer volume or a lowering of the local groundwater table level (e.g., the production rate of pre-existing nearby wells would drop to a level which would not support existing land uses or planned uses for which permits have been granted)?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c) Substantially alter the existing drainage pattern of the site or area, including through the alteration of the course of a stream or river, in a manner which would result in substantial erosion or siltation on- or off-site?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d) Substantially alter the existing drainage pattern of the site or area, including through the alteration of the course of a stream or river, or substantially increase the rate or amount of surface runoff in a manner which would result in flooding on- or off-site?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
e) Create or contribute runoff water which would exceed the capacity of existing or planned stormwater drainage systems or provide substantial additional sources of polluted runoff?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
f) Otherwise substantially degrade water quality?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

	Potentially Significant Impact	Less Than Significant with Mitigation	Less Than Significant Impact	No Impact
g) Place housing within a 100-year flood hazard area as mapped on a federal Flood Hazard Boundary or Flood Insurance Rate Map or other flood hazard delineation map?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
h) Place within a 100-year flood hazard area structures which would impede or redirect flood flows?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
i) Expose people or structures to a significant risk of loss, injury or death involving flooding, including flooding as a result of the failure of a levee or dam?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
j) Inundation by seiche, tsunami, or mudflow	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

X. LAND USE AND PLANNING: Would the project:

a) Physically divide an established community?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Conflict with any applicable land use plan, policy, or regulation of an agency with jurisdiction over the project (including, but not limited to the general plan, specific plan, local coastal program, or zoning ordinance) adopted for the purpose of avoiding or mitigating an environmental effect?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c) Conflict with any applicable habitat conservation plan or natural community conservation plan?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

XI. MINERAL RESOURCES: Would the project:

a) Result in the loss of availability of a known mineral resource that would be of value to the region and the residents of the state?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Result in the loss of availability of a locally-important mineral resource recovery site delineated on a local general plan, specific plan or other land use plan?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

XII. NOISE: Would the project result in:

a) Exposure of persons to or generation of noise levels in excess of standards established in the local general plan or noise ordinance, or applicable standards of other agencies?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Exposure of persons to or generation of excessive groundborne vibration or groundborne noise levels?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c) A substantial permanent increase in ambient noise levels in the project vicinity above levels existing without the project?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

	Potentially Significant Impact	Less Than Significant with Mitigation	Less Than Significant Impact	No Impact
d) A substantial temporary or periodic increase in ambient noise levels in the project vicinity above levels existing without the project?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
e) For a project located within an airport land use plan or, where such a plan has not been adopted, within two miles of a public airport or public use airport, would the project expose people residing or working in the project area to excessive noise levels?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
) For a project within the vicinity of a private airstrip, would the project expose people residing or working in the project area to excessive noise levels?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

XIII. POPULATION AND HOUSING: Would the project:

a) Induce substantial population growth in an area, either directly (for example, by proposing new homes and businesses) or indirectly (for example, through extension of roads or other infrastructure)?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Displace substantial numbers of existing housing, necessitating the construction of replacement housing elsewhere?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c) Displace substantial numbers of people, necessitating the construction of replacement housing elsewhere?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

XIV. PUBLIC SERVICES:

a) Would the project result in substantial adverse physical impacts associated with the provision of new or physically altered governmental facilities, need for new or physically altered governmental facilities, the construction of which could cause significant environmental impacts, in order to maintain acceptable service ratios, response times or other performance objectives for any of the public services:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Fire protection?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Police protection?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Schools?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Parks?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Other public facilities?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

	Potentially Significant Impact	Less Than Significant with Mitigation	Less Than Significant Impact	No Impact
XV. RECREATION:				
a) Would the project increase the use of existing neighborhood and regional parks or other recreational facilities such that substantial physical deterioration of the facility would occur or be accelerated?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Does the project include recreational facilities or require the construction or expansion of recreational facilities which might have an adverse physical effect on the environment?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
XVI. TRANSPORTATION/TRAFFIC: Would the project:				
a) Conflict with an applicable plan, ordinance or policy establishing measures of effectiveness for the performance of the circulation system, taking into account all modes of transportation including mass transit and non-motorized travel and relevant components of the circulation system, including but not limited to intersections, streets, highways and freeways, pedestrian and bicycle paths, and mass transit?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Conflict with an applicable congestion management program, including, but not limited to level of service standards and travel demand measures, or other standards established by the county congestion management agency for designated roads or highways?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c) Result in a change in air traffic patterns, including either an increase in traffic levels or a change in location that results in substantial safety risks?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d) Substantially increase hazards due to a design feature (e.g., sharp curves or dangerous intersections) or incompatible uses (e.g., farm equipment)?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
e) Result in inadequate emergency access?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
f) Conflict with adopted policies, plans or programs regarding public transit, bicycle, or pedestrian facilities, or otherwise decrease the performance or safety of such facilities?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
XVII. UTILITIES AND SERVICE SYSTEMS: Would the project:				
a) Exceed wastewater treatment requirements of the applicable Regional Water Quality Control Board?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Require or result in the construction of new water or wastewater treatment facilities or expansion of existing facilities, the construction of which could cause significant environmental effects?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

	Potentially Significant Impact	Less Than Significant with Mitigation	Less Than Significant Impact	No Impact
c) Require or result in the construction of new storm water drainage facilities or expansion of existing facilities, the construction of which could cause significant environmental effects?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d) Have sufficient water supplies available to serve the project from existing entitlements and resources, or are new or expanded entitlements needed?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
e) Result in a determination by the wastewater treatment provider which serves or may serve the project that it has adequate capacity to serve the project's projected demand in addition to the provider's existing commitments?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
f) Be served by a landfill with sufficient permitted capacity to accommodate the project's solid waste disposal needs?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
g) Comply with federal, state, and local statutes and regulations related to solid waste?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

XVIII. MANDATORY FINDINGS OF SIGNIFICANCE

a) Does the project have the potential to degrade the quality of the environment, substantially reduce the habitat of a fish or wildlife species, cause a fish or wildlife population to drop below self-sustaining levels, threaten to eliminate a plant or animal community, substantially reduce the number or restrict the range of a rare or endangered plant or animal or eliminate important examples of the major periods of California history or prehistory?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Does the project have impacts that are individually limited, but cumulatively considerable? ("Cumulatively considerable" means that the incremental effects of a project are considerable when viewed in connection with the effects of past projects, the effects of other current projects, and the effects of probable future projects)?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c) Does the project have environmental effects which will cause substantial adverse effects on human beings, either directly or indirectly?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

DISCUSSION OF CHECKLIST ITEMS:

For all items, no impact was identified. The project adds a definition to MPWMD Rule 11, *Definitions*, to add a definition for "Community Hospital Site." This action will allow Montage Health ("Montage") to spread its under-utilized Water Use Capacity between its Monterey Holman Highway properties (aka "Main CHOMP Campus") and its Ryan Ranch campus. Similar combined Sites were adopted for the Department of Defense in Ordinance No. 187 in July 2021, to primary and secondary public school district Sites with the adoption of Ordinance No. 162 in August 2014, and by adoption of Ordinance No. 176 in February 2017 which added definitions for "Accredited Institution of Higher Education Site" and "Jurisdiction Site."

Ordinance No. 87, adopted in 1997, established an allocation of water specifically for Montage build-out at the Main Campus location. The Ordinance created a special community reserve allocation of 18.28 acre-feet ("AF") of water that was created exclusively for the benefit of Montage. This allocation was debited from the amount of water conserved to date at that time under the District's 1989 Water Conservation Plan.

Two later actions were taken by the District: (i) At the May 29, 2003 District Board meeting, Ordinance No. 87 was unanimously affirmed to remain in place, and (ii) at the July 21, 2003 meeting the Board approved Special Circumstances pursuant to MPWMD Rule 24-G and established an overall "water consumption cap" of 119.28 AF at the CHOMP Main Campus. Montage is required to annually provide water records to the District to ensure that usage remains below the "water consumption cap." If usage exceeds the cap, Montage will be required to take immediate measures to reduce water use to comply. This requirement is permanent.

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

Montage has a present need to access some of the remaining Capacity from the "water consumption cap" to construct a building at the Ryan Ranch Campus. The new building will be used to relocate some of the services, such as the Cancer Center, from the Main Campus. By combining the campuses to create a "Site," the remaining Capacity will be available to meet the community's health care needs at both locations. The addition of a definition for "Community Hospital Site" and the amendment of the definition of "Parcel" and "Site" supports critical local hospital/health services and does not result in an increase in Water Use Capacity.

The proposed definition is:

COMMUNITY HOSPITAL SITE - "Community Hospital Site" shall mean all facilities and properties owned by Montage Health (related subsidiaries or entities) that are used for hospital and health care and the associated landscaping located on the following Parcels: Assessor's Parcel Numbers 008-132-011, 008-132-006 (23625 Holman Highway, Monterey; APN 008-131-015 (23845 Holman Highway, Monterey); and APNs 259-221-003 (a Parcel with a building consisting of medical condominiums and common area), 259-221-001, 259-221-002, 259-221-004, 259-221-005, 259-031-055, and 259-031-056 located in the Ryan Ranch Business Park in Monterey.

Conclusion

Based on this Initial Study, the MPWMD believes that there is an absence of substantial evidence from which a fair argument can be made that adoption of Ordinance No. 192 has meaningful actual or potential adverse environmental consequences. MPWMD believes that adoption of Ordinance No. 192 would have less than significant environmental impacts. MPWMD is aware that CEQA requires preparation of a negative declaration if

there is no substantial evidence that the project may cause a significant effect on the environment (CEQA Guidelines §15063(b)(2).) For these reasons, MPWMD intends to adopt a negative declaration regarding adoption of Ordinance No. 192.



DRAFT FOR 2ND READING

ORDINANCE NO. 192

**AN ORDINANCE OF THE BOARD OF DIRECTORS
OF
THE MONTEREY PENINSULA WATER MANAGEMENT DISTRICT
TO DEFINE MONTAGE HEALTH'S MAIN CAMPUS, CARMEL HILLS
PROFESSIONAL CENTER, AND RYAN RANCH CAMPUS AS A "SITE" FOR
PURPOSES OF THE "HOSPITAL WATER USE LIMIT"**

FINDINGS

1. The Monterey Peninsula Water Management District ("MPWMD" or "District") was created to address ground and surface water resources in the Monterey Peninsula area which the Legislature found required integrated management and was endowed with the powers set forth in the Monterey Peninsula Water Management District Law (Chapter 527 of the Statutes of 1977, found at West's Water Code, Appendix, Section 118-1, et seq.).
2. The MPWMD has found and determined that it is in the best interests of the MPWMD and its inhabitants to define, implement, and enforce water efficient plumbing standards and requirements for the conservation and management of Potable water supplies. As part of these efforts, all Non-Residential water Users in the MPWMD have been required to implement Best Management Practices to achieve maximum water savings.
3. MPWMD Regulations require a Water Permit before any Person connects to or modifies a Connection to a Water Distribution System regulated by the MPWMD. This process is described in MPWMD Rules 21, 23, and 24. The addition of any Connection and/or modification of an existing water Connection to any Water Distribution System regulated by the MPWMD requires a Water Permit.
4. This ordinance amends Rule 11, Definitions, to add a definition for "Community Hospital Site" and to amend the definitions for "Site" and "Parcel."
5. Montage Health (dba Community Hospital of the Monterey Peninsula, Community Hospital Properties, Montage Health Foundation, and Community Hospital Ryan Ranch)

owns Assessor's Parcel Numbers ("APN") 008-132-011, 008-132-006, and 008-131-015 (the "Main Campus" and the adjacent "Carmel Hills Medical Center" located at 23625 and 23845 Holman Highway in Monterey). Montage Health also owns APNs 259-221-003 (medical condominiums and common area), 259-221-001, 259-221-002, 259-221-004, 259-221-005, 259-031-055, and 259-031-056 at its "Ryan Ranch Campus" and provides hospital services at both locations. These APNs are located within the MPWMD, are served by California-American Water Company, and are located within the City of Monterey.

6. Ordinance No. 87 which was adopted in 1997 established an allocation of water specifically for Montage Health build-out at the Main Campus location. The Ordinance created a special community reserve allocation of 18.28 acre-feet ("AF") of water that was created exclusively for the benefit of Montage Health. This allocation was debited from the amount of water conserved to date at that time under the District's 1989 Conservation Plan.
7. Two later actions were taken by the District: (i) at the May 29, 2003 District Board meeting Ordinance No. 87 was unanimously affirmed to remain in place, and (ii) at the July 21, 2003 meeting the District Board approved Special Circumstances pursuant to MPWMD Rule 24-G and established an overall "water consumption cap" of 119.28 AF at the Main Campus.
8. Montage Health is required to annually provide water records to the District to ensure that usage remains below the "water consumption cap." If usage exceeds the cap, Montage Health will be required to take immediate measures to reduce water use to comply. This requirement is permanent.
9. District staff has examined the most recent eight years and five months of actual consumption records for the Main Campus, and average use has been 82.606 AF per year. This means that Montage Health has "unused" Capacity under its "water consumption cap" equal to 36.674 AF. Bringing both campuses under the existing cap would add the Ryan Ranch usage to the historical Montage Health usage, minus water permitted at the Ryan Ranch Site from the Cypress Investors, LLC and DBO Development No. 30 Water Entitlements. The Ryan Ranch Campus usage is estimated to be approximately 13.5 AF based on permits or 14.5 AF based on limited recent billing data. At least 22.2 AF would be available to Montage Health across their whole newly defined "Community Hospital Site."
10. Montage Health has a present need to access some of the remaining Capacity from the

Main Campus to construct a building at the Ryan Ranch Campus that will be used to relocate some of the services from the Main Campus.

11. By combining the Montage Health campuses to create a “Site,” the remaining Capacity will be available to meet the community’s health care needs at both the Main Campus, the Ryan Ranch campus, and the Carmel Hills Medical Center.
12. The addition of a definition for “Community Hospital Site” and the amendment of the definition of “Parcel” and “Site” supports critical local hospital/health services and does not result in an increase in Water Use Capacity.
13. An Initial Study was prepared in compliance with the California Environmental Quality Act (“CEQA”) and a Negative Declaration will be considered prior to adoption following second reading.

NOW THEREFORE be it ordained as follows:

ORDINANCE

Section One: Short Title

This ordinance shall be known as the 2022 Community Hospital Ordinance of the Monterey Peninsula Water Management District.

Section Two: Purpose

The Monterey Peninsula Water Management District enacts this ordinance to amend the definition of “Parcel” and “Site” to include the added definition for “Community Hospital Site” to facilitate use of the Montage Health water consumption cap at the Holman Highway and the Ryan Ranch properties.

Section Three: Amendment of Rule 11, Definitions

The following definitions in Rule 11 shall be amended as shown in bold italics (*new language*) and strikeout (~~deletions~~). Numbering is provided for reference only.

1. **COMMUNITY HOSPITAL SITE** - *“Community Hospital Site” shall mean all facilities and properties owned by Montage Health (related subsidiaries or entities) that are used for hospital and health care and the associated landscaping located on the following Parcels: Assessor’s Parcel Numbers 008-132-011, 008-132-006 (23625 Holman Highway, Monterey; APN 008-131-015 (23845 Holman Highway, Monterey); and APNs 259-221-003 (a Parcel with a building consisting of medical condominiums and common area), 259-221-001, 259-221-002, 259-221-004, 259-221-005, 259-031-055, and 259-031-056 located in the Ryan Ranch Business Park in Monterey.*

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

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

Section Four: Publication and Application

The provisions of this ordinance shall cause the amendment and republication of Rule 11 of the permanent Rules and Regulations of the Monterey Peninsula Water Management District.

Section Five: Effective Date and Sunset

This ordinance shall take effect at 12:01 a.m. 30 days after second reading.

This Ordinance shall not have a sunset date.

Section Six: Severability

If any subdivision, sentence, clause, or phrase of this ordinance is, for any reason, held to be invalid or unenforceable by a court of competent jurisdiction, such invalidity or unenforceability shall not affect the validity or enforcement of the remaining portions of this ordinance, or of any other provisions of the Monterey Peninsula Water Management District Rules and Regulations. It is the District's express intent that each remaining portion would have been adopted irrespective of the fact that one or more subdivisions, paragraphs, sentences, clauses, or phrases be declared invalid or unenforceable.

On motion of Director _____, and second by Director _____, the foregoing ordinance is adopted upon this ____ day of _____ 2022, by the following vote:

AYES:

NAYS:

ABSENT:

I, David J. Stoldt, Secretary to the Board of Directors of the Monterey Peninsula Water Management District, hereby certify the foregoing ordinance was duly adopted on the ____ day of _____ 2022.

David J. Stoldt, Secretary to the Board

ITEM: ACTION ITEM**17. CONSIDER ADOPTION DISTRICT'S 2022 SUPPLY AND DEMAND FORECAST****Meeting Date:** September 19, 2022 **Budgeted:** N/A**From:** David J. Stoldt,
General Manager **Program/** N/A
Line Item No.:**Prepared By:** David J. Stoldt **Cost Estimate:** N/A**General Counsel Review:** N/A**Committee Recommendation:** N/A**CEQA Compliance:** This action does not constitute a project as defined by the California Environmental Quality Act Guidelines Section 15378.

SUMMARY: Attached as **Exhibit 17-A** is a technical memorandum on supply and demand in the the District going forward. It is based on District testimony in proceeding A.21-11-024 at the California Public Utilities Commission (CPUC). It relies on the 2022 AMBAG Regional Growth Forecast. Using a fully-vetted third-party growth forecast is a very objective way for projecting water demand increase. AMBAG implemented an employment-driven forecast model for the first time in the 2014 forecast and contracted with the Population Reference Bureau (PRB) to test and apply the model again for the 2018 Regional Growth Forecast (RGF). To ensure the reliability of the population projections, PRB compared the employment driven model results with results from a cohort-component forecast, a growth trend forecast, and the most recent forecast published by the California Department of Finance (DOF). All four models resulted in similar population growth trends. As a result of these reliability tests, AMBAG and PRB chose to implement the employment-driven model again for the 2022 Regional Growth Forecast.

Houses nor lots use water, people do. The portion of the AMBAG Regional Growth Forecast that forecasts population captures that water demand for residential purposes. Hence, the housing envisioned for Legal Lots of Record or within Pebble Beach is affiliated with the population growth forecast.

Similarly, economic growth is captured in the AMBAG Regional Growth Forecast by the growth in jobs. Both Cal-Am¹ and the District have utilized job growth as a proxy for non-residential water demand growth. Hence, the commercial growth envisioned for Legal Lots of Record, within Pebble Beach, or due to increased tourism is affiliated with the growth in the jobs forecast.

Three years of pre-Covid water consumption patterns were mapped to recent five-year historical water production, thereby capturing production (also can be termed “water supply required” to serve the system) by jurisdiction and by residential/non-residential use. Then the forecast residential water production demand is based on the third-party AMBAG population forecast and the forecast non-

¹ Phase 2 Direct Testimony of Ian C. Crooks, Attachment A, 2022 Urban Water Management Plan, p.4-7: “For non-residential customers, water use will increase at the rate of employment growth forecasted by AMBAG.”

residential water demand is based on the AMBAG commercial jobs growth forecast. This approach is a rigorous approach to future water supply planning.

RECOMMENDATION: Staff recommends the Board adopt the technical memorandum titled “MPWMD 2022 Water Supply and Demand Forecast”.

DISCUSSION: Much attention has been paid to the recent Regional Housing Needs Allocation or “RHNA” numbers. How does the District’s forecast incorporate the RHNA numbers?

The AMBAG Metropolitan Transportation Plan/Sustainable Communities Strategy (MTP-SCS)² Table 1-3, page 1-9 shows Monterey County housing units assumed through 2045, an increase of 26,151. The source cited is the AMBAG Regional Growth Forecast (RGF) included as Appendix A to that document, and the numbers are the same as in Table 9, page A-37 of the RGF³. Page A-36 of the RGF says there is expected 42,200 new housing units for the region by 2045, 26,200 in Monterey County. The 6th Cycle RHNA Plan⁴, Table 1, page 2 shows 33,274 total units in the region, with Monterey County’s total adding up to 20,295 which is less than what is accounted for in the MTP-SCS and the RGF. Therefore, the 6th Cycle RHNA Plan is within the RGF. And as stated by AMBAG in their document: “The 2045 MTP/SCS includes an updated RHNA. The 6th Cycle Regional Housing Needs Determination (RHND) from HCD to AMBAG is 33,274 units.”⁵

EXHIBIT

17-A Technical Memorandum “MPWMD 2022 Supply and Demand Forecast”

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² AMBAG 2045 MTP/SCS, “Moving Forward Monterey Bay 2045”, Table 1-3, p. 1-9

³ Phase 2 Direct Testimony of David J. Stoldt, Attachment H

⁴ Phase 2 Direct Testimony of Ian C. Crooks, Attachment B

⁵ Phase 2 Direct Testimony of David J. Stoldt, Attachment F, AMBAG 2045 MTP/SCS, “Moving Forward Monterey Bay 2045”, p.4-38

EXHIBIT 17-A

Monterey Peninsula Water Management District
Technical Memorandum

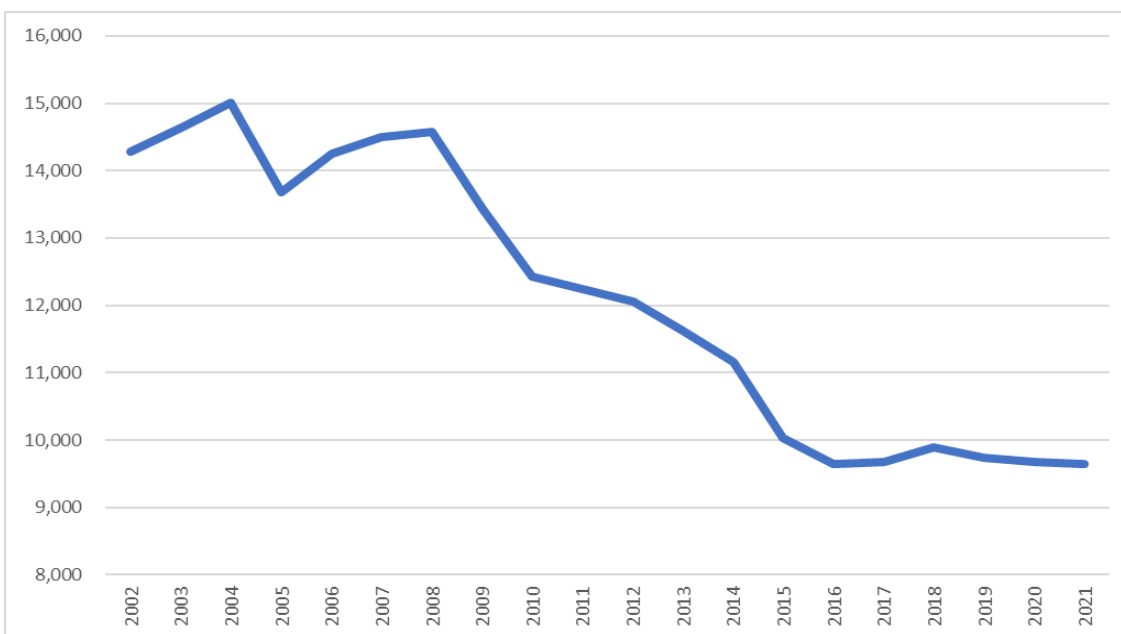
2022 Supply and Demand Forecast
September 2022

Water Demand

At its basic level, planning water supply is being able to answer three simple questions: (i) What is our usage today (current demand)? (ii) What will we need in the future (future demand)? and, (iii) when will we get there (growth rate)? The answers translate to how much supply will be needed each year going forward. In addition, the planner also has to examine if there is enough supply available to reliably serve the 10-Year Maximum Daily Demand (MDD) and Peak Hour Demand (PHD) in the higher demand months, per the California Code of Regulations (CCR) section 64554.

The 5-year average demand from 2017-2021 was 9,725 AFY. As can be seen in Figure 1 below, the trend in water demand has been declining, but relatively steady the past seven years.

Figure 1
Trend in Annual Water Demand



Using a fully-vetted third-party growth forecast is a very objective way for projecting water demand increase. AMBAG implemented an employment-driven forecast model for the first time in the 2014 forecast and contracted with the Population Reference Bureau (PRB) to test and apply the model again for the 2018 Regional Growth Forecast (RGF). To ensure the reliability of the population projections, PRB compared the employment driven model results with results from a cohort-component forecast, a growth trend forecast, and the most recent forecast published by the California Department of Finance (DOF). All four models resulted in similar

population growth trends. As a result of these reliability tests, AMBAG and PRB chose to implement the employment-driven model again for the 2022 Regional Growth Forecast.

AMBAG has captured the factors that influence both residential and non-residential water demand growth in its Regional Growth Forecast. AMBAG's Final 2022 Regional Growth Forecast is utilized by AMBAG in its 2045 Metropolitan Transportation Plan and Sustainable Communities Strategy (MTP/SCS) adopted in May 2022. The 2045 MTP/SCS includes a planning period through 2045. The years forecasted include 2025, 2030, 2035, 2040, and 2045. The forecast the same model that predicts employment growth using a shift-share model based on local data as well as state and national trends. Population growth is then driven by employment growth. Household and housing growth are driven by population growth, demographic factors and external factors. While the methodology for the 2022 Regional Growth Forecast has remained the same through three planning cycles, the models have been updated for the Moving Forward 2045 Monterey Bay Plan to include current data, a revised base year of 2020 and a new horizon year of 2045.

Houses and empty lots do not use water, people do. The portion of the AMBAG Regional Growth Forecast that forecasts population captures that water demand for residential purposes. Hence, the housing envisioned for Legal Lots of Record, within Pebble Beach, or elsewhere is affiliated with the population growth forecast.

Similarly, economic growth is captured in the AMBAG Regional Growth Forecast by the growth in jobs. Both Cal-Am¹ and the District have utilized job growth as a proxy for non-residential water demand growth. Hence, the commercial growth envisioned for Legal Lots of Record, within Pebble Beach, or due to increased tourism is affiliated with the growth in the jobs forecast.

AMBAG conducted 22 one-on-one meetings with local jurisdictions in the Cal-Am Main service area,² where AMBAG discussed the Regional Growth Forecast estimates, subregional allocations, and recent trends at the Planning Directors Forum in August 2019, January 2020, and August 2020. Those meetings were the opportunity for the jurisdictions to voice concerns that other growth-related activities needed to be reflected and incorporated into the growth forecast.

¹ Phase 2 Direct Testimony of Ian C. Crooks, Attachment A, 2022 Urban Water Management Plan, p.4-7: "For non-residential customers, water use will increase at the rate of employment growth forecasted by AMBAG."

² Attachment A hereto, Final 2022 Regional Growth Forecast, Attachment 1.

Regional Housing Needs Allocation (RHNA) housing numbers are also embedded in the Regional Growth Forecast. “The regional growth forecast (RGF) is an important reference point in the RHNA process.”³

“The 2045 MTP/SCS includes an updated RHNA. The 6th Cycle Regional Housing Needs Determination (RHND) from HCD to AMBAG is 33,274 units.”⁴ The final growth forecast was adopted along with the 2045 Metropolitan Transportation Plan/Sustainable Communities in June 2022. The 6th Cycle RHNA Plan itself recognizes that it is contained within the 2045 MTP/SCS which utilizes the AMBAG 2022 Regional Growth Forecast. “May 2022 – AMBAG releases final 2045 Metropolitan Transportation Plan/Sustainable Communities Strategy (MTP/SCS) accommodating RHNA.”⁵ They are all tied together.

Since the City of Seaside is not entirely served by Cal-Am’s service area, only half of the future units for Seaside are assumed to be within the Cal-Am service area.” However, any future housing permitted and built in the old Fort Ord area of the cities of Monterey, Del Rey Oaks, or Seaside would also be served by Marina Coast Water District, not Cal-Am. Similarly, any housing units to be built in unincorporated Carmel Valley may be served by existing supplies that are not Cal-Am’s future supplies, but perhaps “wheeled” by Cal-Am – including 130 units at Carmel Valley Village, as well as September Ranch, that will apply against the RHNA goal, but not require a new supply to be met by Cal-Am. MPWMD believes the water for housing requirements that will be met by others should be as follows: Seaside 50% (same as Cal-Am’s own assumption), Del Rey Oaks 20%, Monterey 10%, unincorporated County 30% and should be applied as a discount to future residential water demand. These discounts will be reflected in MPWMD’s demand forecast shown below.

Many people incorrectly interpret the RHNA process as requiring housing units to be built within the next 8 years. That is not the case. The role of local governments is to participate in the development of the allocation methodology and to update their Housing Elements within the County General Plans and local zoning to show how they will accommodate their share of the housing, following the adoption of the RHNA methodology. It is a planning and zoning process. It is not a building process.

The September 8-14, 2022 edition of The Monterey County Weekly states: “Cities and counties do not have to guarantee the units will be built by 2031, but they do have to rezone areas and remove barriers to developer who may take on the actual construction.” The City of Lafayette describes the process as “the RHNA allocation is not a prescription to build any units. And, the

³ Attachment C hereto, Draft 6th Cycle Regional Housing Needs Allocation Plan 2023-2031, April 2022, p. 5.

⁴ Attachment B hereto, Monterey Bay 2045 – Moving Forward, AMBAG, June 2022, Excerpts, pp. 4-38.

⁵ Attachment B hereto, Draft 6th Cycle Regional Housing Needs Allocation Plan 2023-2031, April 2022, p. 13.

City itself does not build units; private developers do. The City is only required to show that there is enough land zoned at appropriate densities to accommodate this need, should a developer want to build these units. In addition, the City must demonstrate that its codes and requirements do not unduly constrain the building of housing (for example, it needs to show that housing can be built “as-of-right” in some zones, without requiring a land use permit).”⁶ Or, as the City of Santa Monica adds: “It is important to recognize that the RHNA is a targeted housing number - Cities and counties do not have to build this number of units, but rather they are required by the state to plan for them and demonstrate that under the current land use and development standards, there is capacity to accommodate for this number of housing units.”⁷

This concept is reinforced by Sand City’s appeal and statement “it is inconceivable how the City could meet the goals of the current RHNA allocation. The City of Sand City requests AMBAG lower Sand City's allotment to a number that is actually achievable in light of its small size and noted constraints” and Pacific Grove Councilmember’s statement “Do I think Pacific Grove will really build all (1,125 units)? No, but we’re putting a policy in place that is supportive of additional housing. Our staff’s job is to show that the city in good faith is implementing policing, zoning or incentives to do so.”⁸

The ability of the Monterey Peninsula to generate or “absorb” the housing and commercial growth will help determine when such water supply is needed. The average growth in, or absorption of, water use in the decade preceding the Cease and Desist Order (CDO) was during a period of relative economic stability, available property, no moratorium on new service connections, and lower water rates, yet only resulted in 16.4 AF per year of absorption. Things do not develop quickly on the Monterey Peninsula. MPWMD analysis below shows 31.4 AF per year, almost twice as much as the historical rate, based on the AMBAG forecast.

To summarize:

- Legal Lots of Record: Population moves to the area and lives in either existing housing stock or new housing stock built on Legal Lots of Record. Housing is already included in the AMBAG Regional Growth Forecast. Thus, Legal Lots of Record is not additive.
- Tourism Rebound: Non-residential economic growth is captured in the AMBAG Regional Growth Forecast and is not additive.
- Pebble Beach Entitlements: The entitlements represent new housing and commercial growth in the unincorporated County area of Pebble Beach. Hence, it is encapsulated within the AMBAG Regional Growth Forecast and is not additive.

⁶ Attachment E hereto, Frequently Asked Questions About RHNA, pp. 17, 19 et al.

⁷ Id., p. 16.

⁸ Id., pp. 21, 23-24.

- RHNA Housing Numbers: The new 6th Cycle Regional Housing Needs Allocation Plan 2023-2031 is reflected within the AMBAG Regional Growth Forecast and is not additive.

MPWMD’s forecast is based on the AMBAG 2022 Regional Growth Forecast and uses current 5-year average water production, a measure of the total water required to “feed” the system for customer use, before losses and fire flows, as the base. Starting with three years of actual consumption data (2017, 2018, and 2019 – pre-COVID), MPWMD allocated consumption for residential and non-residential by political jurisdiction, based on the proportionate percentages of each then mapped the current base production to the same proportions.⁹

Assuming all prospective population and housing growth is captured in AMBAG’s Regional Growth Forecast and all commercial economic expansion occurs at the same rate as AMBAG’s employment projections, MPWMD offers the following water demand forecast:

Table 1
Water Required for Population Growth¹⁰

	Monterey	Pacific Grove	Carmel-by-the-Sea	Seaside	Del Rey Oaks	Sand City	County ¹¹	TOTAL
Population in 2020	28,170	15,265	3,949	33,537	1,662	385	8,916	91,884
Population in 2045	29,639	15,817	3,984	38,316	2,650	1,198	9,916	101,520
Increase	5.2%	3.6%	0.9%	14.2%	59.4%	211.2%	11.2%	10.5%
Acre-Feet in 2020	1,675	908	413	1,015	92	21	2,221	6,345
Acre-Feet by 2045	1,762	941	417	1,160	146	65	2,471	6,961
AF Served by Others ¹²	9	-	-	72	11	-	75	167
Net AF in 2045	1,753	941	417	1,087	135	65	2,396	6,795

⁹ Attachment D hereto, Data and Methodology to Support MPWMD Forecast of Water Demand

¹⁰ Attachment A hereto, Final 2022 Regional Growth Forecast

¹¹ To estimate unincorporated County population, use Cal-Am service area population reported in SWRCB Urban Water Supplier Monthly Reports (Raw Dataset), May 2022 value, minus urban areas. Estimate 1,000 residents added by 2045.

https://www.waterboards.ca.gov/water_issues/programs/conservation_portal/conservation_reporting.html.

¹² This represents the portion of new residents in the jurisdiction who will reside in units served by water other than Cal-Am’s Main system. Non-Residential water demand served by others has not been designated.

Table 2
Water Required for Employment Growth¹³

	Monterey	Pacific Grove	Carmel-by-the-Sea	Seaside	Del Rey Oaks	Sand City	County¹⁴	TOTAL
Jobs in 2020	40,989	8,016	3,566	10,476	748	2,092	4,300	70,187
Jobs in 2045	45,509	8,445	3,915	11,543	834	2,259	4,721	77,226
Increase	11.0%	5.4%	9.8%	10.2%	11.5%	8.0%	9.8%	10.0%
Non-Residential AF in 2020	1,547	332	225	336	22	66	853	3,380
Non-Residential AF in 2045	1,718	349	247	370	24	71	936	3,716
Increase	171	18	22	34	3	5	83	336

These AMBAG Regional Growth Forecast values can be converted to a long-term water demand forecast in the following manner:

Table 3
Calculation of Future (Year 2045) Water Demands

	Base Year (2020)	Estimate For 2045 AMBAG	AF per Year
Net Water for Population	6,345 AF	6,795 AF	18.00
Water for Non-Residential	3,380 AF	3,716 AF	13.44
Total	9,725 AF	10,511 AF	31.44

This future year growth rate, applied annually, results in the following water demand forecast:

¹³ Attachment A hereto, Final 2022 Regional Growth Forecast.

¹⁴ California Employment Development Department, Monthly Labor Force Data for Cities and Census Designated Places. November 15, 2019. Sum of Carmel Valley Village CDP and Del Monte Forest CDP. Escalated at same rate as Carmel-by-the-Sea.

Table 4
MPWMD Water Demand Forecast

	2020	2025	2030	2035	2040	2045	2050	2055
Water Demand - AF	9,725	9,882	10,039	10,196	10,353	10,511	10,668	10,825

This demand forecast does not need to be increased by a “peaking factor” to meet the Maximum Month Demand, Maximum Day, or Peak Hourly Demand. As explained later in the section about “Water Supply”, it is not necessary to provide additional supplies if water resources stored can be utilized to meet peak demands. Instead, stored water can be accessed with increased production well capacity, rather than over-building supplies. It is always in the ratepayer’s interest to build one or two additional production wells for \$3 million each, rather than a \$321 million¹⁵ desalination plant if stored water can be utilized to meet peak demands.

WATER SUPPLY

Available sources of supply are shown in Table 5 below and are described in the discussion that follows.

Table 5
Monterey Peninsula Available Supply
(Acre-Feet Annually)

Supply Source	w/ PWM Expansion
Pure Water Monterey	3,500
PWM Expansion	2,250
Carmel River	3,376
Seaside Basin	774
Aquifer Storage & Recovery (ASR)	1,300
Sand City Desalination Plant	210
Table 13 Water Rights	0
Malpaso Water Rights	58
Total Available Supply	11,468

¹⁵ From Attachment C-3 of Advice Letter AL 1220-A, September 10, 2019. Proposed costs for Cal-Am desalination plant have not been updated for many years. Given current inflation, supply chain issues, and increased construction cost environment, the desalination plant costs should be updated.

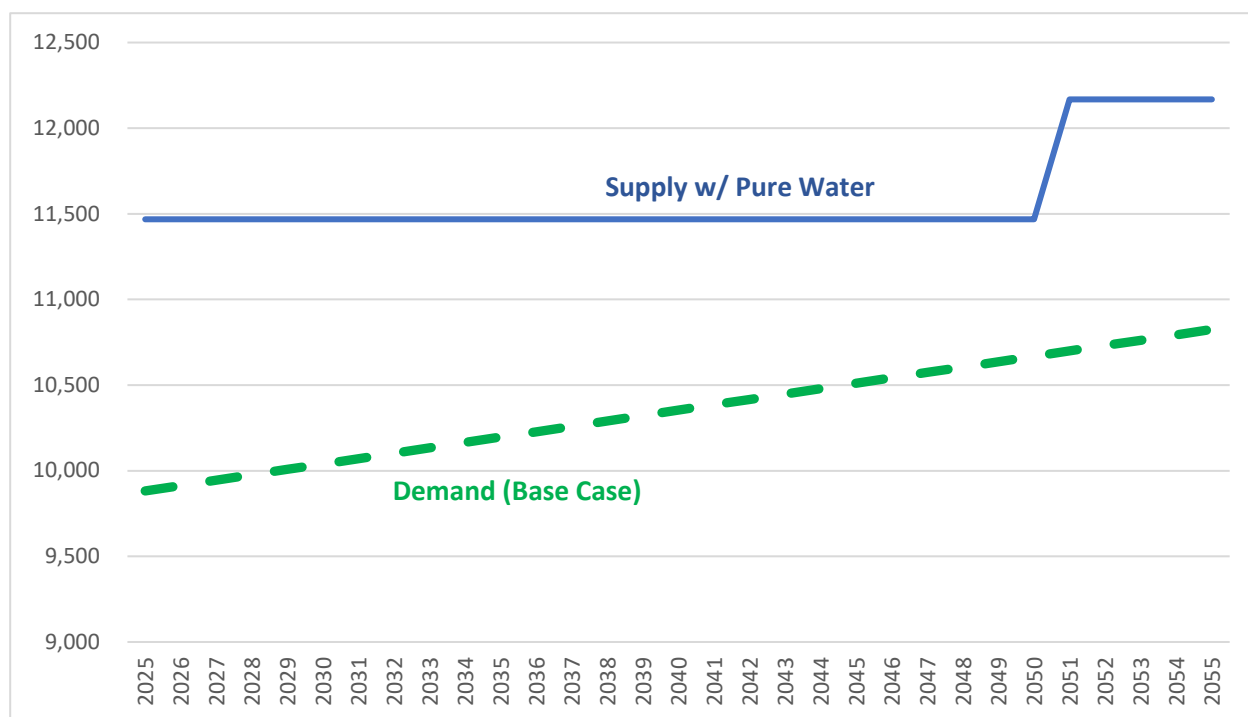
SUPPLY v. DEMAND

By comparing future supplies available inclusive of Pure Water Monterey Expansion and comparing to the expected long-term water demand¹⁶, future water supply beyond a Pure Water Monterey Expansion, such as a desalination plant, can be determined if needed for the Monterey Peninsula

The future Supply versus Demand analysis shows that the addition of the Pure Water Monterey Expansion meets the region's demand needs for over 30 years and a new Cal-Am desalination plant, or some other alternative, is not needed.

Applying the 31.44 AFY from Table 3 linearly across a 30-year horizon results in the demands shown in the figure below showing expected supply versus demand.

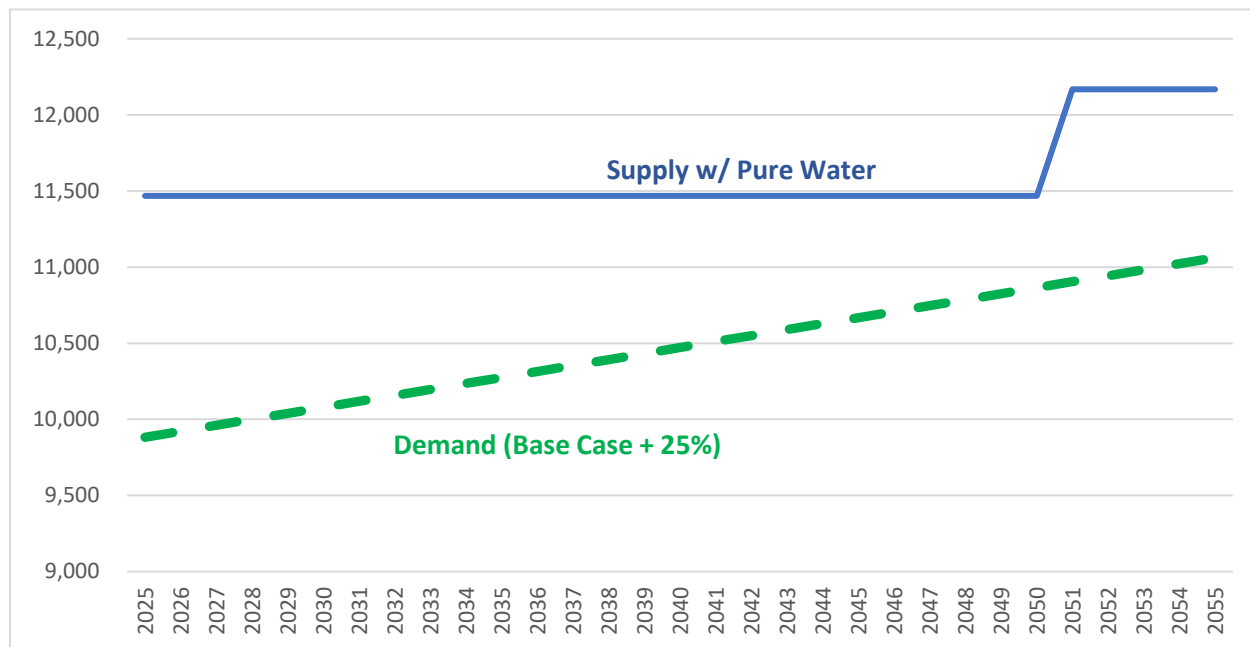
Figure 2
Water Supply Available
vs.
Water Demand for AMBAG 2022 Regional Growth Forecast



¹⁶ Attachment F hereto, Evaluation of Water Supply Available versus Water Demand.

MPWMD also analyzed a demand forecast 25% higher, at 39.3 AF per year of average growth. That result is shown in Figure 3, below:

Figure 3
Water Supply Available
vs.
Water Demand for AMBAG 2022 Regional Growth Forecast
Plus 25% for Forecasting Error



MPWMD also analyzed a demand forecast 50% higher, at 47.2 AF per year of average growth. At that level, available supplies (with Pure Water Monterey Expansion, without a desalination plant) exceed water demand for over 30 years. In fact, MPWMD's model shows that at 63 AF per year of average growth – 200% of or twice the water forecasted to be required for the AMBAG 2022 Regional Growth Forecast – supplies are available for over 30 years.

A contingency can be achieved by having additional stored water available to call upon at any time. This can be achieved by building up available storage in the early years where supply exceeds demand. As seen in Figures 2 and 3 above, and in the last columns of Attachment F, in the initial years following completion and availability of Pure Water Monterey Expansion (2025) the available supplies exceed demands by over 1,500 AF per year. In the very first year, more than 10% of available supplies (1,147 AF) can be stored to satisfy any contingency.

Water for available storage is shown below:

Table 6
Water Available for Storage
(With Pure Water Monterey Expansion, without Desalination)

Year	Storage Available Base Case Demand	Storage Available Base Case Demand + 25% Error		Year	Storage Available Base Case Demand	Storage Available Base Case Demand + 25% Error
2025	1,586	1,586		2041	1,083	957
2026	1,555	1,547		2042	1,052	918
2027	1,523	1,507		2043	1,020	879
2028	1,492	1,468		2044	989	839
2029	1,460	1,429		2045	957	800
2030	1,429	1,390		2046	926	761
2031	1,397	1,350		2047	894	721
2032	1,366	1,311		2048	863	682
2033	1,334	1,272		2049	831	643
2034	1,303	1,232		2050	800	604
2035	1,272	1,193		2051	1,469	1,264
2036	1,240	1,154		2052	1,437	1,225
2037	1,209	1,114		2053	1,406	1,186
2038	1,177	1,075		2054	1,374	1,146
2039	1,146	1,036		2055	<u>1,343</u>	<u>1,107</u>
2040	1,114	997	Total		38,046	34,392

In addition to eliminating a need for a contingency from bigger water supply construction, the stored water can be used for peaking to meet maximum month demands (MMD), maximum day demand (MDD), and peak hourly demand (PHD) without building more supply projects. As stated earlier, it is always in the ratepayer's interest to build one or two additional production wells for \$3 million each, rather than a \$321 million desalination plant if stored water can be utilized to meet peak demands.

Stored water can also be used as a drought reserve and to provide protective water levels in the Seaside Groundwater Basin. In fact, the average water to storage in the base case above in Table 6 is 1,268 AFY – far in excess of recommended protective water levels for the basin.

If the Monterey Peninsula were to experience drought during the initial “buildup period” of ASR reserves following the completion of new water supply and the lifting of the CDO, ASR would arguably be delayed in building up a drought reserve, but it should not be overlooked that a Pure Water Monterey Expansion is new capacity without an immediate offsetting demand. That is, 2,250 AFA from Pure Water Monterey Expansion would provide an off-set in the early years if

ASR's drought reserve has not yet built-up. Just a few years of Pure Water Monterey Expansion water could also provide drought-resilience to the Monterey Peninsula.

Attachment A



A

Regional Growth Forecast

2022 Regional Growth Forecast

Technical Documentation

Association of Monterey Bay Area Governments
Scheduled for Adoption June 2022

2022 Regional Growth Forecast

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Executive Summary

As the Metropolitan Planning Organization (MPO), the Association of Monterey Bay Area of Governments (AMBAG) carries out many planning functions for the tri-county area including development and maintenance of the regional travel demand model (RTDM), long range transportation planning and programming and acting as a regional forum for dialogue on issues facing the region. Most of AMBAG's projects are carried out in support of these major functions, including but not limited to the regional growth forecast. AMBAG develops the forecast with a horizon year that matches the planning timeline of the Metropolitan Transportation Plan (MTP) and the model years for the Regional Travel Demand Model (RTDM). In addition to informing regional planning processes, the forecast is used by local jurisdictions and special districts to inform local and subregional planning.

The last regional growth forecast was adopted in 2018. AMBAG staff began the process of developing a new forecast in spring 2019. This new forecast is referred to as the 2022 Regional Growth Forecast (2022 RGF).

In preparation for this forecast, AMBAG staff conducted a review of recently completed population, housing and employment forecasts. The results of this review indicated that most of the other MPOs in California are using a methodology that emphasizes employment growth as the primary driver of long-term population change at the regional scale. The traditional approach to forecasting population uses a cohort-component approach that considers three factors: births, deaths and migration. While birth and death data are readily available and trends are relatively predictable over time, migration tends to be much more difficult to track and forecast as it is heavily influenced by political and economic climates. For the development of the new forecast, AMBAG chose to progress towards a more contemporary approach that places a greater emphasis on employment. The assumption is that the economy is a reliable predictor of population growth.

AMBAG implemented an employment-driven forecast model for the first time in the 2014 forecast and contracted with the Population Reference Bureau (PRB) to test and apply the model again for the 2018 RGF and the 2022 RGF. To ensure the reliability of the population projections, PRB compared the employment-driven model results with results from a cohort-component forecast, a growth trend forecast, and the most recent forecast published by the California Department of Finance (DOF). All four models resulted in similar population growth trends. As a result of these reliability tests, AMBAG and PRB chose to implement the employment-driven model again for the 2022 RGF.

To disaggregate the forecast for each jurisdiction, AMBAG and PRB used the most current data available to update a series of shift-share models and replicate the methodology used in the prior forecast.

2022 Regional Growth Forecast

This technical document provides a description of the methodology for the development of the regional growth forecast figures in addition to the methodology for disaggregation of those figures. The regional and subregional forecast figures for population, jobs and housing were accepted by the AMBAG Board of Directors at the November 18, 2020 meeting.

Summary of the Forecast

The 2022 RGF projects that the region will add 65,500 jobs between 2015 and 2045, for a total of just over 442,800 jobs by 2045. The regional growth rate is slightly slower than nation- and state-level forecasts, reflecting historical growth rates that have tended to be slightly slower than either the state or nation. Furthermore, job growth is expected across most employment sectors. The fastest-growing industries include Site-Based Skilled Trade, Health Care and Social Assistance, and Other Services. Conversely, Retail is expected to be the slowest-growing industry. Notably, while many models for the U.S. predict declines in agricultural job growth, the AMBAG region is experiencing steady agricultural job growth.

This forecast projects that the region's population will grow by approximately 107,500 people between 2015 and 2045, for a total population of just under 869,800 in 2045. This is slightly lower than prior forecasts and follows the slowing growth rates seen at both the state and national level. This revised growth trend also reflects the most current population estimate for the region. As a result of declining fertility, stalled improvements in life expectancy, and falling international migration, the 2020 population estimate was more than 16,000 lower than prior forecasts predicted. In addition to slower growth, the new forecast predicts an older age distribution, with a larger proportion of the population age 65 and older.

An aging population affects the household and housing unit forecasts. While population growth will slow, which reduces future housing demand, older people are more likely to live alone or in small households. This shift offsets the lower population forecast with a slight upward effect on housing demand. The net result is that the region is expected to build just over 42,200 housing units by 2045, for a total of approximately 304,900 units.

Section 1: Process for Forecast Completion

Following the preparation of the regional forecast figures, AMBAG staff began the process of disaggregating the figures to each of the jurisdictions using historical data to develop a baseline disaggregated forecast. The initial results were a purely quantitative application of the methodology. These preliminary draft disaggregated numbers were presented for discussion purposes at one-on-one meetings held by AMBAG staff with each of the jurisdictions, the Local Agency Formation Commissions,

2022 Regional Growth Forecast

the Fort Ord Reuse Authority, the University of California, Santa Cruz and the California State University, Monterey Bay. AMBAG staff also provided materials for these meetings that outlining the data sources and methodology for the regional forecast figures as well as the preliminary draft disaggregated forecast figures. The intent of the first round of meetings was to gather information and data that was then used to make adjustments to the forecast. (See Attachment 1 for a list of meeting dates, times and attendees.)

These preliminary draft disaggregated numbers were adjusted based on information and feedback provided by each jurisdiction. In addition, new data became available. The release of vintage 2020 estimates from the California Department of Finance showed 2019 population approximately 7,000 lower than in the preliminary estimate, although housing estimates were relatively stable. These updates necessitated minor revisions to the regional forecast.

Staff updated the regional growth forecast to reflect the most current information. The entire revised forecast, regional and subregional, was re-circulated for a second round of comments. After the second round of comments were received, AMBAG staff incorporated additional input and prepared a revised draft of the disaggregated forecast figures. Staff circulated the revised population, employment and housing forecast which incorporated additional comments from the Board of Directors. The final draft was accepted for planning purposes only by the AMBAG Board of Directors at its meeting on November 18, 2020. The final growth forecast is scheduled for adoption along with the 2045 Metropolitan Transportation Plan/Sustainable Communities in June 2022.

Section 2: Development of the Regional Growth Forecast

In spring 2019, AMBAG asked PRB to prepare regional employment, population and housing projections to 2045. This section documents the findings of the work by PRB and includes a summary of the methodology, a description of the projections and an explanation of past, current and projected job growth in the region.

Summary of the 2022 Regional Growth Forecast

The 2022 RGF projects that the region will add 65,500 jobs between 2015 and 2045, for a total of just over 442,800 jobs by 2045. (See Table 1) The regional growth rate is similar to national forecasts but slightly slower than state-level forecasts. Furthermore, job growth is expected across most employment sectors. The fastest-growing industries include Site-Based Skilled Trade, Health Care and Social Assistance, and Other Services. Conversely, Retail is expected to be the slowest-growing industry. Notably, while many models for the U.S. predict declines in agricultural job growth, the AMBAG region is experiencing steady agricultural job growth.

2022 Regional Growth Forecast

This forecast projects that the region's population will grow by approximately 107,500 people between 2015 and 2045, for a total population of just under 869,800 in 2045. (See Table 1) This is slightly lower than prior forecasts and follows the slowing growth rates seen at both the state and national level. This revised growth trend also reflects the most current population estimate for the region. Despite an upward revision to the estimate, the revised DOF population estimate for 2015 was more than 3,000 lower than prior forecasts predicted. As such, an adjustment was made in this forecast of population growth to account for the sharp fall in fertility rates and international migration that occurred during the recession years that have not fully rebounded. In addition to slower growth, the new forecast predicts an older age distribution, with a larger proportion of the population age 65 and older.

An aging population affects the household and housing unit forecasts. While population growth will slow, which reduces future housing demand, older people are more likely to live alone or in small households. This shift offsets the lower population forecast with a slight upward effect on housing demand. The net result is that the region is expected to build just over 42,200 housing units by 2045, for a total of approximately 304,900 units. (See Table 1)

Table 1: Forecast Summary

	2000	2005	2010	2015	2020	2025	2030	2035	2040	2045
Population	710,598	719,561	732,708	762,241	774,729	800,726	824,992	842,189	857,828	869,776
Change		8,963	13,147	29,533	12,488	25,997	24,266	17,197	15,639	11,948
% Change		1%	2%	4%	2%	3%	3%	2%	2%	1%
Households	228,260	234,869	236,059	238,862	243,863	253,106	262,493	269,175	273,462	276,730
Change		6,609	1,190	2,803	5,001	9,243	9,387	6,682	4,287	3,268
% Change		3%	1%	1%	2%	4%	4%	3%	2%	1%
Housing	247,080	256,467	260,256	262,660	267,812	277,645	288,386	296,352	301,307	304,900
Change		9,387	3,789	2,404	5,152	9,833	10,741	7,966	4,955	3,593
% Change		4%	1%	1%	2%	4%	4%	3%	2%	1%
Jobs				377,335	406,280	410,017	418,132	425,845	434,147	442,824
Change				25,600	28,945	3,737	8,115	7,713	8,302	8,677
% Change					8%	1%	2%	2%	2%	2%

Sources: Jobs data for 2000-2015 are from California Employment Development Department and InfoUSA; population, household, and housing data for years 2000-2020 are from the U.S. Census Bureau and the California Department of Finance. Forecast years were prepared by AMBAG and PRB.

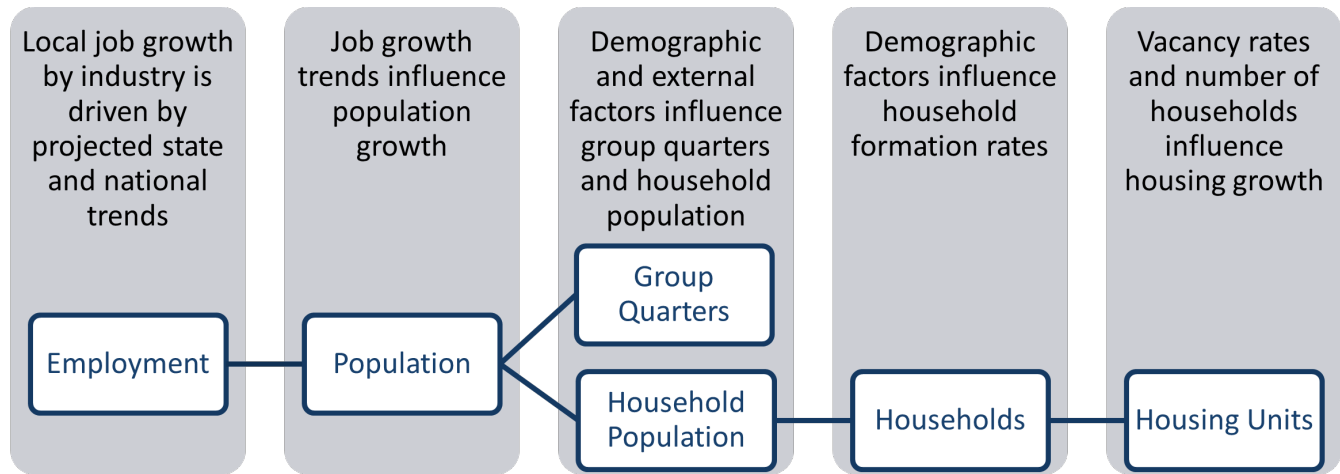
Regional Growth Forecast Methodology

As shown in the flow chart below, the forecast uses a model that predicts employment growth using a shift-share model based on local data as well as state and national trends. Population growth is then driven by employment growth. Household and housing growth are driven by population growth, demographic factors and external factors (explained below). This approach was vetted and approved by the AMBAG Board of Directors in 2014 for use in the metropolitan transportation plan, Moving Forward 2035 Monterey Bay. While the methodology for the 2022 RGF remains the same, the models

2022 Regional Growth Forecast

have been updated to include current data, a revised base year of 2015 and a new horizon year of 2040.

Figure 1: Regional Growth Forecast Process



1. **Employment:** Employment is measured as the number of jobs by place of work. Employment growth by industry is driven by projected national and statewide trends for all industries in the region using a shift-share model.
2. **Population:** Population is the total resident population of the region. Job growth trends influence population growth. The forecast of total population is based on historical trends in the ratio of population to employment in the AMBAG region. Projections of demographic characteristics (i.e., population by age, sex, and race/ethnicity) in the 2022 RGF relied on a proportional approach based on demographic projections from the California Department of Finance (DOF).
3. **Household Population and Group Quarters:** Household population is the population that lives in a housing unit. Group quarters population is the population that lives in a group living arrangement such as a dorm, barracks, correctional institution, or congregate care facility. Demographic factors (e.g., age, sex, race/ethnicity) and external factors (e.g., major group quarters facilities like colleges and universities, correctional facilities, etc.) influence the household population and group quarters population.
4. **Households/Occupied Housing Units:** A household is a person, or group of people, living in a house. Because a household, by definition, occupies a housing unit, households are equivalent to and synonymous with occupied housing units. Household projections are driven by household formation rates. Household formation rates are calculated as the ratio of households divided by the household population. Household formation rates are the inverse of average household size.
5. **Housing Units:** Housing is the total number of housing units, including both occupied and vacant structures. Housing includes primary residences, second homes, accessory dwelling

2022 Regional Growth Forecast

units, vacation rentals, farmworker housing, and any other habitable structure—including unauthorized units. The only type of dwelling excluded from the housing inventory is group quarters (dorms, barracks, congregate care, etc.).

Housing projections are driven by the household population projection, demographic characteristics of the household population (age, sex, race/ethnicity), household formation rates, and housing vacancy rates. Vacancy rates are calculated as the share of all units (including vacation rentals, unauthorized dwellings, etc.) that are not currently occupied.

Data sources include the California Department of Finance, California Employment Development Department, the U.S. Bureau of Labor Statistics and the U.S. Census Bureau.

For more information on the definitions of housing and group quarters, see Attachment 4.

Step 1: Employment

The AMBAG region is projected to add 65,500 jobs between 2015 and 2045, for a total of just over 442,800 jobs by 2045. The 2015 base year data were re-benchmarked to reflect revisions to county totals published by the California Employment Development Department, as well as an employer database from InfoUSA, and extensive ground-truthing conducted by AMBAG staff. (See Table 2 and Figure 2.) Employment grew faster in the 2015-2020 time period than had been anticipated in the 2018 RGF, but is expected to return to a slow-growth trend.

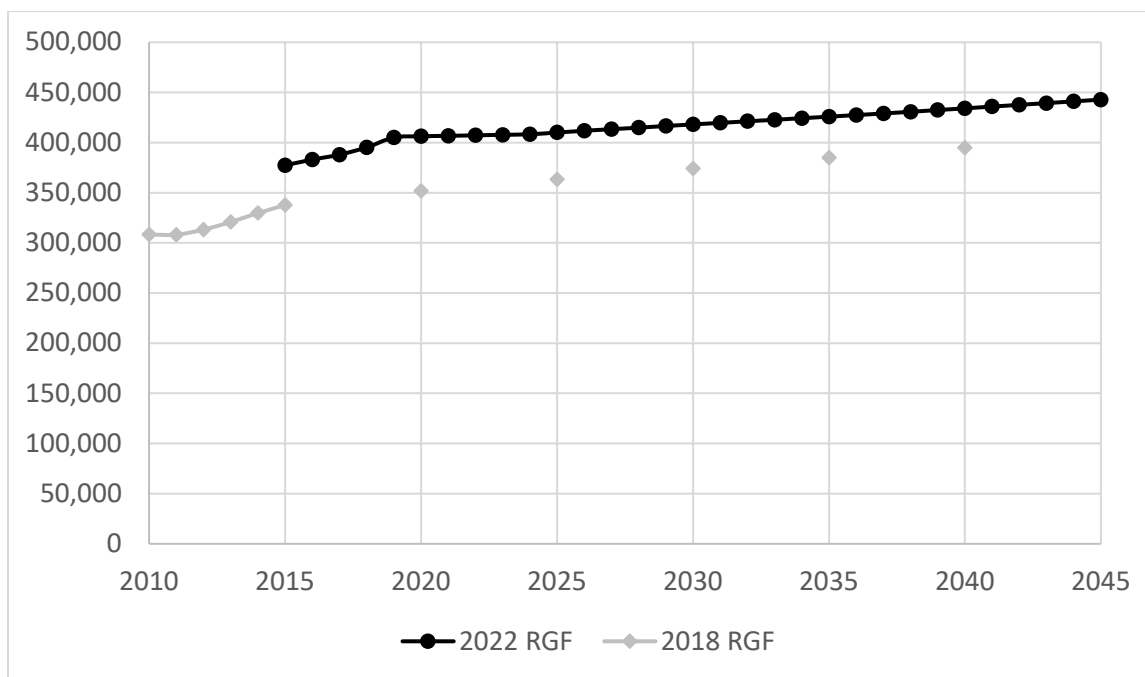
2022 Regional Growth Forecast

Table 2: Forecast Comparison of Employment

Forecast	2010	2015*	2020	2025	2030	2035	2040	2045
2018 RGF	308,300	337,600	351,800	363,300	374,100	384,800	395,000	N.A.
% Change		10%	4%	3%	3%	3%	3%	N.A.
2022 RGF		377,335	406,280	410,017	418,132	425,845	434,147	442,824
% Change			8%	1%	2%	2%	2%	2%

Sources: Data for years 2010 and 2015 are from the California Employment Development Department.

*In the 2022 RGF, data for 2015 were re-benchmarked using updated estimates from the California Employment Development Department, an employer database InfoUSA, and extensive ground-truthing. Forecast years were prepared by AMBAG and PRB.

Figure 2: AMBAG Region Employment Forecast

Sources: Data for years 2010-2014 are from the California Employment Development Department. In the 2022 RGF, data for 2015 were re-benchmarked using updated estimates from the California Employment Development Department, an employer database InfoUSA, and extensive ground-truthing. Forecast years were prepared by AMBAG and PRB.

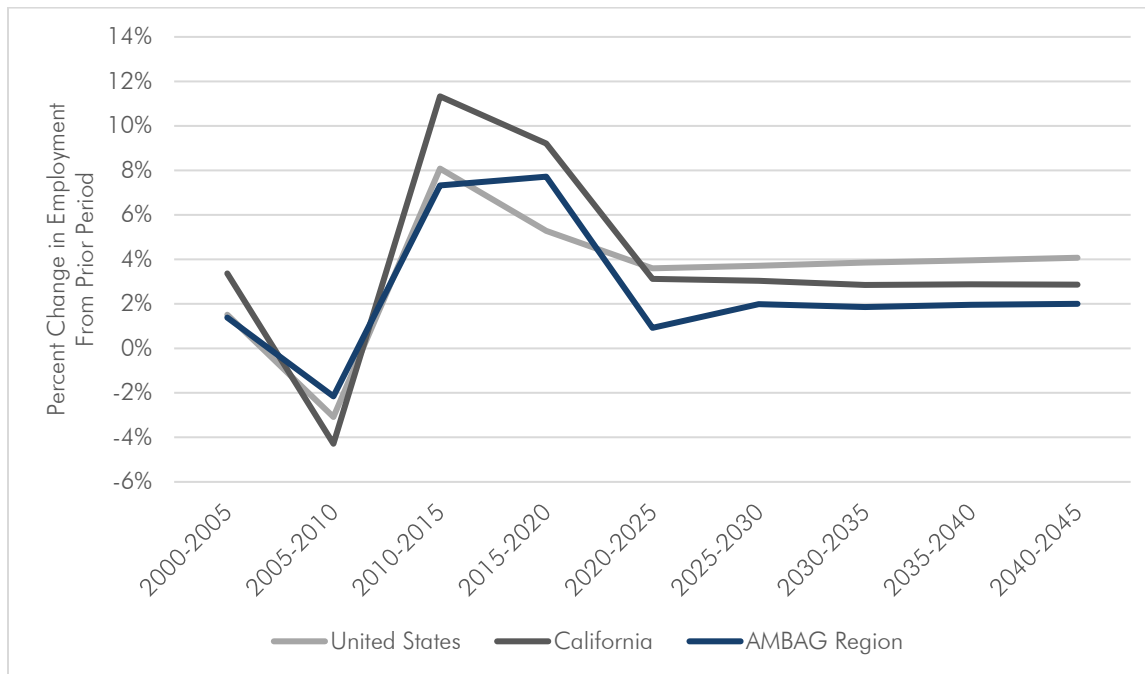
Job projections to 2045 were developed for each major NAICS industry category by projecting the AMBAG region share of state job growth based on the analysis of trends in the period from 2005 to 2019. The NAICS industries were then grouped into major industry sectors for the transportation model. Industry categories are described in Attachment 2.

The AMBAG region experienced job growth slower than the state, and similar to the nation between 2000 and 2019. (See Figure 3.) The region is projected to experience job growth at a slightly slower rate than the state and nation. The primary reason for this below-average job growth is the region's below-

2022 Regional Growth Forecast

average concentration in fast-growing sectors such as information and professional services. The region also has a below-average exposure to growth in foreign trade.

Figure 3: Employment Change



Sources: Data for years 2000-2015 from the U.S. Bureau of Labor Statistics and California Employment Development Department. Forecast years were prepared by AMBAG and PRB with input from U.S. Bureau of Labor Statistics, Employment by Major Industry Sector: 2014-2024; California Department of Transportation, California County-Level Economic Forecast 2014-2040, September 2014; and from the California Employment Development Department, Industry Employment Projections.

Positive growth factors include above-average performance relative to state trends in tourism and agriculture. Agriculture has shown strong growth for several years, and new crops such as cannabis as well as new investments in processing facilities, portend that the industry will continue to grow. However, any job growth due to new crops may be mitigated by losses due to increased mechanization in agriculture and agricultural processing.

Method for Producing the Employment Forecast

The AMBAG region job projections were developed using three guiding principles:

1. The AMBAG region projections were based on projections of job growth in the nation and state. The national and state projections provide the **pool of job opportunities** and the AMBAG region projections reflect historical trends in the **share** of national and state job growth that will locate in the AMBAG region.

2022 Regional Growth Forecast

2. The AMBAG region **share** of national and state job growth is determined by the industry composition of job growth and the projected share of job growth locating in the AMBAG region. If national and state job growth is concentrated in sectors where the AMBAG region has a competitive advantage, the region's projected job growth will be higher than if national and state job growth is concentrated in sectors where the region has a below-average share of jobs and a relatively poor competitive position.
3. The analysis of competitive advantage is focused on sectors in the AMBAG region **economic base**. The region's economic base consists of those sectors that sell a high proportion of goods and services to customers outside the region. They export goods and services to customers in world and national markets and markets throughout California. Key examples of economic base sectors in the AMBAG region are agriculture and tourism. The UC Santa Cruz campus and state prison are also examples of activities that do not primarily serve local residents.

U.S. and California Job Growth to 2045

The starting point for the AMBAG projections is an examination of future U.S. and California job growth for total jobs and major industry sectors. The U.S. job growth projections are based on the most recent forecast from the U.S. Bureau of Labor Statistics and an extrapolation of growth trends to 2045. California job growth projections are based on an industry-level forecast published by the California Department of Transportation, as well as data from the California Employment Development Department and PRB.

The California industry projections identify the structure of job growth as an input to AMBAG region job projections. The resulting projections of job growth are shown below.

The nation is expected to add 41 million jobs between 2015 and 2045 for an increase of 27 percent. Growth, nationwide, is expected to be fairly constant throughout the forecast period. The state of California is projected to experience job growth that is slightly faster than the nation's job growth in the early years of the forecast and to slow down to a rate more similar to the national growth rate by 2045.

The state is projected to see a 26 percent increase in total jobs between 2015 and 2045. The pattern of California industry job growth is shown below and was used in developing AMBAG region job projections. (See Table 3)

2022 Regional Growth Forecast

Table 3: California Jobs by Major Industry (000s)

	2010	2015	2020	2045	Avg. Annual Growth Rate		
					2010-2015	2015-2020	2015-2045
Agriculture	382.8	422.3	426.8	433.1	2.0%	0.2%	0.5%
Mining	24.6	26.4	22.8	23.8	1.4%	-2.9%	-2.1%
Construction	560.0	732.1	892.9	996.2	5.5%	4.1%	6.4%
Manufacturing	1,247.9	1,303.0	1,340.4	1,439.2	0.9%	0.6%	2.0%
Wholesale	629.7	691.0	699.2	789.8	1.9%	0.2%	2.7%
Retail	1,516.5	1,660.1	1,683.3	1,812.5	1.8%	0.3%	1.8%
Transp., Warehousing, Utilities	466.9	557.8	682.2	717.9	3.6%	4.1%	5.2%
Information	428.4	488.6	562.0	714.0	2.7%	2.8%	7.9%
Financial Serv.	758.8	800.8	840.1	1,096.7	1.1%	1.0%	6.5%
Prof. & Business Serv.	1,224.1	1,431.6	1,591.7	1,861.8	3.2%	2.1%	5.4%
Educ. & Health Serv.	2,993.9	3,526.1	3,988.6	4,792.4	3.3%	2.5%	6.3%
Leisure & Hospitality	1,500.8	1,828.3	2,056.8	2,348.2	4.0%	2.4%	5.1%
Other services (excl. gov't)	483.6	543.6	583.3	797.4	2.4%	1.4%	8.0%
Government	2,448.4	2,463.0	2,636.6	2,959.3	0.1%	1.4%	3.7%
Self Employed	1,192.6	1,180.9	1,275.7	1,519.6	-0.2%	1.6%	5.2%
Total Jobs	15,859.0	17,655.6	19,282.4	22,301.7	2.2%	1.8%	4.8%

Sources: Data for years 2005, 2010 and 2015 from the Employment Development Department. Forecast years were prepared by PRB with input from California Department of Transportation, California County-Level Economic Forecast 2018-2050, September 2019 and from the California Employment Development Department, California Industry Employment Projections.

The projections show substantial differences in the expected growth rate among industries between 2015 and 2045 and these differences tell a story about where job growth is expected and where job levels will remain flat or decline. These differences directly influenced the AMBAG region job projections described below.

It is important to note that the statewide projections listed above were completed before the start of the coronavirus pandemic. The net result is unknown at this time, and projections will be updated as new information becomes available. AMBAG will begin the next update to the Regional Growth Forecast will begin in 2023.

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The AMBAG Region Economy and Job Growth

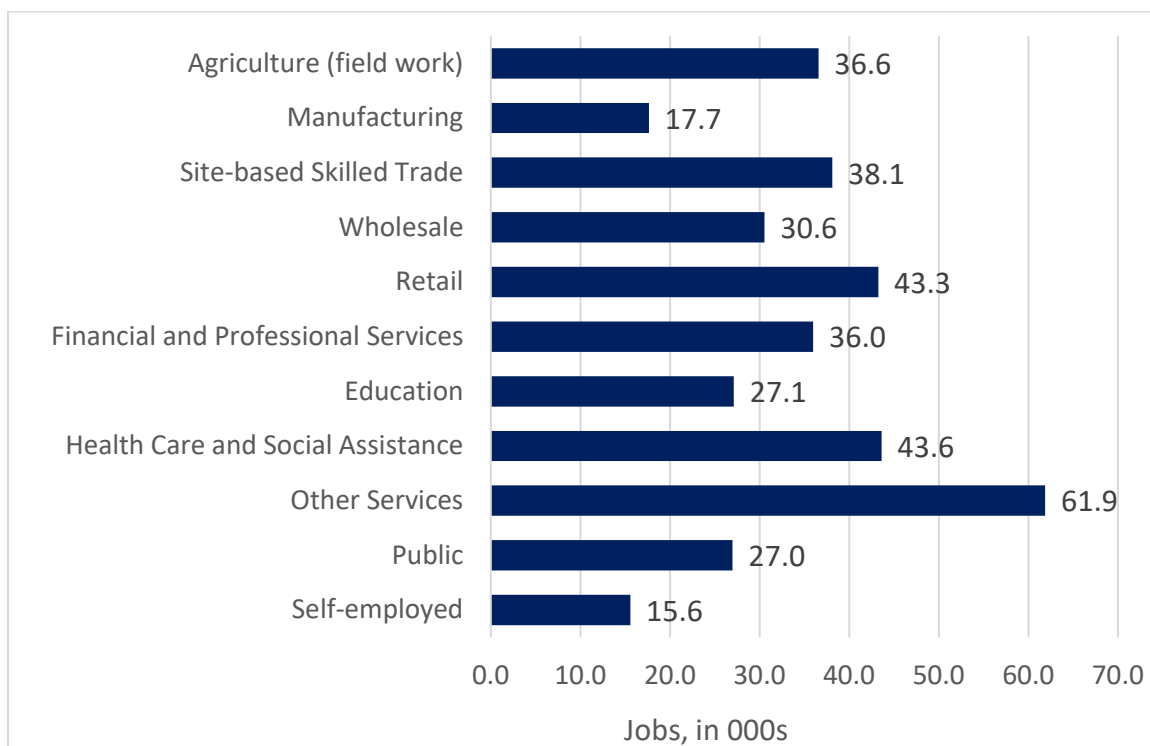
The previous section provided an overview of the current trends in the California economy. As previously noted the AMBAG region's job projections are based on an analysis of the regional economy and its relationship to the growth forecasted for California. The national and state projections provide the **pool of job opportunities** and the AMBAG region forecast reflects judgments about the **share** of national and state job growth that will locate in the AMBAG region. What follows is a description of the current structure of the regional economy as well as the resulting job projections based on the region's share of industries.

The database used for analysis and projections consists of annual industry employment data from 1990 through 2019, from the California Employment Development Department. for each of the three counties in the region and added together to produce an AMBAG region jobs database.

In addition to the historical time-series, AMBAG re-benchmarked the 2015 employment data to more accurately reflect local employment, and grouped the data to eleven categories for modeling purposes. This process is described in more detail in the "Sub-County Employment Database and Re-benchmarking" section, below. Industry definitions are included in Attachment 2.

The largest sectors are Other Services (including hotels, restaurants, and personal services), Health Care and Social Assistance, and Retail. (See Figure 4.)

Figure 4: Jobs by Industry Sector in 2015, AMBAG Region



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Sources: Data from the California Employment Development Department, InfoUSA, and AMBAG.

The AMBAG regional economy has an industry structure that is quite different in some ways than the statewide structure or the industry structure in regions like Southern California or the San Francisco Bay Area. One difference is the large share of jobs in Agriculture. Nineteen percent of total jobs in the AMBAG region are in Agriculture compared to just over two percent statewide. Other sectors with above average shares in the region include Public, Other Services, and Self Employed. Conversely, the AMBAG region has a below average share of jobs in the fast-growing, high wage Financial and Professional Services sectors.

AMBAG Region Forecast Job Trends, by Industry

The AMBAG region is expected to have moderate job growth between 2015 and 2040.

Table 4: AMBAG Region Jobs by Major Industry (000s)

	2015	2020	2025	2030	2035	2040	2045	Avg. Annual Growth Rate	
								2015-2020	2015-2045
Agriculture	36,600	40,100	40,100	40,200	40,300	40,500	40,600	1.8%	0.3%
Manufacturing	17,700	19,700	19,800	19,900	20,000	20,100	20,200	2.2%	0.3%
Site-based Skilled Trade	38,100	42,900	43,700	44,900	45,600	46,600	47,700	2.4%	0.6%
Wholesale	30,600	33,300	32,800	33,200	33,500	33,800	34,100	1.7%	0.3%
Retail	43,300	42,100	42,200	42,500	43,000	43,500	44,000	-0.6%	0.0%
Financial and Professional Services	36,000	37,100	37,400	38,500	39,600	40,800	41,900	0.6%	0.4%
Education	27,100	29,900	30,100	30,700	31,400	32,200	33,100	2.0%	0.5%
Healthcare and Social Assistance	43,600	47,400	48,900	50,200	51,500	52,900	54,400	1.7%	0.6%
Other Services	61,900	68,500	69,100	71,200	73,200	75,200	77,300	2.0%	0.6%
Public	27,000	29,700	29,800	30,200	30,700	31,200	31,900	1.9%	0.4%
Self-employed	15,600	15,700	16,200	16,600	16,900	17,300	17,700	0.1%	0.3%
Total	377,300	406,300	410,000	418,100	425,800	434,100	442,800	1.5%	0.4%

Sources: Data for years 2015 from the California Employment Development Department, InfoUSA, and AMBAG. Forecast years were prepared by AMBAG and PRB.

Note: Parts may not sum to total due to independent rounding.

The industry-level trends in the AMBAG Region are as follows:

- Agricultural job growth has been strong for the past 10 years, and while the rate of growth is expected to slow, the region's agricultural industry will still grow faster than state or national projections.
- The region lost Manufacturing jobs during the recession, but recent years have seen a turnaround. Growth is expected to be slow but steady in future years.

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- Site-based Skilled Trade (which includes construction) saw steep job losses during the recession and a bounce-back through 2019. Future growth is expected to be moderate.
- The Wholesale and Retail sectors both lost jobs in recession years, and retail has continued to decline. Growth is expected to remain low through the forecast.
- Financial and Professional Services is expected to grow at a moderate rate.
- Education has grown rapidly in recent years, but growth will likely slow as population growth slows.
- Healthcare and Social Assistance has seen steady growth, even in recession years. This is expected to continue as the population ages and demand for health services increases.
- Other Services (including hotels, restaurants, and personal services) lost jobs in the AMBAG region during the recession, but growth rebounded between 2010 and 2015. Growth is expected to be moderate in the future.
- The Public sector, locally, lost jobs between 2008 and 2013 as a result of the recession. Those losses began to reverse in 2014, and the sector is expected to see modest growth in the future.
- Self-employment tends to be counter-cyclical as people who lose their wage-and-salary job during a recession may turn to self-employment. Growth forecasts are based primarily on population growth.

Step 2: Population

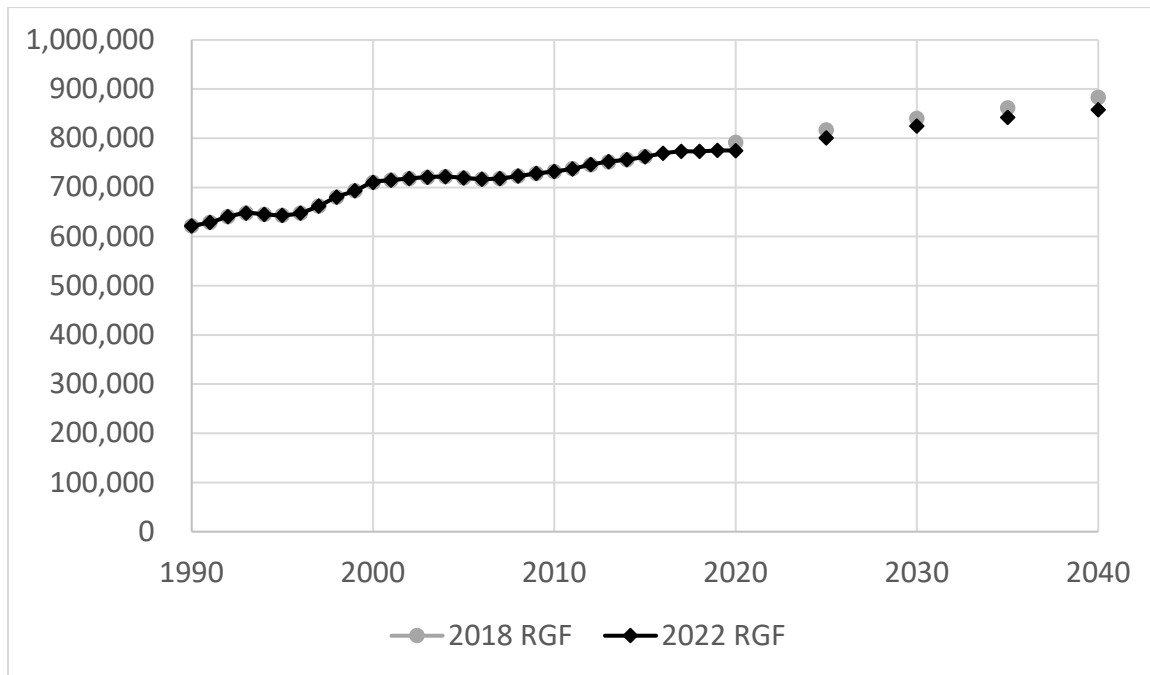
The region is projected to add approximately 107,500 people between 2015 and 2045, for an increase of 14 percent. The 2045 projected regional population of 869,776 is lower than the 883,300 residents projected for year 2040 in the 2018 RGF. (See Table 5 and Figure 6) This lower population forecast reflects slower growth than anticipated since the 2010 Census due to record low birth rates, stalled improvements in life expectancy, and lower migration rates. This slower growth in population is possible, despite faster growth in employment, due to changing unemployment and labor force participation rates.

Table 5: Comparison of Forecasts for Population

Forecast	2010	2015	2020	2025	2030	2035	2040	2045
2018 RGF	732,708	762,676	791,600	816,900	840,100	862,200	883,300	N.A.
% Change		4%	4%	3%	3%	3%	2%	N.A.
2022 RGF	732,708	762,241	774,729	800,726	824,992	842,189	857,828	869,776
% Change		4%	2%	3%	3%	2%	2%	1%

Sources: Data for years 2010-2020 are from the California Department of Finance. Forecast years were prepared by AMBAG and PRB.

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Figure 5: AMBAG Region Population Forecast

Sources: Data for years 1990-2020 are from the California Department of Finance. Forecast years were prepared by AMBAG and PRB.

Despite the lower population forecast, it is expected that AMBAG will continue to see population and housing growth associated with job growth outside of the region. In particular, job growth in Silicon Valley, combined with high housing prices, is expected to lead to an increase in the number of commuters to Bay Area jobs that live in the AMBAG region.

Method for Producing the Population Forecast

In preparing for this forecast, PRB tested a variety of methods for the population forecast, each of which produced similar results. (Findings are summarized in Attachment 3.) As a result of this review, PRB and AMBAG staff determined that the employment-driven population growth forecast model used in the 2014 RGF was suitable for the 2018 RGF.

Benchmark Population

All population projections are benchmarked to the 2010 Census counts which include people whose primary residence on “Census Day” (April 1, 2010) is within the region, regardless of citizenship status. It is recognized that the AMBAG region is home to a sizeable seasonal population (seasonal workers, who often work in agricultural occupations, and their families). Seasonal worker populations have

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historically been found to be “hard to count” (HTC) in official statistics.¹ In an encouraging development, the 2010 Census was more effective than prior decennial census efforts in reaching, and enumerating, HTC areas. Specifically, “Census 2010 coverage of households in the HTC tracts in the San Joaquin Valley and Central Coast counties... was significantly improved from previous decennials,” but some undercount remained a problem.²

The timing of data collection has also historically been a challenge for counting seasonal workers in the AMBAG region. Migratory workers are counted based on their location on Census Day. If the agricultural work cycle is in a lull in March and April, but ramps up at other times of the year, the worker population may be lower on Census Day than it is at other times of the year. However, it has been observed through informal surveys (i.e., for the AMBAG Regional Agricultural Vanpool Feasibility Study) that the seasonal population in the AMBAG region has been moving towards a trend of year-round residence, particularly with regard to agricultural jobs.

Given these two trends – better enumeration of HTC populations and a trend toward year-round residence – the seasonal population is increasingly likely to be counted in the decennial Census and in California Department of Finance demographic estimates. That said, seasonal workers who were not present on Census Day would not have been counted in the AMBAG region, and undercount remains a problem for seasonal populations, nationwide. Thus, to the extent that seasonal workers are present and counted in official statistics, they are also included in this forecast.

The AMBAG region population projections were benchmarked against prior decennial Census and employment data, and derived by anticipating that the regional population to job ratio will move in line with the statewide trend as it has in the past.

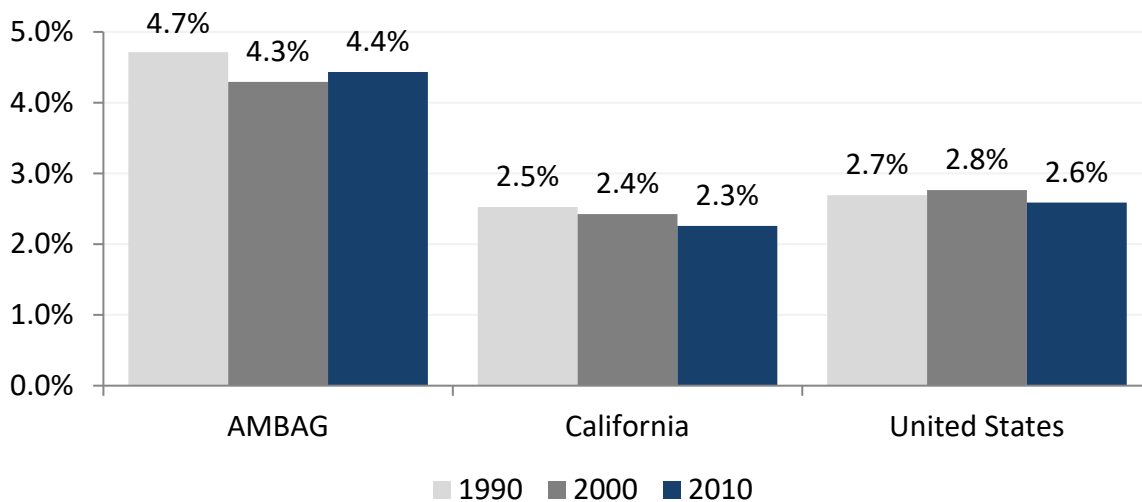
U.S., California and AMBAG Region Demographic and Economic Trends to 2045

The AMBAG region has an above-average share of residents who live in group quarters and are not tied to the regional job market. This trend has continued since 1990 although the mix of group quarters residents has changed. (See Figures 6 and 7.) Changes in group quarters population, such as growth at the region’s universities, will play a role in regional growth through 2045.

¹ U.S. General Accounting Office. “Key Efforts to Include Hard-to-Count Populations Went Generally as Planned; Improvements Could Make the Efforts More Effective for Next Census” (December 2010), accessed at <http://www.gao.gov/new.items/d1145.pdf> on October 4, 2016.

² California Rural Legal Assistance, Inc. “2010 Census Enumeration of Immigrant Communities in Rural California: Dramatic Improvements but Challenges Remain” (November 2010), accessed at <http://www.crla.org/sites/all/files/content/uploads/Census/Census10-JBS-CRLA.pdf> on October 4, 2016.

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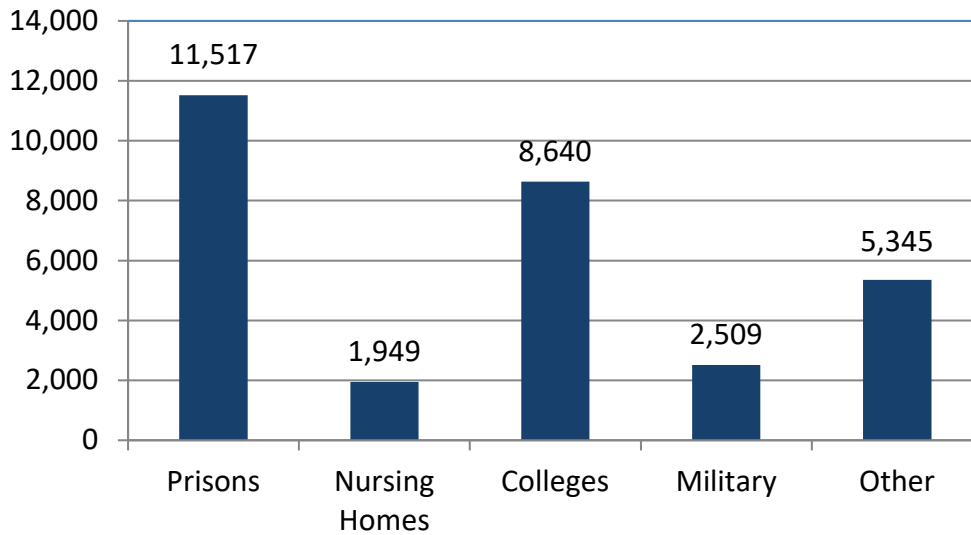
Figure 6: Group Quarters as a Percent of Population

Sources: U.S. Census Bureau, California Department of Finance

In 1990 there was a substantial military group quarters presence around the Fort Ord base. Since then the military population has declined due to the closure of the base, but that group quarters population has been offset by an increase at colleges (primarily UC Santa Cruz and CSU Monterey Bay) and an increase in the state prison population. In future years it will be important to continue watching the development and growth of military institutions in the region. There is still a strong military and naval presence in Monterey County including the Presidio area as well as Fort Hunter Liggett in the southern portion of the County.³

³ While Fort Hunter Liggett has a small permanent population, they are a large training facility and host a substantial amount of trainees every year. Not only will it be important to follow the FHL plans for expansion from a population perspective, but it will also be important to consider the presence of the FHL in transportation planning given the Fort's heavy reliance on Highway 101.

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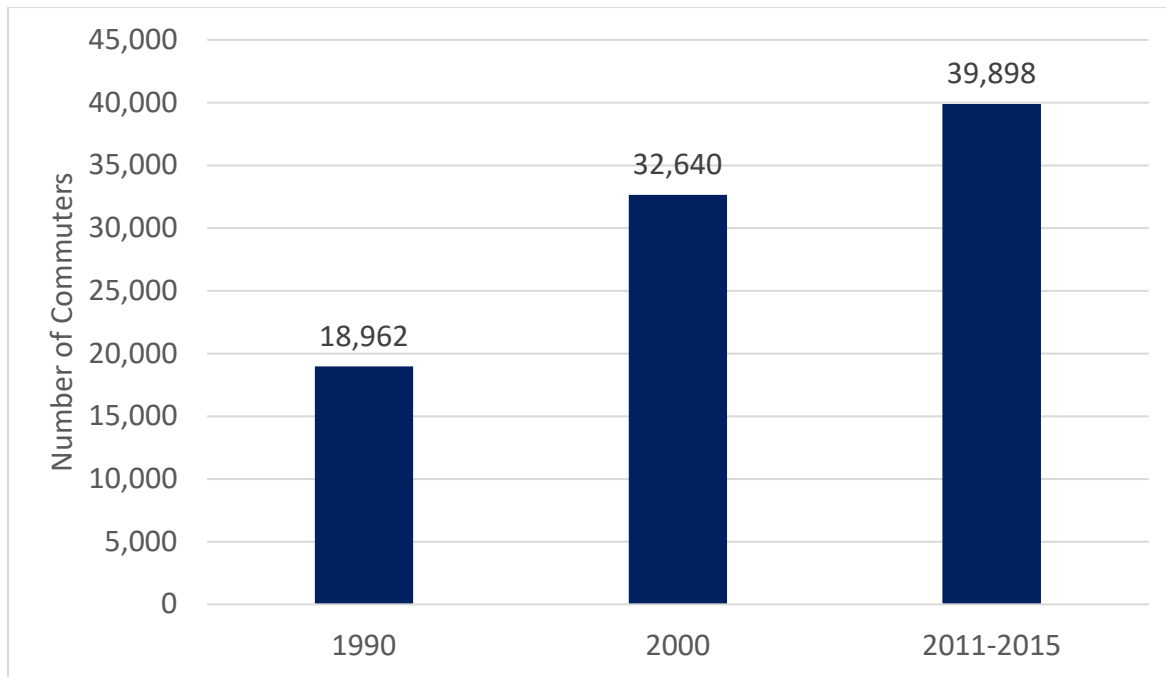
Figure 7: AMBAG Group Quarters Population in 2010

Source: U.S. Census Bureau, Census 2010

The AMBAG region, the state, and the nation all have about 2 residents per job, and that is expected to continue to 2045.

AMBAG residents commute to jobs outside the region, principally to jobs in Santa Clara County. This net out-commuting means there are residents in the region not connected to AMBAG region job growth. Net out-commuting surged between 1990 and 2000 as the “dot.com boom” pushed Silicon Valley (Santa Clara County) job levels higher, and has continued to rise as people to search for cheaper housing in portions of the AMBAG region. (See Figure 8.)

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Figure 8: Net Out-Commuting from AMBAG Region

Sources: 1990 & 2000 - Census Journey to Work and 2011-2015 - American Community Survey Special Tabulations for the Census Transportation Planning Package.

AMBAG Region Forecast Population Trends

As described above (see Table 5), the region is projected to add approximately 2,700 residents per year between 2015 and 2045. This is less than the average of just under 8,900 between 1990 and 2000 and above the recession-affected growth of 2,200 between 2000 and 2010. Recent growth from 2015-2020 has averaged 2,500 per year, close to the projected long-term growth rate.

Step 3: Housing and Households

The region is projected to add approximately 42,200 housing units by 2045, for a total of approximately 304,900 for an increase of 16 percent. The 2045 projected regional housing stock of 304,900 is slightly higher than the 305,293 housing units projected for year 2040 in the 2018 RGF, reflecting slower population growth.

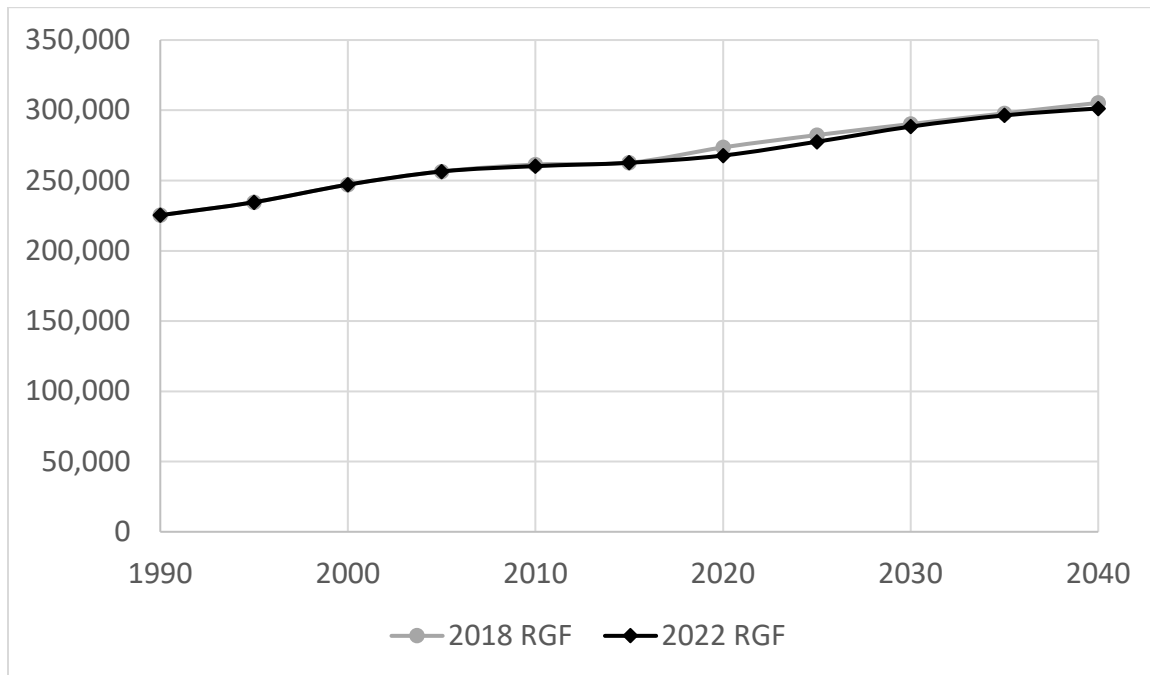
Table 6: Comparison of Forecasts for Housing

Forecast	2010	2015	2020	2025	2030	2035	2040	2045
2018 RGF	261,394	262,660	273,606	282,368	290,225	297,851	305,293	N.A.
% Change		0%	4%	3%	3%	3%	2%	N.A.
2022 RGF	260,256	262,660	267,812	277,645	288,386	296,352	301,307	304,900
% Change		1%	2%	4%	4%	3%	2%	1%

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Sources: Data for years 2010-2020 are from the California Department of Finance. Forecast years were prepared by AMBAG and PRB.

Figure 9: AMBAG Region Housing Forecast



Sources: Data for 1990-2020 from the California Department of Finance. Forecast years were prepared by AMBAG and PRB.

Method for Producing the Housing Forecast

The housing forecast begins with a household forecast, and the household forecast is driven by demographic factors such as the size and structure of the population. Demographic factors (e.g., gender, age, and race/ethnicity) and external factors (e.g., major group quarters facilities like colleges and universities, correctional facilities, etc.) influence household population and household formation rates (i.e., the number of people per household). Household formation rates predict future demand for housing. That predicted demand, combined with expected vacancy rates, drives the forecast for housing growth.

AMBAG Region Forecast Housing Trends

As described above (see Table 5), the region is projected to add approximately 2,700 residents per year between 2015 and 2045. Taking average household size and vacancy rates into account, the resulting housing growth is expected to be just over 1,000 per year between 2015 and 2045. This is similar to the recent growth of 1,000 housing units per year between 2000 and 2015.

It is worth noting that several jurisdictions in the AMBAG region have historically had relatively high vacancy rates, reflecting a mix of vacation rentals and second homes, particularly in coastal

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communities. In recent years, there is some evidence that more homeowners may be participating in the vacation rental market via platforms such as Airbnb and VRBO. It is unclear whether these new services will result in higher vacancy rates as more housing units become primarily vacation rentals or lower vacancy rates as short-term rental units shift demand away from units that are intended to be available for rental most (or all) of the year. AMBAG will continue to monitor this trend for future forecasts.

Section 3: Development of the Subregional Forecast

Following the preparation of the regional forecast figures, AMBAG staff began the process of disaggregating the figures to the county and city level using historical data. This section summarizes that process and the results.

Summary of the 2022 Subregional Forecast

The 2022 RGF projects that the region will add about 65,500 jobs between 2015 and 2045, for a total of just over 442,800 jobs by 2045. Of that growth, 58 percent (approximately 38,200 jobs) is expected to be in Monterey County, 7 percent (approximately 4,500 jobs) is expected to be in San Benito County and 35 percent (approximately 22,800 jobs) is expected to be in Santa Cruz County.

This forecast projects that the region's population will grow by approximately 107,500 people between 2015 and 2045, for a total population of just under 869,800 in 2045. Of that growth, 57 percent (approximately 61,100 people) is expected to be in Monterey County, 23 percent (approximately 25,200 people) is expected to be in San Benito County and 20 percent (approximately 21,200 people) is expected to be in Santa Cruz County.

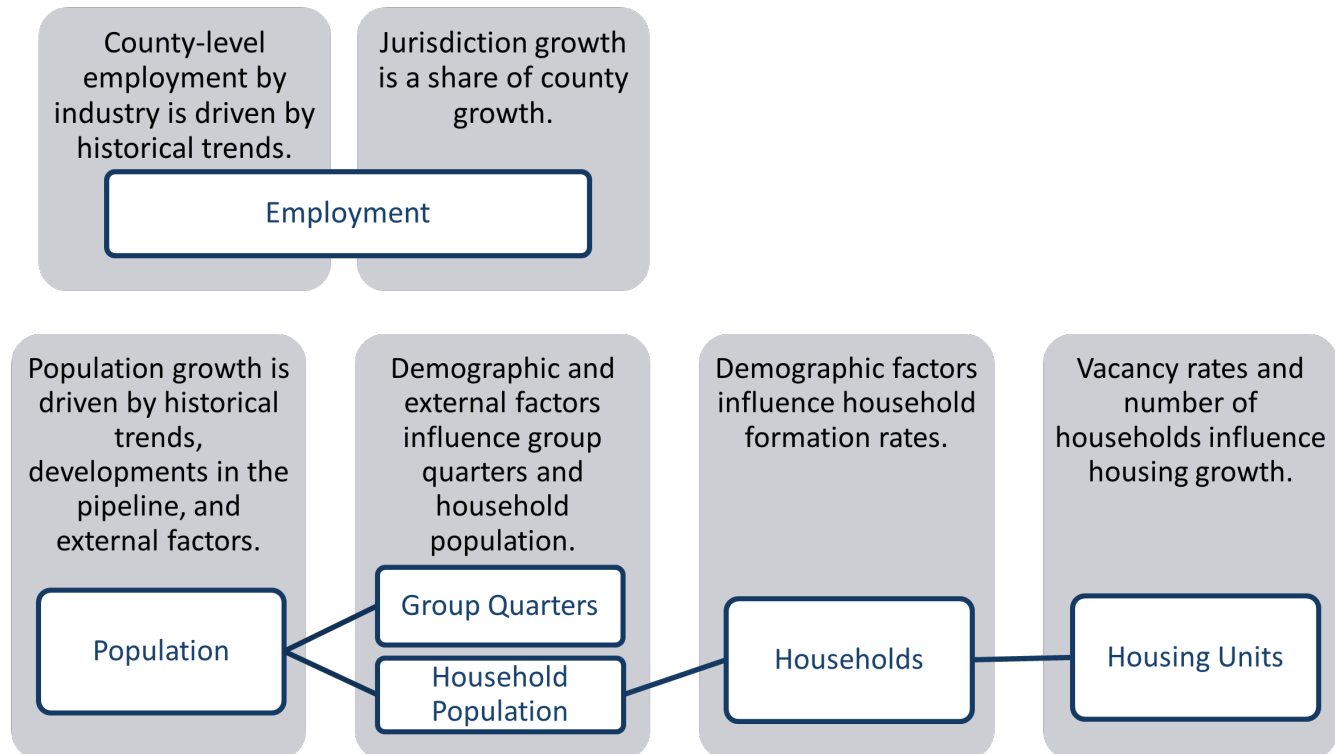
To house the region's expected population growth, this forecast shows an increase of just over 42,200 housing units by 2045, for a total of approximately 304,900 units. Of that growth, 62 percent (approximately 26,200 houses) is expected to be in Monterey County, 18 percent (approximately 7,500 houses) is expected to be in San Benito County and 20 percent (approximately 8,600 houses) is expected to be in Santa Cruz County. Housing growth rates do not exactly parallel population growth rates because of local variations in average household size and vacancy rate, and because some population (e.g., at UCSC and CSUMB) is expected to be housed in group quarters facilities.

Details of the population, housing, and job growth forecasts for each jurisdiction, as well as population and housing forecasts for the two universities, can be found in Attachment 5.

Subregional Allocation Methodology

Unlike the regional forecast, in which employment growth drives population and housing growth, the employment forecast is separate from the population and housing forecast in the subregional allocation. This separation reflects differing economic and demographic forces at the regional and local levels.

Figure 10: Subregional Allocation Process



1. **Employment trends:** Employment is measured as the number of jobs by place of work. For the county-level forecast, employment growth by industry is driven by historical trends (i.e., shift-share model). Total growth across the three counties is constrained by the region-level forecast. For each jurisdiction (cities and unincorporated balance of county), employment growth by industry is a constant share of the jurisdiction's parent county's growth in that industry.
2. **Population trends:** Population is the total resident population of the region. The jurisdiction level forecast is driven by three factors:
 - a. Historical trends (i.e., shift-share model)
 - b. Anticipated future developments such as housing projects under development that are likely to be occupied within the forecast horizon
 - c. External factors (e.g., universities, military, correctional facilities)

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Each county's population forecast is a sum of the jurisdiction-level forecasts. All levels (county, city, unincorporated area) are constrained by the region-level forecast.

3. Household Population and Group Quarters: Household population is the population that lives in a housing unit. Group quarters population is the population that lives in a group living arrangement such as a dorm, barracks, correctional institution, or congregate care facility. Demographic factors (e.g., age, race/ethnicity) and external factors (e.g., major group quarters facilities like colleges and universities, correctional facilities, etc.) influence the household population and household formation rates (i.e., the number of people per household).
4. Households/Occupied Housing Units: A household is a person, or group of people, living in a house. Because a household, by definition, occupies a housing unit, households are equivalent to and synonymous with occupied housing units.
Household projections are driven by household formation rates. Household formation rates are calculated as the ratio of households divided by the household population. Household formation rates are the inverse of average household size.
5. Housing Units: Housing is the total number of housing units, including both occupied and vacant structures. Housing includes primary residences, second homes, accessory dwelling units, vacation rentals, farmworker housing, and any other habitable structure—including unauthorized units. The only type of dwelling excluded from the housing inventory is group quarters (dorms, barracks, congregate care, etc.).
Housing projections are driven by the household population projection, demographic characteristics of the household population (age, sex, race/ethnicity), household formation rates, and housing vacancy rates. Vacancy rates are calculated as the share of all units (including vacation rentals, unauthorized dwellings, etc.) that are not currently occupied.

Data sources include the California Department of Finance, the California Employment Development Department, InfoUSA, and the U.S. Census Bureau.

For more information on the definitions of housing and group quarters, see Attachment 4.

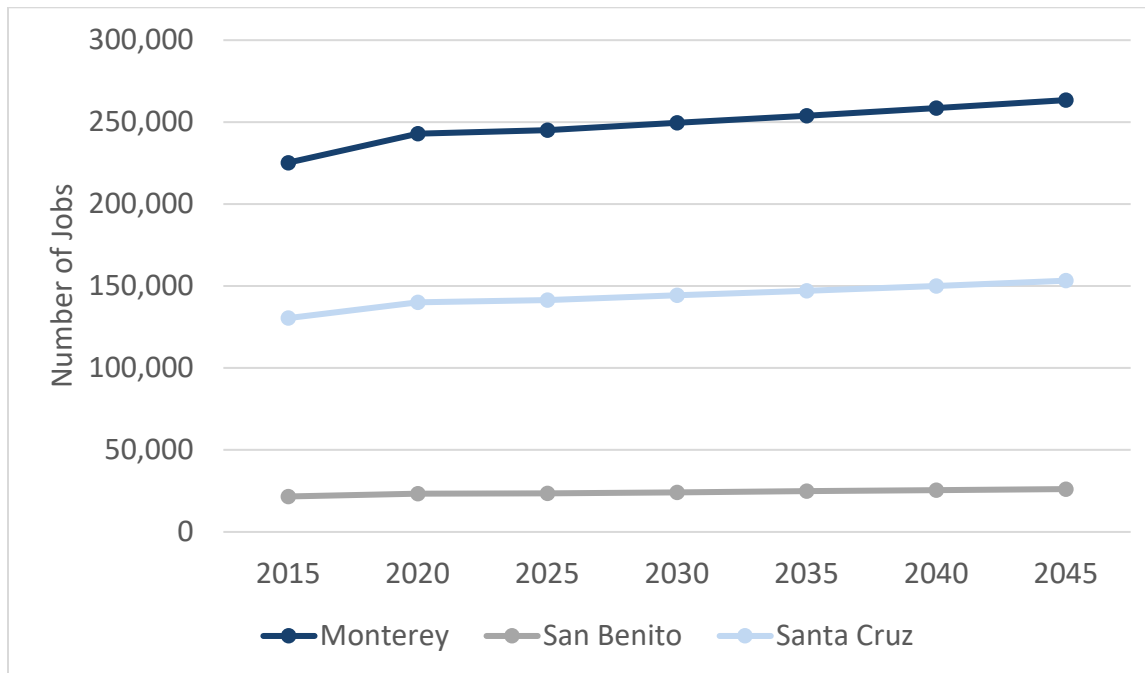
This process resulted in draft estimates at the jurisdictional level that were used for discussion purposes with staff at each of the cities and counties within the region. In addition to the cities and counties, staff met with the Local Agency Formation Commissions (LAFCOs) for each county, the Fort Ord Reuse Authority, the University of California, Santa Cruz (UCSC) and California State University, Monterey Bay (CSUMB) to discuss the results. Adjustments were made to the forecast based on these conversations to incorporate growth on the basis of planned developments, specific and General Plan research and economic development plans. The process of revision and meeting with local jurisdictions one-on-one was repeated several times to reach a consensus on the forecast.

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Step 1: Employment

The 2022 RGF projects that the region will add about 65,500 jobs between 2015 and 2045, for a total of just over 442,800 jobs by 2045. Of that growth, 58 percent (approximately 38,200 jobs) is expected to be in Monterey County, 7 percent (approximately 4,500 jobs) is expected to be in San Benito County and 35 percent (approximately 22,800 jobs) is expected to be in Santa Cruz County.

Figure 11: Employment by County 2015-2045



Sources: California Employment Development Department, InfoUSA, AMBAG, forecast by PRB and AMBAG.

Method for Producing the County and Sub-County Employment Forecast

The subregional employment forecast incorporated a two-step process: a county-level forecast and a jurisdiction-level allocation.

In order to disaggregate the tri-county regional industry employment forecast by county, AMBAG staff selected what is known as a Classical Shift-Share model. The Classical Shift-Share formula is similar to the Implicit Shift-Share formula used to disaggregate the population forecast, except that it is comprised of three mathematical functions rather than two. In this case, they are referred to as the regional share, industry mix and competitive shift functions. The regional share function estimates what employment growth in a certain industry would look like in the local area (i.e., county) if it were to grow at the same rate as the total all-industry employment in the region as a whole. The second industry mix function then adjusts for the difference in the rate of employment growth in a certain industry, compared to all industry employment. The industry mix function is calculated using regional

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employment values. The third function, known as the competitive shift, adjusts the estimate to account for faster or slower industry employment growth in the county, compared to the region.

Figure 12: Classical Shift-Share Equation

$$E_i^{t+n} = E_i^t \left[\frac{R_A^{t+n}}{R_A^t} + \left(\frac{R_i^{t+n}}{R_i^t} - \frac{R_A^{t+n}}{R_A^t} \right) + \alpha \left(\frac{E_i^t}{E_i^{t-m}} - \frac{R_i^t}{R_i^{t-m}} \right) \right]$$

E = local Value R = Regional Value
 i = industry A = All industries

Sub-County Employment Database and Re-benchmarking

To produce the subregional employment component of the forecast and to support transportation modeling, AMBAG created an address-level database for all employers in the AMBAG region in 2015. The database combined industry employment data from the California Employment Development Department (EDD) with employer data from InfoUSA. The InfoUSA data are derived from dozens of sources including but not limited to postal records, white pages listings, new business registrations, utility connections, real estate data (deeds & assessments) and industry directories. The database is then verified and supplemented with regular phone surveys. InfoUSA database is used by many other regional Councils of Governments to conduct forecast work and is a reputable source of data.

Staff compared records from EDD with those from InfoUSA. Where both sources matched, one record was retained, unedited. Where records differed, staff conducted extensive research (using AMBAG's land use inventory, web-based investigation, and field research) to determine the proper industry code and employment level for the record and retained the most accurate record (typically the higher reported number). As a result of the editing and reconciliation process, the address-level inventory differs from EDD industry totals.

While there are differences across all industries, edits to agricultural records were extensive. Staff review of address-level records showed that many establishments listed as "agriculture" by EDD are, in the AMBAG region, engaged in food processing (manufacturing), storage (warehousing), or retail (farm stands). Agricultural recategorization is described in more detail in Attachment 2.

It is also important to note that the AMBAG estimate of agricultural jobs differs from estimates of the agricultural workforce (91,433 in 2016) described in "Farmworker Housing Study and Action Plan for Salinas Valley and Pajaro Valley." The reasons for this difference are both temporal and definitional. The industry estimates are annual-average estimates of jobs (a job is a paid position at a company) for 2015. The Farmworker Housing Study figures are 2016 estimates of all workers who were ever employed during the year, including those who worked part-time or part-year. If a company has high turnover or seasonal work, that company's number of workers (all year) would be higher than their average number of jobs. For example, if a company typically has 10 paid positions, but in peak season brings on another 10 for three months, the annual average number of jobs is 12.5 (10 x (9/12months) +

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$20 \times (3/12\text{months}) = 12.5/\text{month}$) but there were 20 unique workers at peak (original 10 plus additional 10).

Thus, in this case, the farmworker study estimates are higher than jobs estimates for three key reasons:

- Agricultural employment grew slightly between 2015 and 2016.
- Worker estimates take peak seasonal employment into account, while EDD industry estimates are annual averages.
- Some companies that identify as agricultural are more accurately classified as food processing (manufacturing), storage (warehousing), or retail (farm stands).

Sub-County Disaggregation Method for Employment

The address-level database, described above, was used to calculate the share of employment for each industry in each jurisdiction in 2015. This percent share was then carried forward to future years in order to calculate the number of jobs located in each jurisdiction by industry. While the County level totals use the Classical Shift-Share method as described above, the sub-county level forecast is a constant share approach. However, because the sub-county level forecasts are based on the County totals by industry the Classical Shift-Share method does influence the sub-county trends.

A preliminary draft forecast was distributed to planning staff at each jurisdiction. AMBAG staff held one-on-one meetings to gather comments and additional information from planning staff at each jurisdiction. (See Attachment 1 for a list of meeting dates, times, locations and attendees.) Staff then used economic studies, entitled development, the establishment of enterprise zones and other information from local planners to supplement the employment assumptions at the jurisdictional level. These comments and additional pieces of information were incorporated into the final forecast.

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Table 7: Subregional Employment Forecast

Geography	2015	2020	2025	2030	2035	2040	2045	Change 2015-2045	
								Numeric	%
AMBAG Region	377,335	406,280	410,017	418,132	425,845	434,147	442,824	65,489	17%
Monterey County	225,268	243,015	245,054	249,613	253,918	258,553	263,437	38,169	17%
Carmel-By-The-Sea	3,353	3,566	3,593	3,674	3,752	3,833	3,915	562	17%
Del Rey Oaks	705	748	753	774	794	815	834	129	18%
Gonzales	5,764	6,326	6,382	6,533	6,660	6,788	6,920	1,156	20%
Greenfield	7,227	7,882	7,948	8,061	8,177	8,298	8,423	1,196	17%
King City	7,573	8,195	8,248	8,371	8,511	8,669	8,832	1,259	17%
Marina	6,107	6,548	6,621	6,765	6,899	7,055	7,217	1,110	18%
Monterey	38,133	40,989	41,527	42,506	43,452	44,465	45,509	7,376	19%
Pacific Grove	7,470	8,016	8,061	8,152	8,244	8,343	8,445	975	13%
Salinas	73,009	78,874	79,577	81,079	82,505	84,044	85,683	12,674	17%
Sand City	1,966	2,092	2,102	2,151	2,188	2,224	2,259	293	15%
Seaside	9,667	10,476	10,589	10,833	11,062	11,290	11,543	1,876	19%
Soledad	8,532	9,010	9,079	9,161	9,235	9,333	9,462	930	11%
Unincorporated	55,762	60,293	60,574	61,553	62,439	63,396	64,395	8,633	15%
San Benito County	21,631	23,263	23,572	24,203	24,802	25,475	26,126	4,495	21%
Hollister	14,428	15,492	15,728	16,207	16,655	17,121	17,613	3,185	22%
San Juan Bautista	515	557	569	580	588	603	612	97	19%
Unincorporated	6,688	7,214	7,275	7,416	7,559	7,751	7,901	1,213	18%
Santa Cruz County	130,436	140,002	141,391	144,316	147,125	150,119	153,261	22,825	17%
Capitola	11,666	12,250	12,376	12,633	12,902	13,181	13,454	1,788	15%
Santa Cruz	40,840	43,865	44,317	45,594	46,863	48,203	49,636	8,796	22%
Scotts Valley	9,458	10,109	10,185	10,345	10,489	10,637	10,797	1,339	14%
Watsonville	26,403	28,514	28,765	29,156	29,505	29,896	30,303	3,900	15%
Unincorporated	42,069	45,264	45,748	46,588	47,366	48,202	49,071	7,002	17%

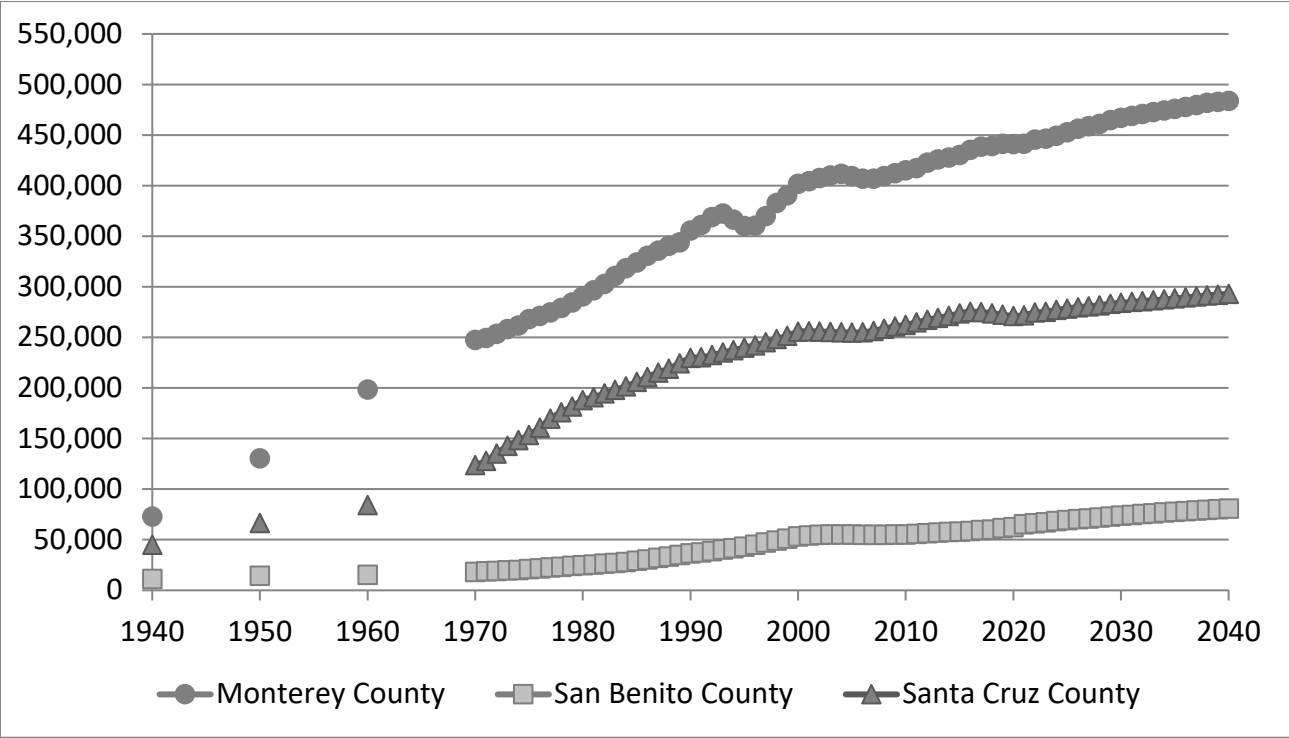
Sources: Data for 2015 from InfoUSA and the California Employment Development Department.

Forecast years were prepared by AMBAG and PRB.

Step 2: Population

This forecast projects that the region's population will grow by approximately 107,500 people between 2015 and 2045, for a total population of just under 869,800 in 2045. Of that growth, 57 percent (approximately 61,100 people) is expected to be in Monterey County, 23 percent (approximately 25,200 people) is expected to be in San Benito County and 20 percent (approximately 21,200 people) is expected to be in Santa Cruz County.

Figure 13: Population in Monterey, San Benito and Santa Cruz Counties 1940-2045



Sources: Data for years 1940-2020 are from the U.S. Census Bureau and California Department of Finance. Forecast years were prepared by AMBAG and PRB.

2022 Regional Growth Forecast

Table 8: Subregional Population Forecast

Geography	2015	2020	2025	2030	2035	2040	2045		%
AMBAG Region	762,241	774,729	800,726	824,992	842,189	857,828	869,776	107,535	14%
Monterey County	430,310	441,143	452,761	467,068	476,028	483,884	491,443		4%
Carmel-By-The-Sea	3,854	3,949	3,946	3,954	3,964	3,974	3,984	130	3%
Del Rey Oaks	1,663	1,662	1,693	1,734	1,859	2,330	2,650		9%
Gonzales	8,441	8,506	9,650	13,492	14,630	15,398	15,711	7,270	86%
Greenfield	17,172	18,284	19,342	19,734	19,961	20,202	20,433		9%
King City	13,736	14,797	15,376	16,101	16,689	16,881	17,064	3,328	24%
Marina	21,057	22,321	23,723	25,126	26,713	28,433	30,044		3%
Marina balance	20,037	21,371	22,293	22,841	23,238	23,768	24,237	4,200	21%
CSUMB (portion)	1,020	950	1,430	2,285	3,475	4,665	5,807		9%
Monterey	28,086	28,170	28,044	28,650	29,032	29,342	29,639	1,553	6%
Monterey balance	24,095	24,749	24,623	25,229	25,611	25,921	26,218		9%
DLI & Naval Postgrad	3,991	3,421	3,421	3,421	3,421	3,421	3,421	-570	-14%
Pacific Grove	15,460	15,265	15,290	15,395	15,530	15,676	15,817		2%
Salinas	158,059	162,222	166,226	170,459	173,393	175,358	177,128	19,069	12%
Sand City	361	385	430	516	756	1,012	1,198		2%
Seaside	33,815	33,537	34,497	35,107	35,634	36,582	38,316	4,501	13%
Seaside balance	25,835	26,345	27,285	27,850	28,317	29,205	30,881		0%
Fort Ord (portion)	4,163	3,083	3,083	3,083	3,083	3,083	3,083	-1080	-26%
CSUMB (portion)	3,817	4,109	4,129	4,174	4,234	4,294	4,352		4%
Soledad	24,597	25,301	26,112	26,824	27,697	28,419	29,133	4,536	18%
Soledad balance	16,298	17,190	18,001	18,713	19,586	20,308	21,022		9%
SVSP & CTF	8,299	8,111	8,111	8,111	8,111	8,111	8,111	-188	-2%
Unincorporated	104,009	106,744	108,432	109,976	110,170	110,277	110,326		6%
Unincorp balance	101,468	104,203	105,891	107,435	107,629	107,736	107,785	6,317	6%
CSUMB	2,541	2,541	2,541	2,541	2,541	2,541	2,541		0%
San Benito County	58,138	62,353	69,324	73,778	77,638	80,788	83,366	25,228	43%
Hollister	37,314	40,646	42,604	43,327	44,421	45,345	45,599		2%
San Juan Bautista	1,945	2,112	2,269	2,315	2,374	2,410	2,436	491	25%
Unincorporated	18,879	19,595	24,451	28,136	30,843	33,033	35,331		7%
Santa Cruz County	273,793	271,233	278,641	284,146	288,523	293,156	294,967	21,174	8%
Capitola	10,224	10,108	10,485	10,794	10,957	11,049	11,126		9%
Santa Cruz	64,223	64,424	68,845	72,218	75,257	78,828	79,534	15,311	24%
Santa Cruz balance	46,947	45,324	47,845	49,118	49,957	50,828	51,534		0%
UCSC	17,276	19,100	21,000	23,100	25,300	28,000	28,000	10,724	62%
Scotts Valley	11,946	11,693	11,718	11,837	11,867	11,868	12,010		1%
Watsonville	52,410	51,515	52,918	54,270	55,138	55,786	56,344	3,934	8%
Unincorporated	134,990	133,493	134,675	135,027	135,304	135,625	135,953		1%

Sources: Data for 2015-2020 are from the California Department of Finance. Forecast years were prepared by AMBAG and PRB.

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Method for Producing the County and Sub-County Population Forecast

In order to disaggregate the tri-county regional population forecast, PRB and AMBAG implemented the Implicit Shift-Share method. This particular technique was chosen because it provides a relatively simple, yet rigorous, method for estimating the future geographic distribution of the regional population based on historic estimates of local and regional population growth.

The Implicit Shift-Share formula is comprised of two distinct mathematical functions. These are sometimes known as the regional share and the local shift. The regional share function calculates what the total population growth in the local area (i.e., a city or county) would be if that area were to grow at the same rate as the region as a whole. The second function then adjusts for historic changes in the local area's share of the total regional population. Combined with an accurate estimate of the size of the base population obtained from the 2010 Decennial Census, the regional share and local shift functions provide a reasonable estimate of the future local area population, taking into account past changes in the percentage share of the regional population. Historical data are from the Department of Finance. The Department of Finance does benchmark their historical estimates to the Decennial Census for 1990, 2000 and 2010.⁴

Figure 14: Implicit Shift-Share Equation

$$E^{t+n} = E^t \left(\frac{R^{t+n}}{R^t} \right) + \alpha R^{t+n} \left(\frac{E^t}{R^t} - \frac{E^{t-m}}{R^{t-m}} \right) \quad \begin{array}{l} E = \text{Local Value} \\ R = \text{Regional Value} \end{array}$$

To produce jurisdiction-level forecast, AMBAG and PRB compiled a database of historical population by jurisdiction. This database included information on population growth (or decline) as well as details for “special” populations (e.g., college students, military personnel, prisoners). (Special populations are described in more detail in the section “Adjustments for Special Populations,” below.)

AMBAG and PRB compiled historical data⁵ to track trends in, and relied upon institutional/facility plans to produce the population forecast for the following areas:

- Marina:
 - Fort Ord (portion)

⁴ Department of Finance, E-8 Historical Population and Housing Estimates for Cities, Counties and the State, 1990-2000, August 2008; Department of Finance, E-4 Population Estimates for Cities, Counties and the State, 2001-2010, September 2011 and Department of Finance, E-1 Population Estimates for Cities, Counties and the State, 2011 and 2012, August 2009.

⁵ Sources include the California Department of Finance, U.S. Census Bureau and institutional records.

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- CSUMB (portion)
- Monterey
 - Defense Language Institute and Naval Postgraduate School
- Seaside
 - Fort Ord (portion)
 - CSUMB (portion)
- Soledad
 - SVSP & CTF
- Balance of County
 - CSUMB (portion)
- Santa Cruz
 - UCSC

AMBAG and PRB then applied the implicit shift-share methodology to the balance of population in each jurisdiction to produce a draft of the first forecast increment. The benchmark period for the shift-share model was 2010-2015, and the model was applied to produce the draft forecast.

Forecast years, for this initial draft, presumed that each jurisdiction maintained a constant share of the region's population. This approach, using shift-share for the first increment, and constant-share thereafter, was implemented in the 2014 RGF and 2018 RGF to ensure that jurisdictions that experienced population loss during the benchmark period would not continue to decline. This forecast assumption is reasonable given that any jurisdiction may experience a period of temporary population decline, even when the long-term trend has been stability or growth.

Further initial adjustments were made to reflect population growth associated with housing under construction or in the permit pipeline.

AMBAG staff then met with representatives from each jurisdiction to ground truth the forecast with respect to anticipated future growth and development in the pipeline. (See Attachment 1 for a full list of meetings.)

Step 3: Housing

To house the region's expected population growth, this forecast shows an increase of just over 42,200 housing units by 2045, for a total of approximately 304,900 units. Of that growth, 62 percent (approximately 26,200 houses) is expected to be in Monterey County, 18 percent (approximately 7,500 houses) is expected to be in San Benito County and 20 percent (approximately 8,600 houses) is expected to be in Santa Cruz County. Housing growth rates do not exactly parallel population growth rates because of local variations in average household size and vacancy rate, and because some population (e.g., at UCSC and CSUMB) is expected to be housed in group quarters facilities.

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Table 9: Subregional Housing Forecast

Geography	2015	2020	2025	2030	2035	2040	2045	Change 2015-2045	
								Numeric	%
AMBAG Region	262,660	267,812	277,645	288,386	296,352	301,307	304,900	42,240	16%
Monterey County	139,177	141,764	146,716	153,852	159,100	162,612	165,328	26,151	19%
Carmel-By-The-Sea	3,417	3,437	3,437	3,442	3,450	3,453	3,459	42	1%
Del Rey Oaks	741	741	762	809	848	1,052	1,195	454	61%
Gonzales	1,987	1,987	2,399	3,630	4,182	4,474	4,626	2,639	133%
Greenfield	3,794	3,981	4,359	4,766	5,047	5,164	5,238	1,444	38%
King City	3,283	3,432	3,672	4,002	4,282	4,356	4,403	1,120	34%
Marina	7,334	7,784	8,277	8,837	9,265	9,521	9,693	2,359	32%
Marina balance	7,334	7,784	8,277	8,832	9,205	9,445	9,617	2,283	31%
CSUMB (portion)	0	0	0	5	60	76	76	76	--
Monterey	13,637	13,705	13,705	13,920	14,209	14,402	14,549	912	7%
Monterey balance	13,205	13,273	13,273	13,488	13,777	13,970	14,117	912	7%
DLI & Naval Postgrad	432	432	432	432	432	432	432	0	0%
Pacific Grove	8,184	8,201	8,214	8,267	8,336	8,400	8,463	279	3%
Salinas	43,001	43,411	45,552	48,673	50,968	52,229	53,150	10,149	24%
Sand City	176	189	198	228	333	446	526	350	199%
Seaside	10,913	10,920	11,437	11,925	12,248	12,604	13,192	2,279	21%
Seaside balance	8,908	8,942	9,429	9,888	10,190	10,531	11,107	2,199	25%
Fort Ord (portion)	1,119	1,119	1,119	1,119	1,119	1,119	1,119	0	0%
CSUMB (portion)	886	859	889	918	939	954	966	80	9%
Soledad	3,927	4,137	4,433	4,733	5,024	5,240	5,426	1,499	38%
Soledad balance	3,927	4,137	4,433	4,733	5,024	5,240	5,426	1,499	38%
SVSP & CTF	0	0	0	0	0	0	0	0	--
Unincorporated	38,783	39,839	40,271	40,620	40,908	41,271	41,408	2,625	7%
Unincorp balance	38,783	39,839	40,238	40,569	40,592	40,616	40,616	1,833	5%
CSUMB	0	0	33	51	316	655	792	792	--
San Benito County	18,262	19,913	21,721	23,333	24,773	25,452	25,775	7,513	41%
Hollister	10,757	11,917	12,501	13,177	13,701	14,054	14,122	3,365	31%
San Juan Bautista	750	819	878	918	951	965	975	225	30%
Unincorporated	6,755	7,177	8,342	9,238	10,121	10,433	10,678	3,923	58%
Santa Cruz County	105,221	106,135	109,208	111,201	112,479	113,243	113,797	8,576	8%
Capitola	5,537	5,554	5,786	5,970	6,009	6,017	6,017	480	9%
Santa Cruz	23,535	23,954	24,988	25,578	25,974	26,295	26,525	2,990	13%
Santa Cruz balance	23,005	23,424	24,422	24,970	25,342	25,663	25,892	2,887	13%
UCSC	530	530	566	608	632	632	633	103	19%
Scotts Valley	4,691	4,739	4,798	4,846	4,869	4,887	4,930	239	5%
Watsonville	14,131	14,226	14,829	15,629	16,108	16,347	16,519	2,388	17%
Unincorporated	57,327	57,662	58,807	59,178	59,519	59,697	59,806	2,479	4%

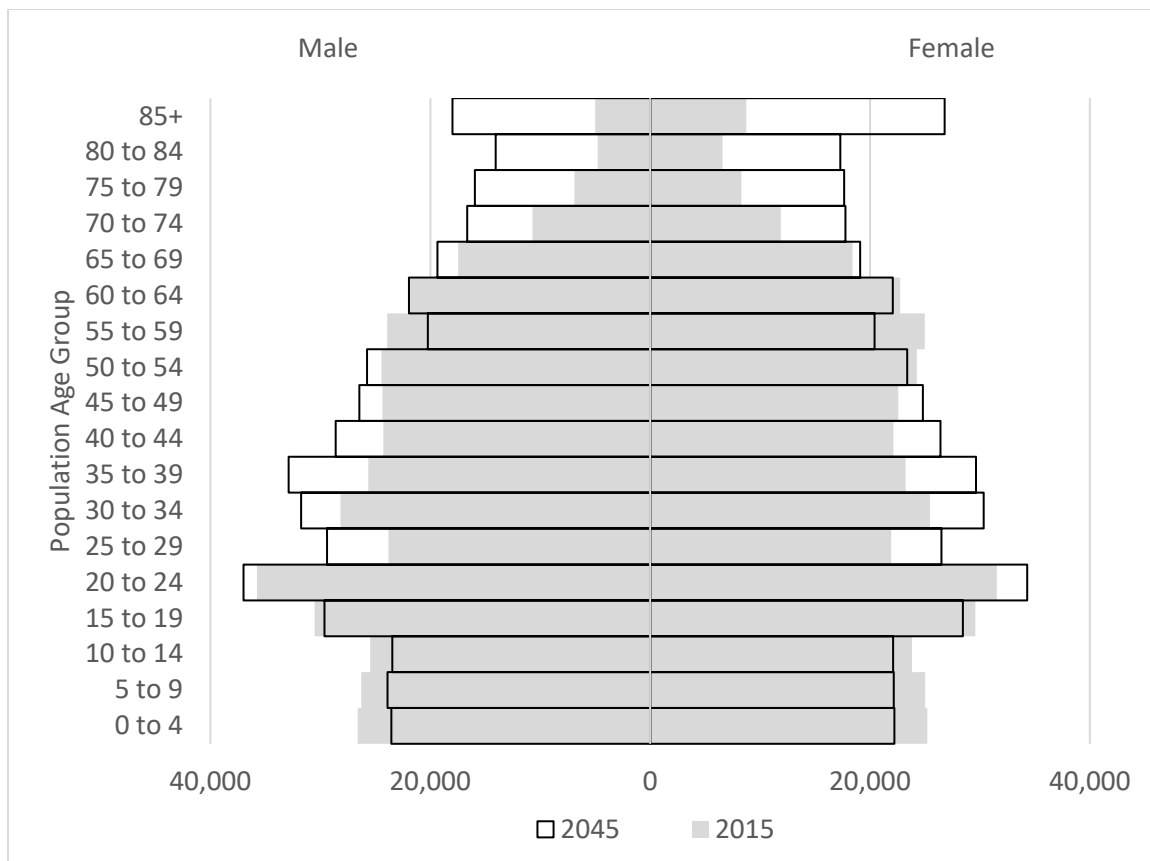
Sources: Data for 2015-2020 are from the California Department of Finance. Forecast years were prepared by AMBAG and PRB.

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Method for Producing the County and Sub-County Housing Forecast

In order to convert county level population forecast figures into the forecast of housing units, staff created a set of demographic profiles that describe the age, sex, race, and ethnicity characteristics of the future population. The basis for the demographic profiles is a set of detailed population projections developed by the California Department of Finance in 2019.⁶ The profiles were developed by calculating the share of total projected population within each county that may be attributed to each age, sex, race and ethnic category. The population age distribution for the AMBAG Region is shown in Figure 15 below. County-specific demographic patterns from the Department of Finance forecast were applied to AMBAG-projected total population for each county.

Figure 15: Population Size and Age Structure of AMBAG Region in 2015 and 2045



Source: 2015 data from the California Department of Finance, 2045 data from AMBAG and PRB.

⁶ In January 2020, DOF published State and County Population Projections. These have not been re-benchmarked to the 2020 Census.

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The first step toward translating the county demographic projections into forecasted housing was to subtract the group quarters population from the total population. (For an explanation of Group Quarters, see Attachment 4.) Staff calculated a set of group quarters rates by dividing the group quarters population in each age, sex, race and ethnic category as provided by the 2010 Census⁷ by the total 2010 age, sex, race and ethnic population in each county. The team then updated these 2010 rates to reflect 2020 population and group quarters population estimates from the Department of Finance. In order to estimate the group quarters population in each county, staff multiplied the group quarters rates within each category by the total population in each category. This population was then removed from the total population to provide an estimate of the number of people living in households, by demographic subgroup.

Next, to generate estimates of the total number of households in each county, staff calculated a set of head of householder rates. These also are frequently referred to as “headship rates” or “household formation rates.” As with the group quarters rates, these are derived from 2010 Census data.⁸ To generate the head of householder rates, staff divided the 2010 estimates of the number of individuals within each age, race and ethnic category who were reported to be the head of a household by the total number of individuals within each age, race, and ethnic population category less the group quarters population.⁹ By multiplying the base-year household population estimates for each category by the head of householder rates, staff derived a new set of head of household estimates, which were controlled to published data from the California Department of Finance. Note that for each head of household there is, by definition, one household. Thus, by adding up all of the head of householders, the staff was able to generate estimates of the total number of households within each county.¹⁰

Finally, vacant units were added to the total number of households in order to obtain an estimate of housing units. Vacancy data was obtained from the U.S. Census Bureau for 1990, 2000 and 2010, and

⁷ U.S. Census Bureau, 2010 Decennial Census, Summary File 1, Table QTP-12.

⁸ U.S. Census Bureau, 2010 Decennial Census, Summary File 2, Table PCT-12.

⁹ The householders data for the "Some other race alone, not Hispanic or Latino" and "Native Hawaiian and Other Pacific Islander alone, not Hispanic or Latino" categories of population in San Benito County was suppressed because there was not a population of greater than 100. For these ethnic categories the regional rate was used instead given the lack of data on this population.

¹⁰ The Census does include "second dwelling units" or accessory units within their counts of households if the unit has its own bathroom and kitchen facilities. However, there are likely illegal "granny units" that are not counted through this process.

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from the Department of Finance for intercensal years.¹¹ To better understand what a normal housing vacancy rate might be, staff reviewed historical data on residential vacancy for the last two decades. Once a vacancy rate was established, this was used to calculate the total number of vacant housing units (the number of occupied units being equal to the number of households). By adding together estimates of the total number of vacant and occupied housing units, staff derived estimates of the total housing stock within each county.

Forecasting Sub-County Population, Households and Housing Units

To derive a city-level forecast of population, household population, households, and housing units, staff used a simplified version of the methodology described above. The MPO is not required to develop detailed demographic characteristics for city-level estimates. As such the household and housing unit conversion was done using aggregate group quarters and household formation rates for each city, as reported in the 2010 Census and with trends through 2020 from the Department of Finance.¹² Vacancy rates were derived from a 30-year average as reported by the Department of Finance.¹³ The Department of Finance does benchmark their estimates to the decennial Census.

Some of the jurisdictions within the region show a declining population over the last 10 to 20 years. Because the Implicit Shift-Share method was used for projecting 2025 population and the method reflects the change in population over time, for those jurisdictions that have experienced population decline there would be a continuation of that decline reflected for the year 2025. Instead of showing a decline, the 2025 share of the regional population calculated for these jurisdictions was held constant. This has the effect of showing an increase in population to 2025 even if recent trends were toward population decline. There is too little information to know whether short-term declines will continue, so instead of assuming continual decline, growth was held at a constant. AMBAG will continue to monitor these trends.

¹¹ Department of Finance, E-8 Historical Population and Housing Estimates for Cities, Counties and the State, 1990-2000, August 2008; and Department of Finance, E-5 Population and Housing Estimates for Places, 2001-2010, with 2000 Benchmark, September 2011.

¹² U.S. Census Bureau, 2010 Decennial Census, Summary File 1, Tables QTP-12 and PCT-12.

¹³ Department of Finance, E-8 Historical Population and Housing Estimates for Cities, Counties and the State, 1990-2000, August 2008; Department of Finance, E-4 Population Estimates for Cities, Counties and the State, 2001-2010, September 2011 and Department of Finance, E-5 Population Estimates for Cities, Counties and the State, 2010-2016, July 2016.

Section 4: Demographic History of the AMBAG Region

The AMBAG region grew at a faster rate than California in the 1960s and 1970s and grew at approximately the same rate as the state in the 1980s (24% in AMBAG region, 26% statewide). Both the state and the AMBAG region grew at the same rate in the 1990s (14%). The AMBAG region's growth fell far below the statewide average between 2000 and 2010, increasing by only three percent while the state grew by 10 percent. From 2010 to 2020 both the state and the AMBAG region grew at similar rates (7% and 6%, respectively).

AMBAG Region: 1970 to 1990

Between 1970 and 1990 the AMBAG region population grew by more than 110,000 each decade, increasing by 29 percent from 1970 to 1980 and by 24 percent from 1980 to 1990. Growth slowed in the 1990s. The slowdown can be attributed, in part, to the closure of Fort Ord in 1994, which is described in more detail in the "Adjustments" section, below. These population losses greatly affected the growth rates of the communities of Marina and Seaside prior to 2000. Concurrent civilian job losses affected population growth in the AMBAG region more broadly. The AMBAG region population grew by 88,500 (14%) between 1990 and 2000.

AMBAG Region: 2000 to 2010

In the following decade, population growth slowed considerably. The AMBAG region population grew by only 22,100 (3%) during the decade between 2000 and 2010. This pattern of slowing population growth reflects an aging population and lower net migration into the AMBAG region. Lowered net migration could be due to several factors including but not limited to water resource constraints, the after-effects of the closure of Fort Ord, as well as increasing housing costs followed by a major recession.

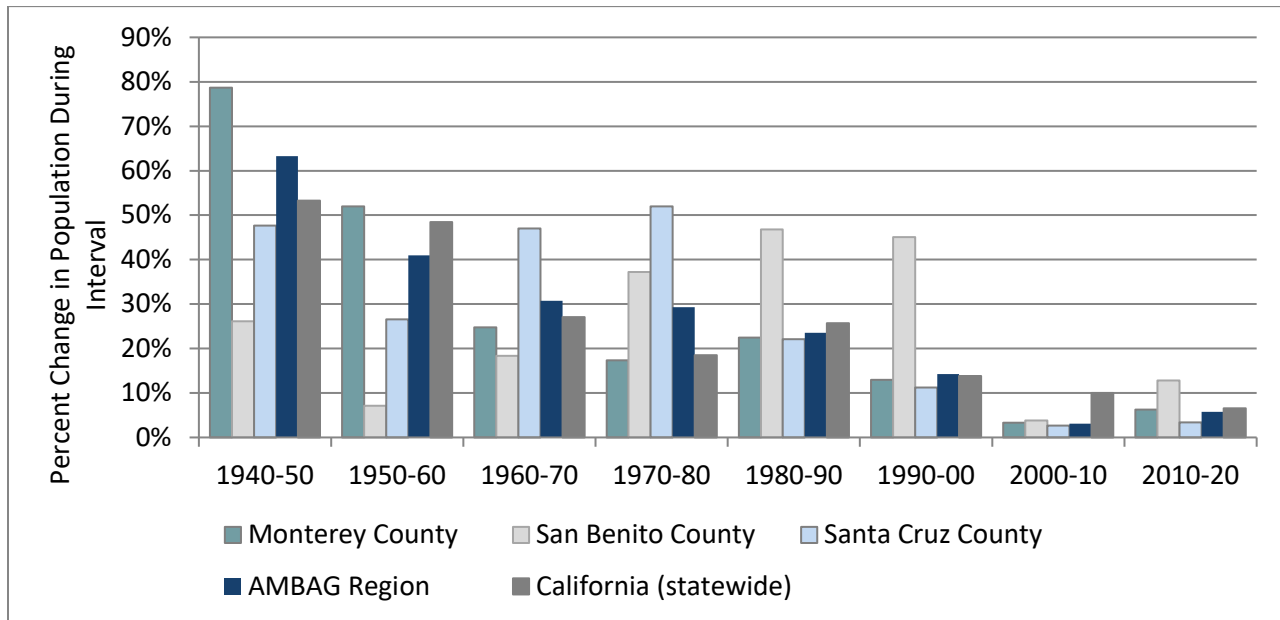
AMBAG Region: 2010 to 2020

In the five years since the decennial census, population growth began to return to historical levels. The AMBAG region population grew by just over 42,000 (6%) during the period between 2010 and 2020. This recovery in population growth reflects post-recession recovery.

Demographic History of AMBAG Counties

Population growth details for all three counties are shown below. County-specific summaries follow the charts.

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Figure 16: Population Growth Rates in Monterey County, San Benito County, Santa Cruz County, AMBAG Region and California (statewide) 1940-2020

Source: California Department of Finance

Monterey County

Between 1960 and 2000, Monterey County has grown at a rate slower than the AMBAG region as a whole. From 2000-2010 and 2010-2020 Monterey County grew at the same rate in the region. (See Figure 16, above.)

As a result of the closure of Fort Ord, Monterey County experienced a population decline in the middle of the 1990s, yet population growth rebounded later in the decade. The county registered 13 percent growth (an increase of 46,100) between 1990 and 2000. (See Figures 2 and 3)

The 1990s also saw the opening of two large institutions: California State University, Monterey Bay and Salinas Valley State Prison. Both are described in more detail in the Special Populations section below.

While the County as a whole grew, six of the county's thirteen jurisdictions experienced population loss during the 1990s (Carmel-By-The-Sea, -4%; Del Rey Oaks, -1%, Marina, -29%, Monterey, -7%, Pacific Grove, -4%, Seaside, -15%). Conversely, the population of Salinas grew by nearly 34,000 during the decade. Soledad also grew at a rapid clip (16,000 population) largely as the result of Salinas Valley State Prison opening in 1996.

The following decade saw much slower growth, with an increase of less than 13,300 (3%) between 2000 and 2010. Five jurisdictions lost population (Carmel-By-The-Sea, -9%; Del Rey Oaks, -2%,

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Monterey, -6%, Pacific Grove, -3%, unincorporated Monterey County, -1%). The city of Seaside remained virtually unchanged.

From 2010 to 2020, the cities of Greenfield, King City, Marina, and Sand City all had estimated growth of greater than 10 percent. Only the city of Soledad is estimated to have lost population.

San Benito County

While San Benito County grew at a rate much slower than the AMBAG region prior to the 1970s, the county saw rapid population growth in the 1970s, 1980s, and 1990s, a dip in the early 2000s, and a return to rapid growth 2010-2020. (See Figure 16, above.)

San Benito County registered rapid population growth, adding more than 16,500 population (45%) between 1990 and 2000. During this decade the city of Hollister nearly doubled in population (78%) while the population of San Juan Bautista declined (-1%).

San Benito's population growth slowed to four percent (2,000 population) between 2000 and 2010. The trend of the 1990s was reversed. Hollister grew by only one percent while San Juan Bautista increased by 20 percent.

From 2010 to 2020 San Benito County grew faster than the region, with Hollister and San Juan Bautista growing by 16% and 13%, respectively.

Santa Cruz County

Santa Cruz County grew at a rate faster than the AMBAG region in the 1960s and 1970s, but grew more slowly in every other decade from 1940-2020. (See Figure 16, above.)

Santa Cruz County grew by more than 25,800 (11%) between 1990 and 2000. The fastest-growing jurisdiction in Santa Cruz County between 1990 and 2000 was Watsonville (42%) followed by Scotts Valley (31%). Capitola's population fell during the decade (-1%).

The County's growth slowed considerably, adding just under 6,800 population (3%) between 2000 and 2010. The fastest-growing jurisdiction in Santa Cruz County between 2000 and 2010 was Watsonville (16%, including the annexation area, 11% without) followed by Santa Cruz (10%). Scotts Valley, which grew rapidly during the 1990s, showed only two percent population growth during the decade. Capitola's population fell during the decade (-1%).

In recent years, no jurisdiction in Santa Cruz has grown by more than 10 percent. The fastest growing city, Santa Cruz, grew by 7% between 2010 and 2020.

Adjustments for Special Populations

In small area demographic analysis, some populations grow or decline as a result of exogenous factors, rather than in response to demographic or economic conditions. For example, uniformed military populations, college populations, and prison populations may grow or decline as new facilities are added or older facilities are phased out of use. These population changes involve facilities that are outside the authority of local land use agencies and that change based on policy, rather than demographic, factors.

Changes in these facilities can result in population “shocks” that affect the rate of population change within an area, independent of larger demographic and economic trends.

As a result of their unique characteristics, these populations are referred to as “special populations” and are often treated separately in forecasting.

Special populations include people associated with military bases, tourists, prisons, and colleges and universities. The size of a special population may have no connection to the general trends affecting the area. A special population can be stable for long periods of time, balloon quickly, and deflate, or, in the case of military bases, disappear rapidly through a closure program. It is best to develop a detailed understanding of the nature of the special population and set out the projection for it separately.¹⁴

Over the past two decades, the AMBAG region has been home to several “special populations” including the military resident population at Fort Ord, the Defense Language Institute and Naval Postgraduate School, students at UCSC and CSUMB, and inmates at SVSP.

In the preliminary forecast, AMBAG staff began the shift-share analysis at 1996 to address the population “shocks” resulting from the closure of Fort Ord and the opening of both California State University Monterey Bay and the Salinas Valley State Prison. While this adjustment was effective at addressing some of the special population concerns, it has a key weakness: it does not allow for independent forecasting of special populations.

The following discussion provides a method for addressing that issue.

¹⁴ Merc, Stuart. “Projections and Demand Analysis.” Planning and Urban Design Standards. published by the American Planning Association. Sept 2012.
<http://books.google.com/books?id=NXpncFYj73QC&pg=PA299&lpg=PA299&dq=%22special+population%22+forecasting&source=bl&ots=L2fSbUMT8R&sig=uV05NN3-rNYcpCr97xU2hTpYt6s&hl=en&sa=X&ei=eEC5UMT8O42tqAGAvIDQCQ&ved=0CG0Q6AEwCQ#v=onepage&q=%22special%20population%22%20forecasting&f=false>

2022 Regional Growth Forecast

History of Special Populations in the AMBAG Region***Fort Ord***

Established in 1917, Fort Ord was eliminated during the Base Realignment and Closure Act of 1990, closing in 1994. This resulted in the loss of more than 30,000 residents in Monterey County, primarily in the jurisdictions of Marina and Seaside, as described in the Fort Ord Reuse Plan:

*Fort Ord has been a significant presence in Monterey County since 1917... maintained a large military population numbering approximately 14,500 military personnel and 17,000 family members of active-duty personnel... the resident population of Fort Ord totaled 31,270 in 1991.*¹⁵

In addition...

*The on-post resident population was divided between the two municipalities of Marina and Seaside. Through 1990, 17,139 people (56%) were within the Seaside city limits and 13,321 people (44%) were within the Marina city limits (Harding Lawson Associates, 1991, Workplan remedial investigation/feasibility study, Fort Ord, CA).*¹⁶

These population losses greatly affected the communities of Marina and Seaside. However, the forecast was developed using the 2000 to 2015 time period as a historical reference. By 2000 abnormalities in growth rates caused by the closure of Fort Ord had self-corrected. The Fort Ord Reuse Authority's mandate for overseeing the area ended in June 2020. Beginning with the 2022 RGF, the area will be projected as any other potential development in the AMBAG region, based on plans and permits.

Defense Language Institute and Naval Postgraduate School

The Army Language School, later renamed the Defense Language Institute, has been a presence in Monterey County since the end of World War II. The number of people living in group quarters at the Institute and Postgraduate School has been stable, at approximately 4,000, in recent years. Because of this stability, the 2018 RGF presumes no change to the population of these two institutions in future years.

¹⁵ Fort Ord Reuse Plan, Volume 1: Context and Framework. June 1997.

¹⁶ Fort Ord Reuse Plan, Volume 2: Reuse Plan Elements. June 1997.

2022 Regional Growth Forecast

University of California, Santa Cruz

Founded in 1965, the University of California, Santa Cruz grew to 9,800 students by the 1991-92 academic year, 10,885 students by the 1999-2000 academic year, and 16,300 full-time equivalent students in the 2009-2010 academic year.¹⁷ In meetings with AMBAG staff, UCSC staff indicated that they expect growth of 300-500 students per year, resulting in a 2040 student forecast of 28,000 (the 2022 RGF holds this level constant from 2040-2045).

It is important to note that these projections reflect full-time equivalent students, and actual headcounts will likely be higher.

California State University, Monterey Bay

Founded in 1995, California State University Monterey Bay grew to 2,265 students during the 1999-2000 school year and 4,000 students by 2010.¹⁸ Although not created by the Fort Ord Reuse Plan, the University is a significant component of the Base Reuse Plan and as it continues to grow will help to stimulate the economic development of the Fort Ord Area. The most recent master plan projects full-time equivalent student enrollment of 12,000 by 2025.¹⁹ In meetings with AMBAG staff, CSUMB staff indicated that they expect growth to 12,700 full-time equivalent students by 2045.

It is important to note that these projections reflect full-time equivalent students, and actual headcounts will likely be higher.

In addition, discussions with CSUMB staff suggested that some group quarters (student) dormitory housing in the “East Campus” unincorporated area would convert to faculty/family housing over time. This transition is reflected through the growth of group quarters population in the Marina area of the CSUMB campus, decline of group quarters in Unincorporated Monterey County—and transition of those formerly group quarters structures into family housing (i.e. increase in households and housing units).

¹⁷ University of California, Santa Cruz Department of Planning and Budget.

<http://planning.ucsc.edu/irps/thirdWeek.asp> accessed December 2012. Figures based on 3-quarter average measured in the spring quarter of the academic year.

¹⁸ California State University Monterey Bay historical timeline <http://about.csumb.edu/node/4287> accessed November 2012.

¹⁹ Recirculated Draft Environmental Impact Report for the California State University Monterey Bay 2007 Master Plan. July 2008.

2022 Regional Growth Forecast

Salinas Valley State Prison and Soledad Correctional Training Facility

Opened in 1996, Salinas Valley State Prison has a design capacity of 3,888.²⁰ According to annual reporting by the California Department of Finance, the facility had a resident population of 4,100 at the beginning of the 2000s decade and a population of 3,630 on January 1, 2010.²¹ The facility has a maximum capacity of 4,400, according to the 2010 Master Plan Annual Report.²²

Opened in 1946, Soledad Correctional Training Facility has a design capacity of 3,301. According to annual reporting by the California Department of Corrections and Rehabilitation and counts from the 2000 and 2010 decennial census, the facility had a resident population of between 6,000 and 7,200 during the decade.²³

Because both facilities currently house group quarters populations in excess of their design capacity, no future population growth is shown at these facilities in the 2018 RGF. Population totals are held constant at their 2015 levels.

Table 10: Historical Special Population Counts

	1990	2000	2010	2015
Fort Ord Military Population	31,270*	0	0	0
Defense Language Institute and Naval Postgraduate School	n/a	n/a	4,227	4,004
University of California, Santa Cruz	9,800**	10,885	16,332	17,276
California State University, Monterey Bay	0	2,265	4,000	6,368
Salinas Valley State Prison	0	4,100	3,630	3,592
Soledad Correctional Training Facility	0	7,120	6,148	4,707

* *Estimate.*

**1990 figure for University of California, Santa Cruz reflects data from the 1991-92 academic year, the earliest year reported.

²⁰ California Department of Corrections and Rehabilitation website for Salinas Valley State Prison. Figure reported for fiscal year 2009-2010. http://www.cdcr.ca.gov/Facilities_Locator/SVSP-Institution_Stats.html accessed December 9, 2012.

²¹ California Department of Finance. Exclusion and Dorm Report. November 2012.

²² Master Plan Annual Report: Calendar Year 2010. California Department of Corrections and Rehabilitation. January 2011.

²³ California Department of Corrections and Rehabilitation website for Soledad Correctional Training Facility. Figure reported for fiscal year 2007 http://www.cdcr.ca.gov/Facilities_Locator/CTF-Institution_Stats.html accessed December 9, 2012. Population counts derived from institutionalized group quarters counts from Census 2000 and Census 2010, U.S. Census Bureau.

2022 Regional Growth Forecast

Adjustments to the Population Projections***Developing Special and Non-Special Population Estimates***

Special populations provide a challenge to the population projections because their growth and decline are often not determined by factors that impact the rates of change of the general population. This is particularly true of college students, prison inmates, and military personnel and their dependents. Residents of nursing homes, while also a special population, share many of the characteristics of the general population, and their growth and decline often mirror the demographic changes of the larger community. To deal with the special population issue, a common procedure applied in population projections is to exclude the special populations by using group quarters data and to project the adjusted population separately, i.e., the total population minus the special population. At the end of the projection module, the special population is added back to the projected adjusted population to produce the projected total population. The special population is either held constant or projected separately.²⁴

Thus, projections for AMBAG jurisdictions (Marina, Santa Cruz, Seaside, Soledad and unincorporated Monterey County) should be adjusted to account for special populations independent of the non-special population trends.

To accomplish this, special populations should be subtracted from the census year population estimates used in developing the shift-share model population shares. Independent projections of the special populations (e.g., from master plan documents) should then be addressed separately in the population forecast.

Incorporating Special Populations into the Final Projections

As noted above, Fort Ord has closed, and thus major military populations can be assumed to be constant throughout the remainder of the forecast.

For the universities and the prison, master plan documents provide useful information about expected future populations. These population plans can be used to fill in horizon-year projections, which are then kept constant for any remaining years of the AMBAG forecast. Additionally, staff worked closely with UCSC to develop conservative estimates for growth after the horizon year of their long-range development plan.

²⁴ Rayer, Stephan. MISER Population Projections for Massachusetts, 2000–2020. July 2003.
<http://www.google.com/url?sa=t&rct=j&q=&esrc=s&source=web&cd=4&cad=rja&ved=0CEUQFjAD&url=http%3A%2F%2Fwww.umass.edu%2Fmiser%2Fpopulation%2FDocuments%2FMAProjMethodology.doc&ei=-ke5UNPKDMmdggH0h4GgDQ&usg=AFQjCNF6tP0wQ9CqtSb8X7-UtMm9rmMrw&sig2=8pz3atGy03rNWjtvjbdjeg>

2022 Regional Growth Forecast

Translating Population Growth into Housing

Special population adjustments for Fort Ord require no special processing, as the military population on Fort Ord is not expected to change in future years.

However, university populations for UCSC and CSUMB pose a special case. While housing will be provided by the universities, it is likely that many students will live in group quarters (described in more detail in Attachment 4), but at least some students will reside in housing “in town” as part of the resident population of surrounding jurisdictions. For this reason, university population projections and housing projections were completed separately from the jurisdiction population projections.

Population projection adjustments for SVSP and SCTF require no special processing for housing unit projections. These populations will be classified as group quarters, and thus are not considered in housing calculations.

Adjustments for Annexations

The shift-share approach outlined above presumes that most population change is a result of demographic and economic forces that can be represented by the rate of change over time. The shift-share approach is intended for use with jurisdictions that retain consistent geographic boundaries over time. Because the shift-share method presumes constant geographic boundaries, annexations, which by definition change jurisdiction boundaries, pose a unique problem. Adjustment techniques are needed to address these cases. Between 1990 and 2010 there was one heavily populated annexation in the AMBAG region. This case, the Watsonville annexation, is described in more detail below. (In 2008 Salinas also annexed the North of Boronda Future Growth Area, which had a population of approximately 100. This annexation, which affected the overall jurisdiction population by less than 0.1%, was not modeled separately.)

History of Annexations in the AMBAG Region

In 2000 the city of Watsonville annexed a portion of unincorporated Santa Cruz County. Known as the Freedom-Carey annexation, the change was recorded in July 2000, after the 2000 decennial Census.

Historical population estimates for the City of Watsonville, unincorporated Santa Cruz County and Freedom-Carey annexation area are shown in Table 11 below.

The data for 2000 reflect reports published by the Local Agency Formation Commission with respect to the annexation area. Data for 1990 were derived using trend extrapolations based on the rate of growth in associated census tracts (1106 and 1107). Similarly, data for 2010 were derived using trend extrapolations based on the rate of growth in associated census tracts (1105.02, 1106 and 1107).

2022 Regional Growth Forecast

If the annexation of 2,022 residents were simply attributed to the population growth of Watsonville between 2000 and 2010, it would account for forty percent of the growth in the city's population during that period of time. Conversely, the loss of the annexed population would account for more than half of the decline in unincorporated population between 2000 and 2010.

Since the shift reflects an administrative boundary change, not a demographic one, the shift-share model was adjusted accordingly.

Table 11: Historical Population Estimates for the Watsonville Annexation Area

	1990	2000	2010
City of Watsonville	31,099	44,246	51,199
Excluding Annexation Area	31,099	44,246	49,229
Unincorporated County of Santa Cruz	130,086	135,345	129,739
Excluding Annexation Area	128,426	133,323	129,739
Annexation Area	1,660	2,022	1,970

Sources: Analysis by PRB of data from the U.S. Census Bureau.

Adjusting the Watsonville and Unincorporated Santa Cruz County Projections

In order to ensure that the population shift resulting from annexation does not skew the shift-share results for Watsonville or unincorporated Santa Cruz County, population projections for Watsonville, unincorporated Santa Cruz County, and the annexation area were estimated separately.

To complete this adjustment, the estimated annexation area population was subtracted from the unincorporated Santa Cruz County population totals in 1990 and 2000. Similarly, the projected population from the annexation area population was added to Watsonville in 2010.

Independent shift-share projections were developed for each of the three sub-areas: Watsonville excluding the annexation area, unincorporated Santa Cruz County excluding the annexation area and the annexation area.

To complete the projections, the annexation area projected population growth was added to Watsonville. Unlike the special population projections described above, there are no further adjustments needed to translate the resulting population projections into housing projections.

Attachment 1: List of Meetings & Attendees

Agency	Meeting Date	Meeting Time	Location	AMBAG Attendees*	Other Attendees*
City of Gonzales	9/3/2019	1:30 PM	147 Fourth Street, Gonzales, CA	Maura Twomey, Heather Adamson and Paul Hierling	Matthew Sundt
City of Hollister	9/10/2019	1:30 PM	375 Fifth Street, Hollister, CA	Maura Twomey, Heather Adamson and Paul Hierling	Abraham Prado and Jamila Saqqa
City of Marina	8/21/2019	11:00 AM	209 Cypress Avenue, Marina, CA	Maura Twomey, Heather Adamson and Paul Hierling	Fred Aegerter, Christy Hopper and Matt Mogensen
City of Salinas	8/28/2019	1:30 PM	65 West Alisal Street, 2nd Floor, Salinas, CA	Maura Twomey, Heather Adamson and Paul Hierling	Megan Hunter and Adam Garrett
City of Santa Cruz	8/23/2019	1:00 PM	809 Center Street, Room 107, Santa Cruz, CA	Maura Twomey, Heather Adamson and Paul Hierling	Lee Butler
City of Seaside	9/10/2019	11:00 AM	656 Broadway Avenue, Seaside, CA 93955	Heather Adamson and Paul Hierling	Rick Medina
County of Monterey	8/7/2019	4:00 PM	1441 Schilling Pl, 2nd Floor, Salinas, CA	Maura Twomey, Heather Adamson and Paul Hierling	Brandon Swanson and John Dugan
County of Monterey	8/12/2019	3:15 PM	168 West Alisal, 3rd Floor, Salinas, CA	Paul Hierling	Darby Marshall and Anastacia Wyatt
County of San Benito	9/4/2019	1:00 PM	2301 Technology Parkway, Hollister, CA	Maura Twomey, Heather Adamson and Paul Hierling	Harry Mavrogenes, Taven Kinison Brown and Jamila Saqqa
County of Santa Cruz	8/23/2019	3:00 PM	701 Ocean Street, Room 400, Santa Cruz, CA	Maura Twomey, Heather Adamson and Paul Hierling	Kathy Molloy and Stephanie Hansen

*All attendees were at the meeting in person unless otherwise noted.

Agency	Meeting Date	Time	Location	AMBAG Attendees*	Jurisdiction Attendees*
City of Capitola	2/3/2020	9:30 AM	420 Capitola Ave., Capitola, CA	Heather Adamson	Katie Herlihy
City of Carmel-By-The-Sea	2/5/2020	9:30 AM	AMBAG Office	Maura Twomey, Gina Schmidt, Miranda Taylor	Marnie Waffle
City of Del Rey Oaks	2/13/2020	11:00 AM	650 Canyon Del Rey Blvd, Del Rey Oaks, CA	Heather Adamson and Miranda Taylor	Dino Pick and Denise Duffy
City of Gonzales	2/7/2020	2:00 PM	City of Gonzales, 147 Fourth Street, Gonzales, CA	Heather Adamson	Matthew Sundt
City of Greenfield	3/3/2020	9:00 AM	Greenfield City Hall, 599 El Camino Real, Greenfield, CA	Heather Adamson, Maura Twomey and Miranda Taylor	Paul Mugan
City of Hollister	3/10/2020	2:00 PM	City of Hollister, Development Services, 375 Fifth Street, Hollister, CA 95023	Heather Adamson	Abraham Prado, Jamila Saqqa, Eva Kelly and Ambur Cameron
City of King City	3/10/2020	11:00 AM	City of King City Hall, 212 South Vanderhurst Avenue, King City, CA 93930	Heather Adamson, Maura Twomey and Miranda Taylor	Doreen Liberto-Blanck and Maricruz Aguilar-Navarro
City of Marina	2/26/2020	2:30 PM	City of Marina, Community Depevelopment Dept, 209 Cypress Avenue, Marina, CA	Heather Adamson, Maura Twomey and Miranda Taylor	Christy Hopper and Lisa Berkley
City of Monterey	2/4/2020	1:00 PM	City of Monterey, 580 Pacific Street, Monterey, CA 93940	Heather Adamson, Maura Twomey, Miranda Taylor	Kim Cole
City of Pacific Grove	2/5/2020	11:30 AM	City of Pacific Grove, 300 Forest Avenue, 2nd Floor, Pacific Grove, CA 93950	Maura Twomey, Gina Schmidt, Miranda Taylor	Anastazia Aziz and Alyson Hunter
City of Salinas	3/2/2020	10:00 AM	City of Salinas, 65 West Alisal Street, 2nd Floor, Salinas, CA	Heather Adamson and Miranda Taylor	Megan Hunter and Tara Hullingers
City of San Juan Bautista	2/24/2020	9:00 AM	San Juan Bautista City Hall, 311 2nd Street, San Juan Bautista, CA	Heather Adamson	Don Reynolds and Mary Gilbert (SBtCOG)
City of Sand City	2/11/2020	3:00 PM	Sand City, City Hall, 1 Pendergrass Way, Sand City, CA	Heather Adamson, Maura Twomey, Miranda Taylor	Chuck Pooler and Aaron Blair
City of Santa Cruz	3/9/2020	11:00 AM	City of Santa Cruz, 809 Center Street, Room 107, Santa Cruz, CA	Heather Adamson	Lee Butler, Katherine Donovan and Eric Marlatt
City of Scotts Valley	2/3/2020	11:30 AM	1 Civic Center Drive, Scotts Valley, CA	Heather Adamson	Taylor Bateman
City of Seaside	3/3/2020	2:00 PM	656 Broadway Avenue, Seaside, CA 93955	Heather Adamson, Maura Twomey, Paul Hierling and Miranda Taylor	Kurt Overmeyer, Gloria Stearns and Sharon Mikesell
City of Soledad	2/24/2020	1:30 PM	City of Soledad, City Hall, 248 Main Street, Soledad, CA	Heather Adamson and Miranda Taylor	Brent Slama
City of Watsonville	2/21/2020	10:00 AM	Community Development Dept., 250 Main Street, Watsonville, CA 95076	Heather Adamson	Suzi Merriam and Justin Meek
	2/21/2020	10:00 AM	Community Development Dept., 250 Main Street, Watsonville, CA 95076	Heather Adamson	Suzi Merriam and Justin Meek
County of Monterey	3/17/2020	2:30 PM	GoTo Meeting	Heather Adamson and Paul Hierling	Brandon Swanson
County of San Benito	3/4/2020	3:00 PM	San Benito County - RMA, 2301 Technology Parkway, Hollister, CA	Heather Adamson and Maura Twomey	Harry Mavrogenes and Taven Kinison Brown
County of Santa Cruz	3/9/2020	3:00 PM	County of Santa Cruz, 701 Ocean Street, Room 400, Santa Cruz, CA	Heather Adamson	Kathy Molloy, Paia Levine, Barbara Mason, Stephanie Hansen and Anais Schenk
CSU Monterey Bay	2/5/2020	3:00 PM	2061 Intergarrison Road, Suite 84-A, Seaside, CA	Maura Twomey, Gina Schmidt, Miranda Taylor	Anya Spear and Matt McCluney
Monterey County LAFCO	2/11/2020	1:00 PM	LAFCO Monterey Co., 132 W. Gabilan Street, Suite 102, Salinas, CA 93901	Heather Adamson, Maura Twomey, Miranda Taylor	Kate McKenna
Santa Cruz County LAFCO	2/21/2020	1:00 PM	LAFCO, 701 Ocean Street, Room 318-D, Santa Cruz, CA 95060	Heather Adamson	Joe Serrano
UC Santa Cruz	2/25/2020	10:30 AM	UC Santa Cruz, 1156 High St, Barn G, Santa Cruz, CA 95064	Heather Adamson	Jolie Kerns and Oxo Slayer

*All attendees were at the meeting in person unless otherwise noted

Agency	Meeting Date	Meeting Time	Location	AMBAG Attendees	Jurisdiction Attendees
City of Capitola	5/19/2020	1:00 PM	GoTo Meeting	Maura Twomey, Heather Adamson, Paul Hierling, and Miranda Taylor	Katie Herlihy
City of Carmel-By-The-Sea	5/26/2020	1:00 PM	GoTo Meeting	Maura Twomey, Heather Adamson, Paul Hierling, and Miranda Taylor	Marnie Waffle
City of Del Rey Oaks	6/17/2020	4:00 PM	GoTo Meeting	Maura Twomey, Heather Adamson, Paul Hierling, and Miranda Taylor	Dino Pick and Denise Duffy
City of Gonzales	5/26/2020	3:00 PM	GoTo Meeting	Heather Adamson, Paul Hierling, and Miranda Taylor	Matthew Sundt
City of Greenfield	6/11/2020	11:00 AM	GoTo Meeting	Maura Twomey, Heather Adamson, and Miranda Taylor	Paul Mugan
City of Hollister	5/29/2020	10:00 AM	GoTo Meeting	Maura Twomey, Heather Adamson, Paul Hierling, and Miranda Taylor	Abraham Prado, Jamila Saqqa, Eva Kelly and Ambur Cameron from Hollister; Mary Gilbert from SBtCOG. Additionally, various consultants for the Hollister General Plan attended this meeting.
City of King City	6/2/2020	1:00 PM	GoTo Meeting	Heather Adamson and Miranda Taylor	Doreen Liberto-Blanck and Maricruz Aguilar-Navarro
City of Marina	5/28/2020	10:00 AM	GoTo Meeting	Maura Twomey, Heather Adamson, Paul Hierling, and Miranda Taylor	Christy Hopper and Fred Aegerter
City of Monterey	5/29/2020	1:00 PM	GoTo Meeting	Maura Twomey, Heather Adamson, Paul Hierling, and Miranda Taylor	Kimberly Cole
City of Pacific Grove	5/19/2020	3:00 PM	GoTo Meeting	Maura Twomey, Heather Adamson, Paul Hierling, and Miranda Taylor	Anastazia Aziz, Alyson Hunter and Terri Schaeffer
City of Salinas	6/8/2020	2:00 PM	GoTo Meeting	Maura Twomey, Heather Adamson, Paul Hierling, and Miranda Taylor	Megan Hunter, Tara Hullinger, and Jonathan Moore
City of San Juan Bautista	6/1/2020	1:30 PM	GoTo Meeting	Maura Twomey, Heather Adamson, Paul Hierling, and Miranda Taylor	Don Reynolds and Mary Gilbert from SBtCOG
City of Sand City	6/17/2020	9:00 AM	GoTo Meeting	Heather Adamson, Paul Hierling, and Miranda Taylor	Chuck Pooler and Aaron Blair
City of Santa Cruz	5/18/2020	9:00 AM	GoTo Meeting	Maura Twomey, Heather Adamson, Paul Hierling, and Miranda Taylor	Lee Butler, Katherine Donovan, Bonnie Lipscomb, Eric Marlatt and Matt Vanhua
City of Scotts Valley	6/3/2020	1:00 PM	GoTo Meeting	Maura Twomey, HPaul Hierling, and Miranda Taylor	Taylor Bateman
City of Seaside	6/11/2020	4:00 PM	GoTo Meeting	Maura Twomey, Heather Adamson, Paul Hierling, and Miranda Taylor	Kurt Overmeyer and Gloria Stearns

Agency	Meeting Date	Meeting Time	Location	AMBAG Attendees	Jurisdiction Attendees
City of Soledad	6/16/2020	1:00 PM	GoTo Meeting	Maura Twomey, Heather Adamson, Paul Hierling, and Miranda Taylor	Brent Slama
City of Watsonville	6/2/2020	3:00 PM	GoTo Meeting	Maura Twomey, Heather Adamson, Paul Hierling, and Miranda Taylor	Suzi Merriam and Justin Meek
County of Monterey	6/3/2020	9:00 AM	GoTo Meeting	Maura Twomey, Paul Hierling, and Miranda Taylor	Brandon Swanson, John Dugan and Anastacia Wyatt
County of Monterey	6/29/2020	1:00 PM	GoTo Meeting	Maura Twomey, Paul Hierling, Miranda Taylor and Beth Jarosz (consultant)	Brandon Swanson, John Dugan, Craig Spencer and Anastacia Wyatt
County of San Benito	6/1/2020	9:00 AM	GoTo Meeting	Maura Twomey, Heather Adamson, Paul Hierling, and Miranda Taylor	Harry Mavrogenes, Taven Kinison Brown and Mary Gilbert from SBtCOG
County of Santa Cruz	5/18/2020	3:00 PM	GoTo Meeting	Maura Twomey, Heather Adamson, Paul Hierling, and Miranda Taylor	Paia Levine, Barbara Mason, Anais Schenk, Kathy Molloy, Stephanie Hansen
CSU Monterey Bay	6/16/2020	3:00 PM	GoTo Meeting	Maura Twomey, Heather Adamson, Paul Hierling,	Anya Spear, Matt McCluney, and Kathleen Ventimiglia
CSU Monterey Bay	7/10/2020	1:00 PM	GoTo Meeting	Heather Adamson and Beth Jarosz (consultant)	Matt McCluney and Kathleen Ventimiglia
UC Santa Cruz	6/15/2020	3:00 PM	GoTo Meeting	Maura Twomey, Heather Adamson, Paul Hierling,	Oxo Slayer

Agency	Meeting Date	Meeting Time	Location	AMBAG Attendees	Jurisdiction Attendees
City of Del Rey Oaks	8/25/2020	1:00 PM	GoTo Meeting	Heather Adamson	Dino Pick and Denise Duffy (consultant)
City of Greenfield	9/4/2020	2:00 PM	GoTo Meeting	Maura Twomey, Heather Adamson and Beth Jarosz (consultant)	Rob Mullane (consultant) and Paul Mugan
City of Hollister	8/20/2020	11:00 AM	GoTo Meeting	Maura Twomey, Heather Adamson and Beth Jarosz (consultant)	Abraham Prado, Jamila Saqqa, Bryan Swanson, Eva Kelly, Ambur Cameron, Areli Perez and Marian Mendez from Hollister; Mary Gilbert from SBtCOG
City of Hollister	9/4/2020	3:30 PM	GoTo Meeting	Maura Twomey, Heather Adamson and Beth Jarosz (consultant)	Carol Lenoir
City of King City	8/24/2020	11:00 AM	GoTo Meeting	Maura Twomey and Heather Adamson	Doreen Liberto-Blanck and Maricruz Aguilar-Navarro
City of Marina	8/7/2020	3:00 PM	GoTo Meeting	Maura Twomey, Heather Adamson and Beth Jarosz (consultant)	Christy Hopper, Fred Aegerter, Layne Long and Lisa Berkeley
City of Monterey			GoTo Meeting		
City of Pacific Grove	8/7/2020	1:30 PM	GoTo Meeting	Maura Twomey, Heather Adamson and Beth Jarosz (consultant)	Anastazia Aziz and Terri Schaeffer
City of Salinas	9/8/2020	2:00 PM	GoTo Meeting	Maura Twomey, Heather Adamson and Beth Jarosz (consultant)	Megan Hunter and Jonathan Moore
County of Monterey	8/13/2020	3:30 PM	GoTo Meeting	Heather Adamson and Beth Jarosz (consultant)	Brandon Swanson and John Dugan
County of San Benito	8/10/2020	1:00 PM	GoTo Meeting	Maura Twomey, Heather Adamson and Beth Jarosz (consultant)	Harry Mavrogenes, Taven Kinison Brown, Jamila Saqqa, Gary Black (Hexagon), Ollie Zhou (Hexagon), Stan Ketchum (contract planner) and Mary Gilbert from SBtCOG

Agency	Meeting Date	Meeting Time	Location	AMBAG Attendees	Jurisdiction Attendees
City of San Juan Bautista	10/30/2020	9:00 AM	Go To Meeting	Maura Twomey, Heather Adamson and Beth Jarosz (consultant)	John Freeman, Don Reynolds, and Mary Gilbert from SBtCOG
County of San Benito	10/29/2020	3:00 PM	Go To Meeting	Maura Twomey, Heather Adamson and Beth Jarosz (consultant)	Anthony Botelho, Mark Medina, Taven Kinison Brown, Benny Young, Stan Stan Ketchums, and Mary Gilbert from SBtCOG
County of San Benito	11/2/2020	2:00 PM	Go To Meeting	Maura Twomey, Heather Adamson and Beth Jarosz (consultant)	Benny Young, Taven Kinison Brown, and Mary Gilbert from SBtCOG

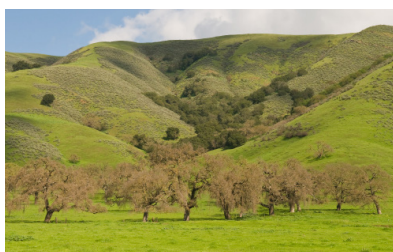
Attachment B



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Monterey Bay 2045
Moving Forward

Sustainability.
Mobility.
Accessibility.
Economy.
Social Equity.



2045

Metropolitan Transportation Plan / Sustainable Communities Strategy

Final
June 2022



Monterey Bay 2045

Moving Forward

Sustainability.
Mobility.
Accessibility.
Economy.
Social Equity.

Moving Forward Monterey Bay 2045

Final
June 2022



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development process faster and easier. The State of California offers grants to accelerate the production of housing and approves legislation that allows for more types of homes, like accessory dwelling units to be built statewide. Regionally, government agencies are considering how to better align housing policies with transportation initiatives because both contribute substantially to the region's cost of living.

The SCS land use pattern accommodates the more than 42,000 new households that will be needed over the next 25 years to serve a projected growth of nearly 108,000 additional people.



The SCS land use pattern addresses the needs of all economic segments of the population. Based on the capacity for planned housing development the region will be able to accommodate the projected housing needs for residents of all income levels.

Regional Housing Needs Allocation

California Housing Element law requires that every eight years, AMBAG shall develop a methodology for distributing projected housing need in four income categories – very low, low, moderate and above moderate – to local jurisdictions in Monterey and Santa Cruz Counties and sets forth a process, objectives and factors to use for that methodology. The Council of San Benito County Governments (SBtCOG) performs this function for San Benito County. This process, the Regional Housing Needs Allocation (RHNA), is coordinated by the California Department of Housing and Community Development (HCD). The 2045 MTP/SCS includes an updated RHNA. The 6th Cycle Regional Housing Needs Determination (RHND) from HCD to AMBAG is 33,274 units. SBtCOG's 6th Cycle RHND is 5,005 units.

In the past, the RHNA was conducted separately from the MTP process. SB 375 now links the RHNA and MTP/SCS processes to better integrate housing, land use, and transportation planning. Integrating processes helps ensure that the state's housing goals are met. The RHNA occurs before each housing element cycle, which SB 375 changed from a five-year to an eight-year cycle.

The AMBAG region received its RHNA Determination (for Monterey and Santa Cruz Counties) from HCD for the housing element cycle (2023-2031). The AMBAG RHNA Plan allocates the RHNA Determination by jurisdiction. (For the San Benito RHNA, refer to SBtCOG's RHNA Plan.) Based on the RHNA Plan each jurisdiction will need to

identify adequate sites to address its RHNA allocations in the four income categories when updating its housing element.

Monterey and Santa Cruz Counties have enough housing capacity to accommodate the RHNA allocations. San Benito County also has the housing capacity to accommodate the RHNA as described in the San Benito RHNA Plan. The allocations do not exceed forecasted growth and can be accommodated through infill and redevelopment. The AMBAG and SBtCOG RHNA Plans are under development and are expected to be consistent with the 2045 MTP/SCS. The 2045 MTP/SCS will be adopted within 18 months of the RHNA planning period and 6th Cycle Housing Element deadline as documented by HCD. This schedule follows the required statutory deadlines.

Meeting GHG Targets

In 2018, CARB set updated targets for lowering GHG in the Monterey Bay region. They call for a three percent reduction, in per capita GHG emissions from passenger vehicles by 2020 (compared with 2005); and a six percent per capita reduction by 2035 through land use and transportation planning.

The 2045 MTP/SCS demonstrates that the Monterey Bay region will meet these targets by focusing housing and employment growth in urbanized areas; protecting sensitive habitat and open space; and investing in a transportation system that provides residents, workers and visitors with transportation options that are more effective and diverse.

In addition, the 2045 MTP/SCS includes economic development strategies to encourage job growth in communities that are currently job poor as well as planning for new housing in communities that are currently job rich help to address the jobs/housing imbalance in the region and reduce vehicle miles traveled. The process to develop the MTP/SCS was based upon modeling these forecasted land use patterns and future transportation networks, along with the use of sustainable development principles that have been standard planning practice in the region for some time, and an extensive public outreach process.

California Environmental Quality Act (CEQA) Streamlining

Provisions in SB 375 include opportunities for streamlining the CEQA process, when certain conditions are met, as an incentive for implementing projects that are consistent with this SCS. Generally, there are two types of projects for which CEQA requirements can be streamlined, once the MPO adopts an MTP/SCS that meet the greenhouse gas targets established by CARB:

- Transit priority projects streamlining
- Residential/mixed use projects streamlining

SB 375 includes specific requirements for the CEQA streamlining. The discussion below provides a general outline of the requirements.

Transit Priority Projects

A Transit Priority Project (TPP) is a project within an Opportunity Area and is eligible for CEQA streamlining if it is:

- Consistent with the SCS;

Attachment C

Draft 6th Cycle Regional Housing Needs Allocation Plan 2023-2031

April 2022

**Association of Monterey Bay Area
Governments**



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Executive Summary

In August 2021, the California Department of Housing and Community Development (HCD) issued a Regional Housing Need Determination to the AMBAG region for the 6th Cycle planning period of June 30, 2023 to December 15, 2031 and determined that the region must zone to accommodate a minimum of 33,274 housing units during this period. California housing law (Government Code § 65580 et seq.) requires AMBAG, acting in the capacity of Council of Governments (COG), to develop a Regional Housing Needs Allocation (RHNA) Plan to allocate existing and projected housing needs to local jurisdictions within Monterey and Santa Cruz Counties.

Based on the final RHNA Plan, each city and county must update its housing element to demonstrate how the jurisdiction will meet the expected growth in housing need over this period of time. The table below shows the final regional housing need allocation for each jurisdiction in the AMBAG region, broken into four income categories.

Table 1 – RHNA for the AMBAG Region, June 30, 2023 to December 15, 2031

	Income Group Totals				RHNA
	Very Low	Low	Mod.	Above Mod.	Total
Region	7,868	5,146	6,167	14,093	33,274
Monterey County					
Carmel-By-The-Sea	113	74	44	118	349
Del Rey Oaks	60	38	24	62	184
Gonzales	173	115	321	657	1,266
Greenfield	101	66	184	379	730
King City	97	63	178	364	702
Marina	94	62	173	356	685
Monterey	1,177	769	462	1,246	3,654
Pacific Grove	362	237	142	384	1,125
Salinas	920	600	1,692	3,462	6,674
Sand City	59	39	49	113	260
Seaside	86	55	156	319	616
Soledad	100	65	183	376	724
Unincorporated Monterey	1,070	700	420	1,136	3,326
Santa Cruz County					
Capitola	430	282	169	455	1,336
Santa Cruz	859	562	709	1,606	3,736
Scotts Valley	392	257	154	417	1,220
Watsonville	283	186	521	1,063	2,053
Unincorporated Santa Cruz	1,492	976	586	1,580	4,634

Introduction

Since 1969, the State of California has required that all local governments (cities and counties) adequately plan to meet the housing needs of everyone in the community. The California Department of Housing and Community Development (HCD) issued a Regional Housing Need Determination to the AMBAG region for the 6th Cycle planning period of June 30, 2023 to December 15, 2031. HCD determined that the region must zone to accommodate a minimum of 33,274 housing units during this period. HCD calculates the regional determination using information provided by the California Department of Finance and the most recent U.S. Census Bureau data regarding overcrowding, cost burden, and vacancy rate. The regional determination includes an overall housing need number, as well as a breakdown of the number of units required in four income distribution categories.

Once HCD issues their determination, the Regional Housing Needs Allocation (RHNA) Plan establishes the total number of housing units that each city and county must plan for within the eight-year planning period. The allocation is based on factors that address the five statutory RHNA objectives, as described below. The RHNA methodology and RHNA Plan are part of the state-mandated housing element law (Government Code § 65580 et seq.). Based on the adopted RHNA, each city and county must update its housing element to demonstrate how the jurisdiction will meet the expected growth in housing need over this period of time.

This document, the RHNA Plan, officially assigns the allocations to cities and counties for two of the three counties within the Monterey Bay Area, Monterey and Santa Cruz Counties. San Benito County conducts a separate RHNA, as explained below. The RHNA process and describes the adopted RHNA methodology including total unit allocations and allocations by income category. This plan also describes how the allocation meets the five statutory RHNA objectives. The appendix includes documents that were part of the planning process such as official correspondence from HCD regarding the regional determination and methodology review, AMBAG Board agenda items, and results of a statutorily-required jurisdiction survey. The table above shows the result of this planning process—an allocation of housing units by income level that jurisdictions plan to accommodate in their housing elements over the June 30, 2023 to December 15, 2031 timeframe.

Housing Element Law and RHNA Objectives

State housing element law, Government Code § 65584 (d), requires the RHNA to be consistent with five objectives:

1. Increasing the housing supply and the mix of housing types, tenure, and affordability in all cities and counties with the region in an equitable manner, which shall result in all jurisdictions receiving an allocation of units for low- and very low income households.
2. Promoting infill development and socioeconomic equity, the protection of environmental and agricultural resources, the encouragement of efficient development patterns, and the achievement of the region's greenhouse gas reductions targets provided by the State Air Resources Board pursuant to § 65080.
3. Promoting an improved intraregional relationship between jobs and housing, including an improved balance between the number of low-wage jobs and the number of housing units affordable to low-wage workers in each jurisdiction.
4. Allocating a lower proportion of housing need to an income category when a jurisdiction already has a disproportionately high share of households in that income category, as compared to the countywide distribution of households in that category from the most recent American Community Survey.
5. Affirmatively furthering fair housing.

As explained below, AMBAG's Metropolitan Transportation Plan and Sustainable Communities Strategy (MTP/SCS) and its RHNA are consistent with these objectives.

The Metropolitan Transportation Plan/Sustainable Communities Strategy and RHNA

Senate Bill (SB) 375, passed into state law in 2008, requires the coordination of housing planning with regional transportation planning through the MTP/SCS. This requires consistency in growth forecasts for land use, housing, and transportation purposes. In prior plans, the RHNA and the MTP were prepared independently and had different timelines and planning periods. SB 375 requires that the RHNA and MTP/SCS process be undertaken together in order to integrate housing, land use, and transportation planning to ensure that the state's housing goals are met and to help reduce greenhouse gas emissions (GHG) from cars and light duty trucks. The goal of this integrated planning is to create opportunities for residents of all incomes to have access to jobs, housing, services, and other common needs by a variety of means, including public transit, walking, and bicycling.

Prior to SB 375, RHNA was updated every five years and the MTP was updated every four years. Because SB 375 requires better coordination between transportation planning with land use and housing planning, the RHNA process is now tied to the adoption of every two cycles of the regional MTP/SCS. As a result, the RHNA Plan must be adopted every eight years, aligning with the adoption of the MTP/SCS. This also means that each city and county with a compliant

housing element will update its housing element every eight years instead of every five years, as required before SB 375.

2022 Regional Growth Forecast

As the MPO, AMBAG carries out many planning functions for the tri-county area including development and maintenance of the regional travel demand model (RTDM), long range transportation planning and programming, and acting as a regional forum for dialogue on issues facing the region. Most of AMBAG's projects are carried out in support of these major functions, including but not limited to the regional growth forecast. AMBAG develops the forecast with a horizon year that matches the planning timeline of the MTP/SCS and the model years for the RTDM. In addition to informing MTP/SCS, the regional growth forecast (RGF) is an important reference point in the RHNA process.

The 2045 MTP/SCS includes a planning period through 2045. The years forecasted include 2025, 2030, 2035, 2040, and 2045. The forecast uses a model that predicts employment growth using a shift-share model based on local data as well as state and national trends. Population growth is then driven by employment growth. Household and housing growth are driven by population growth, demographic factors and external factors. This approach was vetted and approved by the AMBAG Board of Directors in 2014 for use in the metropolitan transportation plan, *Moving Forward 2035 Monterey Bay*. The framework was used again in 2018 for *Moving Forward 2040 Monterey Bay*, and remains in use in 2022. While the methodology for the 2022 RGF has remained the same through three planning cycles, the models have been updated for the *Moving Forward 2045 Monterey Bay Plan* to include current data, a revised base year of 2015 and a new horizon year of 2045.

Process for Development of the 2023-2031 Regional Growth Forecast

In consultation with local planning departments, AMBAG prepared an estimated 2045 growth forecast for the region. The Planning Directors Forum was the primary venue for ongoing coordination between local agency planning staff and AMBAG; however, a number of jurisdiction-specific meetings and comment periods also were held, including over 100 one-on-one meetings held by AMBAG staff with each of the jurisdictions, the University of California, Santa Cruz, and the California State University, Monterey Bay. The development of the 2022 Regional Growth Forecast and the methodology is documented in detail as part of the 2045 MTP/SCS. Both of these documents can be found on the AMBAG website.

Geography

The local jurisdictions addressed in the RHNA process for the AMBAG region include the sixteen incorporated cities and two counties as shown in Table 3. University of California Santa Cruz, California State University Monterey Bay, the Salinas Valley State Prison (SVSP), the Correctional Training Facility (CTF) in Soledad, the Defense Language Institute (DLI), the Naval Post Graduate School (NPS) are not allocated any regional housing need since they are not city or county agencies, located on State or federal lands, and considered exempt entities not part of the RHNA process.

The AMBAG RHNA area is predominantly rural, with urban development clustered along the Monterey Bay coastline and in agricultural inland valleys along US 101. Major urban development in the Monterey Bay Area primarily occurs along the Bay coastal plains and foothills of the Monterey Peninsula from the City of Santa Cruz in the north to the City of Carmel-by-the-Sea to the south. The Santa Cruz, Watsonville, Seaside-Monterey, and Salinas urbanized areas are the most densely developed in the region.

Table 3: Cities and Counties Participating in the AMBAG RHNA Process

Carmel-by-the-Sea	Del Rey Oaks	Gonzales	Greenfield
King City	Marina	Monterey	Pacific Grove
Salinas	Sand City	Seaside	Soledad
Capitola	Santa Cruz	Scotts Valley	Watsonville
County of Monterey	County of Santa Cruz		

A substantial portion of the AMBAG area is forested and hence at an elevated risk of fire. Large forests and wooded areas border many cities and are prevalent throughout County unincorporated areas. In 2020, the Santa Cruz County area was affected by one of the top 20 most destructive fires in California history, destroying 1,490 structures including homes, burning over 86,000 acres of rural forested land including multiple unincorporated communities and towns. In 2016, the Soberanes Fire in Monterey County burned over 132,000 acres and dozens of homes, and in 2020, the Dolan Fire in Monterey County burned over 124,000 acres. These risks make developing housing in suburban and rural areas near forested areas particularly difficult.

Many population centers in the Monterey Bay Area are located on the coast and subject to flooding due to continuing sea level rise. During the plan period, the coastal region in AMBAG will be affected by sea level rise according to the National Oceanic and Atmospheric Administration (NOAA). This threatens existing housing, and limits where new housing can be constructed. Jurisdictions affected include Santa Cruz, Capitola, the County of Santa Cruz,

Marina, Seaside, Sand City, Monterey, Pacific Grove, Carmel, and the County of Monterey. Also affected are the unincorporated communities of Aptos, Live Oak, Moss Landing, and Pebble Beach.

Figure 1: Map of AMBAG RHNA Area



Process for Developing RHNA

The State of California, through the Housing and Community Development Department (HCD), issued a Regional Housing Needs Determination to AMBAG for Monterey and Santa Cruz Counties (see Appendix 4 for the letter of determination). HCD calculated the regional determination using information provided by the California Department of Finance. The regional determination includes an overall housing need number, as well as a breakdown of the percentage of units required in four income distribution categories, as further defined below. The region's overall allocation for Monterey and Santa Cruz Counties is 33,274 housing units. San Benito County receives its own Regional Housing Needs Determination (RHND) from HCD and must complete its own RHNA.

San Benito County

The state mandate for distributing the RHNA is tied to the state designation of a Council of Governments (COG). Each COG is expected to distribute the RHNA to their member jurisdictions. AMBAG is the Metropolitan Planning Organization for the Counties of San Benito, Santa Cruz, and Monterey and has prepared a 2045 MTP/SCS for the tri-county region. However, it is the COG for only the Counties of Santa Cruz and Monterey. For this reason HCD makes a separate determination for San Benito County and tasks the San Benito County Council of Governments (SBtCOG) with developing its own RHNA Plan. AMBAG does coordinate with SBtCOG so that its RHNA Plan is consistent with the 2045 MTP/SCS.

AMBAG's Role in RHNA

Based on the regional determination provided by HCD, AMBAG must develop the allocation of units to each jurisdiction, along with the plan document that contains the allocations. It is AMBAG's responsibility to coordinate with HCD prior to its determination of the regional housing need. Once AMBAG receives the regional determination, including the overall need number and the income category distribution, it must adopt a methodology for distributing the regional growth number throughout the region. The methodology is the basis for the final RHNA Plan that AMBAG adopts.

The methodology used for the RHNA distribution is developed in coordination with the local jurisdictions via the Planning Directors Forum and the AMBAG Board of Directors, as well as with input from the public. The state mandated RHNA Plan establishes the total number of housing units that each city and county must plan for within the eight-year planning period broken into four income categories as described above. Based on the adopted RHNA, each city and county must update its housing element by December 2023.

Importance of RHNA for Local Governments

RHNA allows communities to anticipate growth so that the region can grow in ways that enhance quality of life, improve access to jobs, promote transportation mobility, and address fair share housing needs for all members of the community. Local governments were key to the development of the RHNA allocation methodology and will determine how their jurisdiction's allocation will be accommodated through their Housing Elements.

Once it receives its allocation, each local government must update the Housing Element of its General Plan and its zoning to show how it plans to accommodate its RHNA requirements and meet the housing needs in its community. It is in the community's Housing Element that local governments make decisions about where future housing units could be located and the policies and strategies for addressing specific housing needs within a given jurisdiction, such as

addressing homelessness, meeting the needs of specific populations, affirmatively furthering fair housing, or minimizing displacement. Having a sufficient and housing element compliant with HCD requirements is also critical to securing and maintaining state funding for their community.

State funding programs often consider a local jurisdiction's compliance with housing element law. These competitive funds can be used for fixing roads, adding bike lanes, improving transit, or providing much needed affordable housing to communities. In some cases, funding from state/federal housing programs can only be accessed if the jurisdiction has a compliant housing element. In other cases, a compliant housing element allows grant applicants to receive extra points on their application if they do have a compliant housing element, increasing their chances in the competitive application process. Moving forward, more state grant funds may include housing element compliance factors. State funds which tie housing element compliance to eligibility or scoring include the following:

- Community Development Block Grant Program
- Infill Infrastructure Grant Program
- Local Housing Trust Fund Program
- Affordable Housing and Sustainable Communities Program
- Permanent Local Housing Allocation Program
- Caltrans Sustainable Communities Grant Program
- Local Partnership Program
- Transit and Intercity Rail Capital Program
- Active Transportation Program
- Solutions for Congested Corridors Program
- HOME Investment Partnerships Program

The Regional Housing Needs Determination (RHND)

The California Department of Housing and Community Development (HCD) identifies the total number of homes for which each region in California must plan in order to meet the housing needs of people at all income levels. The total number of housing units from HCD is separated into four income categories that cover everything from housing for very low-income households all the way to market rate housing. AMBAG is responsible for developing a methodology to allocate a portion of this housing need to every local government in the region.

The four income categories included in the RHND are:

- Very Low Income: Less than 50% of Area Median Income
- Low Income: 50-80% of Area Median Income
- Moderate Income: 80-120% of Area Median Income
- Above Moderate Income: 120% or more of Area Median Income

Regional Housing Needs Allocation Plan: 2023 - 2031

In a letter dated August 31, 2021 the California Department of Housing and Community Development (HCD) provided AMBAG with the RHND for use in this cycle of RHNA (See appendix 4).

Table 2: RHND from HCD for AMBAG – June 30, 2023 to December 15, 2031

<u>Income Category</u>	<u>Percent</u>	<u>Housing Unit Need</u>
Very-Low*	23.6%	7,868
Low	15.5%	5,146
Moderate	18.5%	6,167
Above-Moderate	42.4%	14,093
Total	100.0%	33,274

*Extremely-Low 13.1% Included in Very-Low Category

Income Distribution: Income categories are prescribed by California Health and Safety Code (§ 50093, et. Seq.). Percentages are derived based on Census/ACS reported household income brackets and county median income.

The RHND is based on a population and household forecast for the region from the California Department of Finance (DOF) and the application of specific adjustments to determine the total amount of housing needs for the region. Certain adjustments are a result of recent legislation that sought to incorporate an estimate of existing housing need, per Government Code 65584.01, shown below.

- The vacancy rates in existing housing stock, and the vacancy rates for healthy housing market functioning and regional mobility, as well as housing replacement needs. For purposes of this subsection, the vacancy rate for a healthy rental housing market shall be considered no less than 5 percent.
- The percentage of households that are overcrowded and the overcrowding rate for a comparable housing market. For purposes of this subparagraph:
 - The term “overcrowded” means more than one resident per room in each room in a dwelling.
 - The term “overcrowded rate for a comparable housing market” means that the overcrowding rate is no more than the average overcrowding rate in comparable regions throughout the nation, as determined by the council of governments.
- The percentage of households that are cost burdened and the rate of housing cost burden for a healthy housing market. For the purposes of this subparagraph:
 - The term “cost burdened” means the share of very low, low-, moderate-, and above moderate-income households that are paying more than 30 percent of household income on housing costs.

- The term “rate of housing cost burden for a healthy housing market” means that the rate of households that are cost burdened is no more than the average rate of households that are cost burdened in comparable regions throughout the nation, as determined by the council of governments.

The RHNA process only considers the needs of the population in households who are housed in the regular housing market, and excludes the population living in group quarters, which are non-household dwellings, such as jails, nursing homes, dorms, and military barracks. HCD uses the age cohorts of the forecasted population from the California Department of Finance to understand the rates at which people are expected to form households. This can vary for people at different stages of life. This results in the estimate of the total number of households that will need a housing unit in 2031, which is the end date of the projection period for AMBAG’s RHNA cycle.

The total number of projected households is then adjusted using the factors related to vacancy rate, overcrowding, and an estimate of the need for replacement housing for units that were demolished or lost. These adjustments result in a forecast of the number of housing units that will be needed to house all households in the region in 2031. The number of expected occupied housing units at the beginning of the RHND period is subtracted from the total number of housing units needed, which results in the number of additional housing units necessary to meet housing demand. The final step is an adjustment related to cost-burdened households, which leads to the total RHND.

Distributing the RHNA and Income Categories

California’s Housing Element Law (Government Code § 65580 et seq.) mandates that AMBAG develop and approve a RHNA methodology and RHNA Plan for Monterey and Santa Cruz Counties and the cities within. Once AMBAG receives the regional determination, including the overall need number and the income category distribution, it must adopt a methodology for distributing those numbers throughout the region. The methodology is the basis for the final RHNA Plan that AMBAG adopts.

The RHNA has two parts as required by state law:

- Overall Allocation: AMBAG receives a total housing unit number for growth during the planning period for Monterey and Santa Cruz Counties. AMBAG is required to distribute this regional housing growth number to the jurisdictions within the region for the period from January 30, 2023 to December 15, 2031.
- Income Category Distributions: HCD also provides a household income distribution of the total regional housing unit number. As defined by state law, four income categories

make up this distribution: very low income (less than 50 percent area median income [AMI]); low income (50 to 80 percent AMI); moderate income (80 to 120 percent AMI); and above moderate income (above 120 percent AMI). The total housing unit growth AMBAG allocates to each jurisdiction must be further allocated into the four household income categories.

Coordination with Jurisdictions

The most critical factor in the RHNA process is the development of the methodology for allocating housing units within the region. The meetings of the regional Planning Directors Forum, comprised of local government planning staff but open to the public, served as the forum for the technical development of the draft methodologies. The Planning Directors Forum met monthly and provided input on approaches to different methodologies. AMBAG staff developed different methodology options for inquiry, review, and input from the planning directors. The AMBAG Board of Directors received regular updates on the development of the RHNA and the methodologies being considered. Of the various methodologies discussed at the Planning Directors Forum and the Board of Directors' meetings, the methodology emphasizes AFFH and a balanced jobs/housing ratio was selected as the preferred method and was recommended to the Board of Directors. The Board of Directors approved this methodology on April 13, 2022.

Coordination with Regional Stakeholders and the Public

The methodology used in this RHNA allocation was discussed multiple times at the Board of Directors and the Planning Directors Forum as well as presented at city council meetings and other stakeholder meetings. In addition, specific recommendations from the public were included in the selected methodology. These groups expressed support for the methodology and indicated that it was a good representation of housing need in the region. Opportunities for public comment were provided at all Board of Directors and Planning Directors Forum meetings.

Timeline

The RHNA Plan is scheduled for adoption by the AMBAG Board of Directors in Fall 2022. Based on state statutory timelines prescribed in Government Code § 65584.04, below are the key milestones dates for the RHNA:

- February 2021 to December 2021 – The Planning Directors Forum, comprised of the planning directors and local government planners for all of the cities and counties in the region, met seven times over eleven months to discuss RHNA and to develop and evaluate draft RHNA methodologies. The AMBAG Board of Directors were informed

regularly on the development of the different draft methodologies. As meetings open to the public, these meetings also served as opportunities for the public and advocacy groups to provide comments on the process.

- June 2021 to January 2022 – The Board of Directors met seven times over eight months to review progress on the RHNA methodologies, take input from the Planning Directors Forum, and provide feedback on the process. As meetings open to the public, these meetings also served as opportunities for the public and advocacy groups to provide comments on the process.
- January 12, 2022 – The AMBAG Board of Directors adopted the draft RHNA methodology.
- April 13, 2022 – Approval of the final RHNA methodology by the AMBAG Board
- April 22, 2022 – Draft RHNA plan released with RHNA allocations by jurisdictions
- April 22 to June 6, 2022 – Local jurisdictions and HCD may appeal RHNA allocation within 45 days of release of the draft RHNA plan/allocations
- May 2022 – AMBAG releases final 2045 Metropolitan Transportation Plan/Sustainable Communities Strategy (MTP/SCS) accommodating RHNA
- June 7 to July 22, 2022 - Local jurisdictions and HCD may comment on appeals within 45 days of the close of the appeal period (if appeal(s) are received)
- June 8, 2022 – Adoption of Final 2045 MTP/SCS by AMBAG Board
- August 10, 2022 - Adoption of Final 2023-31 RHNA Plan with RHNA allocations by AMBAG Board (if no appeal(s) are received)
- August 10, 2022 - AMBAG to hold public hearing on appeals (if appeals are received)
- September 23, 2022 - AMBAG makes final determination that accepts, rejects, modifies appeals and issues final proposed allocation plan
- October 12, 2022 - Adoption of Final 2023-31 RHNA Plan with RHNA allocations by AMBAG Board (if appeal(s) are received)
- December 15, 2023 - Jurisdiction's 6th Cycle Housing Elements are due to HCD

Housing Elements

Once a local government has received its final RHNA from AMBAG, it must revise the Housing Element of its general plan and update zoning ordinances to accommodate its portion of the region's housing need. For this cycle, that process must be completed by December 2023. Communities are also required to report their progress to HCD annually.

The four income categories, as listed above, must be addressed in a jurisdiction's housing element. Specifically, accommodations must be made to ensure that the jurisdiction provides

sufficient zoning capacity to accommodate the projected housing need in each income category. For the very low and low income categories, jurisdictions generally are required to identify sites (constructed or vacant) zoned at multifamily residential densities.

It is important to note that each jurisdiction is responsible for providing sufficient zoning capacity for the units allocated to all four economic income categories, but is not responsible for the construction of these units. The intent of the housing element law is to ensure that jurisdictions do not impede the construction of housing in any income category. Other factors, such as market forces, are beyond a jurisdiction's control and have considerable influence over whether or not housing units in each income category are actually constructed. The HCD website contains more information about Housing Element compliance at <https://www.hcd.ca.gov/community-development/housing-element/index.shtml>.

Adopted RHNA Methodology and Distribution

Once HCD issued the Regional Housing Need Determination of 33,274 housing units for our region, state housing element law required AMBAG to formulate a methodology to assign a share of the RHND to each jurisdiction in the region. The RHNA methodology was approved by the Board of Directors on April 13, 2022. Before asking the Board to approve a methodology AMBAG reviewed all of the HCD approved RHNA methodologies to date for the 6th Cycle from other COGs and presented the results to the Planning Directors Forum and the Board. The list of options was refined and narrowed with recommendations from the Planning Directors Forum before presentation to the Board. The final methodology that was chosen distributes the RHNA based on the RGF, AFFH, jobs/housing balance, jobs, climate resiliency, and transit service. Using this method creates a direct tie to the objectives of the Housing Element law as well as the goals and concepts in the 2045 MTP/SCS.

RHNA Methodology

This section describes the draft methodology that the AMBAG Board of Directors approved on January 12, 2022. Appendix 1 provides the RHNA unit and income allocation estimates based on the approved draft methodology. To satisfy the requirements of Government Code § 65584.04(a) AMBAG, in consultation with HCD staff, elected to pursue a three-step methodology. The first and second steps allocates the total number of units for the AMBAG region. The third step allocates by income category.

First Step in RHNA Methodology: 2022 Regional Growth Forecast Base Allocation

This RHNA methodology allocates a portion of housing units (6,260) based on data for projected housing growth for the four-year RHNA planning period from the 2022 Regional Growth Forecast (RGF). The 2022 RGF was used in the 2045 Metropolitan Transportation Plan/Sustainable

Communities Strategy (MTP/SCS). The use of the 2022 RGF data is important to meeting the RHNA plan statutory objectives of protecting environmental and agricultural resources and achieving the region's greenhouse gas reduction targets. (Gov. Code, § 65584(d)(2).) Use of the 2022 RGF ensures that this RHNA methodology is consistent with the 2045 MTP/SCS, which was released for public review and comment in November 2021.

The 2022 RGF is the most accurate growth forecast available for the region, is more granular than any other available projections, included significant quality control, was reviewed and approved by executive planning staff in all jurisdictions for accuracy, and was accepted by the AMBAG Board. This supports the furtherance of a RHNA plan statutory objective, which focuses on promoting infill development and socioeconomic equity, the protection of environmental and agricultural resources, the encouragement of efficient development patterns, and the achievement of the region's greenhouse gas reductions targets. (Gov. Code, § 65584.04(d)(2).)

The 2022 RGF allocation step is just one element in the RHNA methodology; jobs, jobs/housing balance, transit, resiliency, and AFFH are all used to allocate housing units, which go above and beyond existing jurisdictions' general plans. In fact, HCD's 6th Cycle RHND of 33,274 units is higher than the number of units that jurisdictions within the AMBAG region have planned for through 2050, so general plan changes will be necessary and are not precluded by using the 2022 RGF as a part of the allocation.

The data source for this factor is described below:

- 2022 RGF: Housing growth from 4-year RHNA period from the AMBAG 2022 RGF (accepted for planning purposes by the AMBAG Board in November 2020), based on California Department of Finance (2020)
 - The full RGF can be found at the following location:
https://ambag.org/sites/default/files/2021-11/PDFAAppendix%20A_2022%20RGF.pdf and
<https://www.ambag.org/plans/regional-growth-forecast>

Second Step in RHNA Methodology: Jobs, Jobs/Housing Balance, Transit, Resiliency, and AFFH Unit Allocation

The second step in the RHNA methodology allocates the remaining units (27,014) for the AMBAG region by the following categories: 15% jobs (4,000 units), 31% jobs/housing (8,449 units), 4% transit (1,038 units), 8% resilience (2,075 units), and 42% of AFFH (11,452 units). The draft methodology presented here is the result of several rounds of methodology revision to include

feedback from the AMBAG Board, Planning Directors forum, and the community. Revisions also accommodated additional feedback from the public and HCD staff, including adding jobs/housing and AFFH factors and reducing the weight of the RGF in the allocation.

Another revision made to reflect suggestions from HCD staff was to include both the California State Treasurer's Tax Credit Allocation Committee (TCAC) and Racially Concentrated Areas of Affluence (RCAA) data to calculate the AFFH allocation factor for incorporated jurisdictions

Data sources used for this second step in the RHNA methodology are described below.

- Employment: AMBAG 2022 RGF, based on InfoUSA and California Employment Development Department (2020)
 - Jobs data reflects the pre-pandemic distribution of employment opportunities throughout the AMBAG region. Future job growth in Monterey and Santa Cruz Counties is expected to be concentrated in the same areas. Since such a large share of the region's jobs are agricultural, allocating based on jobs helps the region address the housing needs of farmworkers. (Gov. Code, § 65584.04(e)(8).)
 - Focusing a significant share of the RHNA allocation on jobs helps to correct existing jobs/housing imbalances.
- Jobs-Housing Ratio: Number of jobs in 2020 divided by number of housing units, both jobs and housing data are from AMBAG 2022 RGF, based on InfoUSA and California Employment Development Department, and California Department of Finance (2020).
- Transit: Existing (2020) transit routes with 15- and 30-minutes headways, based on existing transit routes and stops from transit operators
 - While the AMBAG region does not have the kind of extensive transit system found in larger urban areas, transit access is important for the sustainability of future growth.
 - Focusing future developing in areas with the region's highest quality transit promotes infill development and encourages efficient development patterns. (Gov. Code, § 65584(d)(2).)
- Resiliency: Percent not in high fire risk or 2' sea level rise risk, CALFIRE, California Public Utilities Commission (CPUC), and National Oceanic and Atmospheric Administration (NOAA)
 - The AMBAG region includes areas at great risk due to climate change, including areas at high risk of wildfire and areas at risk of inundation due to sea level rise. These constraints to development must be considered as the region plans for climate change.

- This factor furthers the objective of promoting infill development, protecting environmental resources, and encourages efficient development patterns. (Gov. Code, § 65584(d)(2).)
- Affirmatively Furthering Fair Housing Unit Allocation: The AFFH factor is the average of a jurisdiction's RCAA and TCAC score for incorporated jurisdictions, both of which are explained below. For unincorporated areas the AFFH factor is the TCAC score alone and does not include RCAA. Given the size of the unincorporated areas, TCAC better reflects the diversity of high- and low-income communities within the unincorporated areas. Jurisdictions qualifying as RCAAs, partial RCAAs, or TCAC Opportunity Areas are shown in Appendix 2.
 - RCAA: Jurisdictions with higher than the regional average for percentage above 200% of the poverty level and percentage white are defined as RCAAs. Jurisdictions that qualify under one category receive a partial allocation. Data was utilized from the U.S. Census Bureau, American Community Survey (2015-2019) and 2020 Census.
 - TCAC: This score reflects the percent of each jurisdiction's households in high/highest opportunity areas. Data was used from the TCAC Opportunity Map Database (2021) and U.S. Census Bureau, American Community Survey (2015-2019).

Third Step in RHNA Methodology: Income Allocation

Addressing the socioeconomic disparities of the AMBAG region's member jurisdictions was a key focus of the income allocation methodology. Though jurisdiction level disparities cannot be completely corrected within a single RHNA cycle, Planning Directors Forum and AMBAG Board members recommended allocating a high weight to this factor.

There are several ways to measure socioeconomic disparities across jurisdictions. After considering alternatives, the AMBAG Board of Directors suggested a measure of Racially Concentrated Areas of Affluence (RCAA), based on data from the U.S. Census Bureau and a framework described by the U.S. Department of Housing and Urban Development. Using the most recent data available from the U.S. Census Bureau, jurisdictions that are both high income (higher than the regional average for percentage above 200% of the poverty level) and racially-concentrated (above the regional average for percent white non-Hispanic) are defined as RCAAs. Jurisdictions that were either higher income or racially-concentrated, but did not meet both criteria, were identified as "partial RCAA." Consensus from the PDF was that the RCAAs analysis better reflected the AMBAG region's areas of opportunity than alternative measures such as the HCD/TCAC Opportunity Map data.

The third step of the methodology shifts Above Moderate units to Very Low and Moderate units to Low in jurisdictions that qualify as RCAAs. This results in RCAA jurisdictions getting a higher share of their RHNA in the lower income categories. In the draft methodology presented here, just over 53% of the RHNA allocation is Very Low or Low income in jurisdictions that are RCAAs. In partial RCAA jurisdictions, approximately 38% of the RHNA allocation is Very Low or Low income. The comparable share for non-RCAA jurisdictions is less than 23%.

The data sources used for this step are described below.

- AFFH Income Allocation: U.S. Census Bureau, American Community Survey (2015-2019) and 2020 Census

RHNA Objectives

The following section summarizes how the development of the RHNA allocation methodology and the income group allocation methodology satisfies the five objectives. Development of the RHNA allocation methodology and the income group allocation methodology was focused on satisfying the five RHNA objectives (Govt. Code §65584(d)(1-5). Appendix 1 illustrates the methodology in further detail.

1. *Increase the housing supply and the mix of housing types, tenure, and affordability in all cities and counties within the region in an equitable manner, which shall result in each jurisdiction receiving an allocation of units for low- and very low-income households.*

The 6th Cycle RHNA methodology allocates units to all jurisdictions in the AMBAG region. The proposed RHNA methodology affirmatively furthers fair housing by allocating units based on TCAC/RCAA data and by allocating a larger share of very low and low income housing in jurisdictions that have an above-average share of households in advantaged areas.

To promote a mix of housing types, the methodology adjusts jurisdictions' allocations by income levels, and provides larger shares of very low- and low-income categories to jurisdictions that have historically been racially concentrated areas of affluence (Carmel by the Sea, Del Rey Oaks, Monterey, Pacific Grove, unincorporated Monterey County, Scotts Valley, and unincorporated Santa Cruz). Jurisdictions which already contain a disproportionately high share of very low and low income households are allocated higher proportions of moderate and above-moderate housing allocations. In accordance with State law, each jurisdiction is allocated housing in all four income groups.

2. *Promoting infill development and socioeconomic equity, the protection of environmental and agricultural resources, the encouragement of efficient development patterns, and the achievement of the region's greenhouse gas reductions targets provided by the State Air Resources Board pursuant to Section 65080.*

The methodology directly complements the region's SCS which seeks to reduce greenhouse gases emitted by light-duty vehicles. AMBAG's SCS achieves the required greenhouse gas emissions (GHG) with a critical strategy that addresses the region's jobs-housing imbalance. AMBAG achieves its GHG target of a 6% reduction per capita for 2035. AMBAG's SCS promotes infill development, socioeconomic equity, and the protection of agricultural resources. In excess of 76% of the region's determination is allocated to incorporated cities, thereby advancing this objective by promoting infill development. In addition, the allocation provided to the unincorporated counties could reasonably be assumed to be accommodated within currently developed areas. In its planning survey responses, both Monterey and Santa Cruz Counties noted that substantial proportions of their unincorporated areas are preserved or protected from urban development as conservation land, state parks, federal ownership, via land trusts, or are protected under federal and state species protection regulations or under the Williamson Act. This largely constrains new development in the unincorporated areas. Much of the existing development in the unincorporated counties is indistinguishable to that of the abutting cities; therefore, it is not expected to place demand on transportation inefficient parcels of land.

By allocating 4% of RHNA by transit, the methodology further promotes more housing in jurisdictions with better transit access, which will further reduce GHG emissions and promote efficient development patterns. By allocating 8% of RHNA using a resiliency factor, the methodology promotes protection of coastal and forest areas by shifting allocations away from these sensitive environmental resources.

3. *Promoting an improved intraregional relationship between jobs and housing, including an improved balance between the number of low-wage jobs and the number of housing units affordable to low-wage workers in each jurisdiction.*

By allocating a substantial share of the RHND based on jobs (15%) and jobs/housing balance (31%), AMBAG's methodology directly addresses the imbalance between jobs and housing. The methodology allocates a majority of units to jurisdictions with jobs-to-housing imbalances.

4. *Allocating a lower proportion of housing need to an income category when a jurisdiction already has a disproportionately high share of households in that income category, as compared to the countywide distribution of households in that category from the most recent American Community Survey.*

Addressing the income-equity disparities of the region's jurisdictions was a key focus of the income allocation methodology. Though jurisdiction-level disparities cannot be completely corrected within a single RHNA cycle, PDF members recommended, and the AMBAG Board of Directors assured this was a significant consideration within the RHNA.

Using the RCAA and TCAC adjustments for AFFH, the RHNA places a higher proportion of very low and low income units in more affluent areas which have a shortage of these types of units. This shift necessarily allocated a significant portion of very low and low income units away from jurisdictions which a preponderance of lower income units, placing more moderate and above moderate units in these communities. The AMBAG methodology directs a higher share of total units to TCAC/RCAA jurisdictions, and a higher share of lower income housing to RCAA jurisdictions. In RCAA jurisdictions, more than 53% of the RHNA allocation is Very Low or Low income. In partial RCAA jurisdictions, approximately 38% of the RHNA allocation is Very Low or Low income. The comparable share for non-RCAA jurisdictions is less than 23%.

5. Affirmatively furthering fair housing.

The proposed RHNA methodology affirmatively furthers fair housing by allocating units based on TCAC and RCAA data. The proposed RHNA methodology allocates a large portion of the RHNA (42% of the total allocation) based on AFFH. The methodology assigns additional units to jurisdictions that are above the regional average for percentage of population about 200% of the poverty level and/or which have a higher racially concentrated white population than the regional average and/or have areas of high/highest opportunity. The methodology also focuses a larger share of very low and low income housing in jurisdictions that have an above-average share of advantaged households, as described in Objective 4 above.

RHNA Methodology Metrics

AMBAG evaluated the draft methodology to ensure that it performed well in meeting all of the RHNA objectives. Appendix 3 highlights how the draft methodology supports and furthers the RHNA objectives.

RHNA Factors

To the extent that sufficient data is available, the COG must consider 13 factors when developing the methodology that allocates regional housing needs. The following section summaries how the development of the RHNA allocation methodology satisfies the 13 factors.

1. *Each member jurisdiction's existing and projected jobs and housing relationship. This shall include an estimate based on readily available data on the number of low-wage jobs within the jurisdiction and how many housing units within the jurisdiction are affordable to low-wage workers as well as an estimate based on readily available data, of projected job growth and projected household growth by income level within each member jurisdiction during the planning period.*

The final RHNA methodology directly incorporates each jurisdiction's existing and projected jobs-housing relationship in both the baseline allocation and the allocation factors. Forecasts from the

MTP/SCS 2045 inform the baseline allocation. The final RHNA methodology improves jobs-housing balance by using factors related to job proximity to allocate a significant portion of the RHND. These factors direct housing units to those jurisdictions, allocating 31% of units to areas with jobs to housing imbalances (higher jobs/housing ratios). The methodology also allocates 42% of units based on AFFH, placing more units in higher income areas which correspond to areas with lower jobs to housing ratios. The final RHNA methodology helps to create a more balanced relationship between housing and jobs by directing RHNA units to job-rich jurisdictions and jurisdictions with the most imbalanced jobs-housing fit. Additionally, the jurisdictions with the worst jobs-housing fit receive a larger share of their RHNA as affordable housing than other jurisdictions. An equity adjustment is included in the methodology, directing additional lower-income units to jurisdictions with an imbalanced jobs-housing ratio.

2. *The opportunities and constraints to development of additional housing in each member jurisdiction, including all of the following: (A) Lack of capacity for sewer or water service due to federal or state laws, regulations or regulatory actions, or supply and distribution decisions made by a sewer or water service provider other than the local jurisdiction that preclude the jurisdiction from providing necessary infrastructure for additional development during the planning period; (B) The availability of land suitable for urban development or for conversion to residential use, the availability of underutilized land, and opportunities for infill development and increased residential densities. The council of governments may not limit its consideration of suitable housing sites or land suitable for urban development to existing zoning ordinances and land use restrictions of a locality, but shall consider the potential for increased residential development under alternative zoning ordinances and land use restrictions. The determination of available land suitable for urban development may exclude lands where the Federal Emergency Management Agency (FEMA) or the Department of Water Resources has determined that the flood management infrastructure designed to protect that land is not adequate to avoid the risk of flooding; (C) Lands preserved or protected from urban development under existing federal or state programs, or both, designed to protect open space, farmland, environmental habitats, and natural resources on a long-term basis, including land zoned or designated for agricultural protection or preservation that is subject to a local ballot measure that was approved by the voters of that jurisdiction that prohibits or restricts conversion to nonagricultural uses; and (D) County policies to preserve prime agricultural land, as defined pursuant to Section 56064, within an unincorporated area and land within an unincorporated area zoned or designated for agricultural protection or preservation that is subject to a local ballot measure that was approved by the voters of that jurisdiction that prohibits or restricts its conversion to nonagricultural uses.*

The final RHNA allocation assigns 8% of RHNA using a resiliency factor which allocates RHNA units away from forested areas at high risk of fire, and away from coastal areas that may be inundated should sea levels rise by at least two feet. This approach protects open space, environmental habitats, and natural resources, and encourages housing growth away from these sensitive resources.

All other RHNA factors assign housing units towards incorporated population centers by allocating factors such as jobs, jobs/housing ratio, transit, resiliency, and AFFH. This works to direct housing away from farmland, and towards cities which normally have adequate sewer and water service.

3. *The distribution of household growth assumed for purposes of a comparable period of regional transportation plans and opportunities to maximize the use of public transportation and existing transportation infrastructure.*

The final RHNA methodology allocates 4% of the region's RHNA units based on a jurisdiction's transit service. The methodology will encourage higher-density housing in jurisdictions with existing transit infrastructure, which can maximize the use of public transportation in these communities.

4. *Agreements between a county and cities in a county to direct growth toward incorporated areas of the county and land within an unincorporated area zoned or designated for agricultural protection or preservation that is subject to a local ballot measure that was approved by the voters of the jurisdiction that prohibits or restricts conversion to nonagricultural uses.*

The large majority of the RHNA allocation is within incorporated areas. Monterey County has a policy as well as several agreements with cities to direct growth into incorporated areas. AMBAG considered and incorporated these policies and agreements into the development of the 2022 Regional Growth Forecast by directing the majority of growth in the forecast towards incorporated cities. Because the RHNA is based on the 2022 Regional Growth Forecast the distribution inherently directs growth towards incorporated cities. While most of the growth within Monterey County is planned within incorporated cities, and there are policies reinforcing this growth pattern, the County has made plans to accommodate new population within Community Plan Areas. Based on this and the reality of a continued presence of low income minority populations in the unincorporated areas of the County, Monterey County will also have to plan for affordable housing as allocated in this RHNA Plan. Santa Cruz County does not have similar agreements with cities to direct development towards incorporated areas.

5. *The loss of units contained in assisted housing developments, as defined in paragraph (9) of subdivision (a) of Section 65583, that changed to non-low-income use through mortgage prepayment, subsidy contract expirations, or termination of use restrictions.*

Comprehensive data about the loss of assisted housing units is not available for all jurisdictions in a consistent format. Given the lack of consistent data, this topic was not included as a

specific factor in the final RHNA methodology. Some jurisdictions indicated that there was a small loss of units contained in assisted housing developments. However, the cumulative loss for any given jurisdiction is relatively small and therefore was not considered as a factor adjustment. The loss of assisted housing units for lower income households is an issue that would be best addressed by local jurisdictions when preparing their Housing Elements.

6. The percentage of existing households at each of the income levels listed in subdivision (e) of Section 65584 that are paying more than 30 percent and more than 50 percent of their income in rent.

The final methodology allocates lower-income units to all jurisdictions, particularly those with the most access to opportunity, allocating 42% of the region's lower-income units based on the jurisdictions' access to opportunity according to the California Tax Credit Allocation Committee (TCAC) Opportunity Maps and Racially Concentrated Areas of Affluence (RCAA). Jurisdictions with the highest housing costs receive a larger percentage of their RHNA as lower-income units than other jurisdictions in the region, and the jurisdictions with the most houses in High or Highest Resource census tracts also receive a larger percentage of their allocations as lower income units than other jurisdictions. Local governments will have additional opportunities to address jurisdiction specific issues related to cost burdened households when they update their housing elements.

7. The rate of overcrowding.

To address the needs of overcrowding in the region, HCD's RHNA Determination included an overcrowding adjustment which added housing units to the regional housing need to alleviate overcrowding in the region. As a result, overcrowding is considered throughout the region through inclusion in the base allocation from HCD. Since overcrowding tends to be the worst in lower income communities, including an overcrowding metric in the methodology would have placed more housing in lower income communities. This would have been counter to the AFFH metric, which requires more lower income housing be placed in jurisdictions with an existing higher income housing stock. Such an allocation would have also been counter to guidance provided by HCD during consultation on the methodology process. While the methodology does not have a specific overcrowding metric, the methodology base allocation is based on the RGF which assigns a significant share of housing growth to areas of high demand, which includes jurisdictions with higher overcrowding rates.

8. Housing needs of farmworkers.

The RHNA allocation benefits farmworker housing due to the rural and agricultural nature of the region. Most of the population is within a few miles of farmland, and nearly every population center is no further than 15 miles from an agricultural area. By encouraging housing development throughout the region, the RHNA will benefit the farmworker community.

9. The housing needs generated by the presence of a private university or a campus of the California State University or the University of California within any member jurisdiction.

The region currently has two major universities, the University of California, Santa Cruz (UCSC) and the California State University, Monterey Bay (CSUMB). Both universities place housing demands on their surrounding jurisdictions. The majority of the RHNA allocation is within the commute sheds of these two universities, primarily within the Santa Cruz metropolitan area near UCSC, and within the Monterey and Salinas metropolitan areas near CSUMB. In addition, UCSC has made efforts to meet some of that demand as there is a binding agreement between the University and the City of Santa Cruz. CSUMB is planning for growth which has generated housing pressure on the surrounding jurisdictions. The City of Marina is actively working to meet some of this demand with plans for housing development in areas close to the campus. Not only will housing be in demand in the City of Marina, but Marina is a closer commute than the Salinas Valley is to those coastal cities that have severe restrictions on new development.

10. Housing needs of individuals and families experiencing homelessness.

Comprehensive jurisdiction-level data about individuals and families experiencing homelessness is not available for most AMBAG jurisdictions. As a result, this topic was not included as a specific factor in the final RHNA methodology. However, the methodology does consider the housing needs of individuals and families experiencing homelessness by allocating very low- and low-income units to all jurisdictions throughout the region.

11. The loss of units during a state of emergency that was declared by the Governor pursuant to the California Emergency Services Act (Chapter 7 (commencing with Section 8550) of Division 1 of Title 2), during the planning period immediately preceding the relevant revision pursuant to Section 65588 that have yet to be rebuilt or replaced at the time of the analysis.

The RHND included HCD's minimum replacement adjustment of 0.5 percent, which exceeds the region's demolition rate. This adjustment added 1,202 housing units to the RHND. Since the demolition adjustment in the RHND included significantly more units than were lost, it was not necessary to include a specific factor in the final RHNA methodology to address the loss of units.

12. The region's greenhouse gas emissions targets provided by the State Air Resources Board pursuant to Section 65080.

By allocating 15% of RHNA according to jobs and 31% based on jobs/housing ratio, 4% by transit, and 42% by AFFH, the RHNA allocates the vast majority of units in existing urban areas with a strong focus on placing more units where jobs/housing ratios are imbalanced. These factors combine to place more units near jobs centers which, over time, will reduce commuting distances and associated GHG emissions throughout the region.

13. Any other factors adopted by the council of governments, that further the objectives listed in subdivision (d) of Section 65584, provided that the council of governments specifies which of the objectives each additional factor is necessary to further. The council of governments may include additional factors unrelated to furthering the objectives listed in subdivision (d) of Section 65584 so long as the additional factors do not undermine the objectives listed in subdivision (d) of Section 65584 and are applied equally across all household income levels as described in subdivision (f) of Section 65584 and the council of governments makes a finding that the factor is necessary to address significant health and safety conditions.

No other planning factors were adopted by AMBAG for the 6th Cycle RHNA.

Appendix 1: Final AMBAG 6th Cycle RHNA Allocation**AMBAG RHNA Methodology Summary**

	Income Group Totals				RHNA
	Very Low	Low	Mod.	Above Mod.	Total
Region	7,868	5,146	6,167	14,093	33,274
Monterey County					
Carmel-By-The-Sea	113	74	44	118	349
Del Rey Oaks	60	38	24	62	184
Gonzales	173	115	321	657	1,266
Greenfield	101	66	184	379	730
King City	97	63	178	364	702
Marina	94	62	173	356	685
Monterey	1,177	769	462	1,246	3,654
Pacific Grove	362	237	142	384	1,125
Salinas	920	600	1,692	3,462	6,674
Sand City	59	39	49	113	260
Seaside	86	55	156	319	616
Soledad	100	65	183	376	724
Unincorporated Monterey	1,070	700	420	1,136	3,326
Santa Cruz County					
Capitola	430	282	169	455	1,336
Santa Cruz	859	562	709	1,606	3,736
Scotts Valley	392	257	154	417	1,220
Watsonville	283	186	521	1,063	2,053

AMBAG RHNA Methodology

April 13, 2022

Region	RHNA Total 33,274	Housing	Jobs 15%			Jobs/Housing Ratio 31%				Transit 4%			Resiliency (Wildfire & Sea Level Rise) 8%				AFFH 42%					RHNA	
	4-year Unit Change	Jobs 2020	% Reg.	Units 4,000	J/H	Jobs 2020	% Reg.	Units 8,449	Transit Score	% Reg.	Units 1,038	% Area Not in High Risk Zone	Normalize (% Area x Unit Chg)	% Reg.	Units 2,075	RCAA	TCAC	Avg.	Normalize (Avg. x 2020 HHs)				Units 11,452
																			% Reg.	Units	Total		
Monterey County																						33,274	
Carmel	5	3,566	0.9%	37	1.0	0	0.0%	0	0	0%	0	64%	3	0.1%	1	100%	100%	100%	2,129	2.7%	306	349	
Del Rey Oaks	34	748	0.2%	8	1.0	0	0.0%	0	1	8%	87	44%	15	0.3%	6	100%	0%	50%	342	0.4%	49	184	
Gonzales	713	6,326	1.7%	66	3.2	6,326	2.5%	215	0	0%	0	100%	713	13.1%	272	0%	0%	0%	0	0.0%	0	1,266	
Greenfield	275	7,882	2.1%	82	2.0	7,882	3.2%	268	0	0%	0	100%	275	5.1%	105	0%	0%	0%	0	0.0%	0	730	
King City	244	8,195	2.1%	86	2.4	8,195	3.3%	279	0	0%	0	100%	244	4.5%	93	0%	0%	0%	0	0.0%	0	702	
Marina	395	6,548	1.7%	68	0.8	0	0.0%	0	1	8%	87	89%	353	6.5%	135	0%	0%	0%	0	0.0%	0	685	
Monterey	202	40,989	10.7%	428	3.0	40,989	16.5%	1,396	1	8%	87	63%	126	2.3%	48	100%	73%	87%	10,386	13.0%	1,493	3,654	
Pacific Grove	49	8,016	2.1%	84	1.0	0	0.0%	0	0	0%	0	95%	46	0.9%	18	100%	100%	100%	6,779	8.5%	974	1,125	
Salinas	2,166	78,874	20.6%	824	1.8	78,874	31.8%	2,687	2	17%	168	100%	2,166	39.9%	829	0%	0%	0%	0	0.0%	0	6,674	
Sand City	54	2,092	0.5%	22	11.1	2,092	0.8%	71	1	8%	87	100%	54	1.0%	21	50%	0%	25%	36	0.0%	5	260	
Seaside	324	10,476	2.7%	109	1.0	0	0.0%	0	1	8%	87	77%	251	4.6%	96	0%	0%	0%	0	0.0%	0	616	
Soledad	236	9,010	2.4%	94	2.2	9,010	3.6%	307	0	0%	0	96%	227	4.2%	87	0%	0%	0%	0	0.0%	0	724	
Unincorporated Monterey	255	60,293	15.7%	629	1.5	0	0.0%	0	1	8%	87	19%	48	0.9%	18	n/a	48%	48%	16,268	20.4%	2,337	3,326	
Santa Cruz County																							
Capitola	89	12,250	3.2%	128	2.2	12,250	4.9%	417	0	0%	0	83%	74	1.4%	28	100%	97%	98%	4,691	5.9%	674	1,336	
Santa Cruz	394	43,865	11.5%	458	1.8	43,865	17.7%	1,494	1	8%	87	75%	296	5.5%	113	50%	23%	37%	8,279	10.4%	1,190	3,736	
Scotts Valley	28	10,109	2.6%	106	2.1	10,109	4.1%	344	1	8%	87	50%	14	0.3%	5	100%	100%	100%	4,522	5.7%	650	1,220	
Watsonville	512	28,514	7.4%	298	2.0	28,514	11.5%	971	1	8%	87	95%	485	8.9%	185	0%	0%	0%	0	0.0%	0	2,053	
Unincorporated Santa Cruz	285	45,264	11.8%	473	0.8	0	0.0%	0	1	8%	87	13%	38	0.7%	15	n/a	50%	50%	26,259	33.0%	3,774	4,634	

Calculations are performed on unrounded numbers. Numbers shown here are rounded to the nearest whole number.

Jobs/housing ratio is the 2020 number of jobs divided by the 2020 number of housing units. A higher number reflects a larger imbalance between jobs and housing.

Transit Score: 1 = has transit service with 30-minute headways. 2 = has transit service with both 15- and 30-minute headways.

RCAA = Racially Concentrated Areas of Affluence.

TCAC = California Tax Credit Allocation Committee

AMBAG RHNA Methodology

April 13, 2022

Income Shift: Shifts 40% Units Between Above Moderate and Very Low and Between Moderate and Low

Region	Baseline Income Allocation				RCAA			Raw RCAA Adjustments				Rebalance to Income Group Totals				RHNA
	V.L.	Low	Mod.	A.M.		40%	40%									
					RCAA	Shift V.L.	Shift Low	Very Low	Low	Mod.	Above Mod.	Very Low	Low	Mod.	Above Mod.	Total
Monterey County	7,868	5,146	6,167	14,093				8,092	5,296	6,017	13,869	7,868	5,146	6,167	14,093	33,274
Carmel-By-The-Sea	83	54	65	148	100%	33	22	116	76	43	114	113	74	44	118	349
Del Rey Oaks	44	28	34	78	100%	18	11	62	39	23	60	60	38	24	62	184
Gonzales	299	196	235	536	0%	-120	-78	179	118	313	656	173	115	321	657	1,266
Greenfield	173	113	135	309	0%	-69	-45	104	68	180	378	101	66	184	379	730
King City	166	109	130	297	0%	-66	-44	100	65	174	363	97	63	178	364	702
Marina	162	106	127	290	0%	-65	-42	97	64	169	355	94	62	173	356	685
Monterey	864	565	677	1,548	100%	346	226	1,210	791	451	1,202	1,177	769	462	1,246	3,654
Pacific Grove	266	174	209	476	100%	106	70	372	244	139	370	362	237	142	384	1,125
Salinas	1,579	1,031	1,237	2,826	0%	-632	-412	947	619	1,649	3,459	920	600	1,692	3,462	6,674
Sand City	61	40	48	110	50%	0	0	61	40	48	111	59	39	49	113	260
Seaside	146	95	114	261	0%	-58	-38	88	57	152	319	86	55	156	319	616
Soledad	171	112	134	307	0%	-68	-45	103	67	179	375	100	65	183	376	724
Unincorporated Monterey	786	514	616	1,409	100%	314	206	1,100	720	410	1,096	1,070	700	420	1,136	3,326
Santa Cruz County																
Capitola	316	207	248	566	100%	126	83	442	290	165	439	430	282	169	455	1,336
Santa Cruz	883	578	692	1,582	50%	0	0	883	578	692	1,583	859	562	709	1,606	3,736
Scotts Valley	288	189	226	517	100%	115	76	403	265	150	402	392	257	154	417	1,220
Watsonville	485	318	381	870	0%	-194	-127	291	191	508	1,063	283	186	521	1,063	2,053
Unincorporated Santa Cruz	1,096	717	859	1,963	100%	438	287	1,534	1,004	572	1,524	1,492	976	586	1,580	4,634

Calculations are performed on unrounded numbers. Numbers shown here are rounded to the nearest whole number.

RCAA = Racially Concentrated Areas of Affluence.

Attachment D

CALIFORNIA AMERICAN WATER
MONTEREY DISTRICT
CUSTOMERS & CONSUMPTION BY POLITICAL JURISDICTION
1000 Gallons
Oct 2018 to Sep 2019

CITY CODE	JURISDICTION	RESIDENTIAL		MULTI-RES		COMM/ IND		GOLF COURSE		PUB AUTHORITY		OTHER		NON REVENUE		TOTAL CONNECTIONS	TOTAL (1000 GAL)	TOTAL (AF)
		CONNECTIONS	USE	CONNECTIONS	USE	CONNECTIONS	USE	CONNECTIONS	USE	CONNECTIONS	USE	CONNECTIONS	USE	CONNECTIONS	USE			
	CITY																	
1	Monterey	7,918	266,136.80	566	215,865.04	1,533	310,347.83	0	0.00	289	120,095.24	21	3,816.22	0	0.00	10,327	916,261.13	2,811.90
2	Pacific Grove	5,846	198,431.41	388	64,946.75	511	65,085.19	1	3,329.57	72	15,794.74	13	372.85	0	0.00	6,830	347,960.51	1,067.85
3	Carmel	2,818	110,552.71	153	9,960.04	370	62,518.26	0	0.00	49	3,580.14	3	1,189.41	0	0.00	3,393	187,800.55	576.34
4	Seaside	5,562	212,609.56	286	62,734.48	588	76,044.00	0	0.00	69	15,898.78	8	42.18	1	48.17	6,514	367,377.17	1,127.44
5	Del Rey Oaks	726	23,999.15	4	269.32	64	6,652.31	0	0.00	7	64.93	1	0.00	0	0.00	803	30,985.71	95.09
7	Sand City	102	3,234.69	7	2,664.56	236	17,300.02	0	0.00	3	179.28	4	802.32	0	0.00	352	24,180.87	74.21
CITY TOTAL		22,973	814,964.31	1,403	356,440.20	3,303	537,947.61	1	3,329.57	489	155,613.10	50	6,222.97	1	48.17	28,219	1,874,565.92	5,752.83
	COUNTY																	
6	Mtry Co. CV	1,359	70,401.40	100	16,327.40	127	22,573.78	0	0.00	5	11,552.07	4	51.42	3	456.20	1,598	121,362.27	372.45
8	In Crml San. Dist	2,652	124,302.30	80	21,895.50	186	31,849.18	0	0.00	16	11,113.04	5	1,015.53	0	0.00	2,940	190,175.55	583.63
9	Out Crml San. Dist	1,885	97,970.75	100	21,042.81	195	58,612.69	0	0.00	22	6,199.25	5	9.35	0	0.00	2,207	183,834.85	564.17
A	Mtry Co. Monterey	277	14,512.62	10	1,291.49	4	320.59	1	31,716.76	6	7,183.74	0	0.00	0	0.00	297	55,025.20	168.87
C	MPCC DMF	2,032	94,314.56	10	694.62	55	22,353.16	1	48.17	4	266.70	0	0.00	1	1.12	2,104	117,678.32	361.14
D	Mtry Co. PB	736	79,206.68	14	2,469.01	55	28,886.94	1	11.60	2	159.66	4	5,908.85	0	0.00	812	116,642.74	357.96
G	Rancho Fiesta	23	1,769.88	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	23	1,769.88	5.43
H	Rancho Del Monte	416	25,637.73	15	1,313.46	3	240.54	0	0.00	0	0.00	0	0.00	0	0.00	434	27,191.73	83.45
J	PB - LCP	19	2,248.75	0	0.00	1	26.40	0	0.00	0	0.00	0	0.00	0	0.00	20	2,275.15	6.98
COUNTY TOTAL		9,399	510,364.68	330	65,034.28	625	164,863.28	3	31,776.53	55	36,474.46	19	6,985.15	4	457.32	10,434	815,955.69	2,504.08
	OTHER																	
F	Well Irrigation CV	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	2	5.38	1	13.30	3	18.68	0.06
OTHER TOTAL		0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	2	5.38	1	13.30	3	18.68	0.06
CV-SS-SCD TOTAL		32,371	1,325,328.99	1,734	421,474.48	3,928	702,810.89	4	35,106.10	543	192,087.56	71	13,213.51	6	518.78	38,656	2,690,540.30	8,256.96

E	Ryan Ranch	1	8.37	0	0.00	192	15,936.33	0	0.00	5	209.34	2	0.00	0	0.00	200	16,154.05	49.57
I	Hidden Hills	447	28,993.78	0	0.00	9	128.55	0	0.00	0	0.00	1	70.98	0	0.00	456	29,193.31	89.59
L	Bishop	340	25,595.07	0	0.00	60	10,503.09	0	0.00	0	0.00	13	51.75	0	0.00	413	36,149.91	110.94
RR-HH-Bishop Total		788	54,597.23	0	0.00	260	26,567.97	0	0.00	5	209.34	16	122.73	0	0.00	1,069	81,497.27	250.11
The number of Connections includes Fire Services														All Jurisdictions =		39,725	2,772,037.57	8,507.07

CALIFORNIA AMERICAN WATER
MONTEREY DISTRICT
CUSTOMERS & CONSUMPTION BY POLITICAL JURISDICTION
1000 Gallons
Oct 2017 to Sep 2018

JURISDICTION		RESIDENTIAL			MULTI-RES			COMM/ IND /GOLF			GOLF COURSE			PUB AUTHORITY			OTHER			NON REVENUE			TOTAL		TOTAL		TOTAL	
CODE	CITY	CONNECTIONS	USE	AF	CONNECTIONS	USE	AF	CONNECTIONS	USE	AF	CONNECTIONS	USE	CONNECTIONS	USE	AF	CONNECTIONS	USE	AF	CONNECTIONS	USE	AF	CONNECTIONS	(1000 GAL)	(AF)				
1	Monterey	7,901	277,778.90	852.47	560	215,758.25	662.14	1,570	325,177.38	997.93	0	0.00	258	121,289.57	372.22	31	3,429.49	10.52	0	0.00	0.00	10,320	943,433.59	2,895.29				
2	Pacific Grove	5,852	205,144.30	629.56	386	67,629.32	207.55	551	78,588.60	241.18			72	16,956.91	52.04	16	656.05	2.01	0	0.00	0.00	6,877	368,975.19	1,132.34				
3	Carmel	2,815	117,195.57	359.66	152	10,401.30	31.92	402	62,228.22	190.97	0	0.00	49	3,771.35	11.57	2	484.10	1.49	0	0.00	0.00	3,420	194,080.53	595.61				
4	Seaside	5,542	237,863.49	729.98	285	65,745.97	201.77	585	85,517.27	262.44	0	0.00	63	16,958.29	52.04	8	66.13	0.20	1	47.20	0.14	6,484	406,198.34	1,246.58				
5	Del Rey Oaks	726	27,755.78	85.18	4	254.44	0.78	74	6,347.26	19.48	0	0.00	6	68.94	0.21	1	0.00	0.00	0	0.00	0.00	812	34,426.41	105.65				
7	Sand City	102	3,698.36	11.35	7	2,912.30	8.94	246	19,463.83	59.73	0	0.00	3	158.33	0.49	6	635.94	1.95	0	0.00	0.00	363	26,868.77	82.46				
CITY TOTAL		22,938	869,436.40	2,668.20	1,394	362,701.58	111.31	3,427	577,322.55	1,771.74	0	0.00	451	159,203.39	488.58	63	5,271.70	16.18	1	47.20	0.14	28,275	1,973,982.82	6,057.93				
COUNTY																												
6	Mtry Co. CV	1,354	76,135.75	233.65	101	14,904.60	45.74	135	22,925.85	70.36	0	0.00	5	14,717.95	45.17	6	1,499.38	4.60	3	390.82	1.20	1,604	130,574.35	400.72				
8	In Crml San. Dist	2,681	137,482.72	421.92	81	23,140.59	71.02	202	32,958.04	101.14	0	0.00	16	14,584.71	44.76	3	902.95	2.77	0	0.00	0.00	2,983	209,069.01	641.61				
9	Out Crml San. Dist	1,882	106,410.06	326.56	99	22,153.20	67.99	213	58,289.92	178.89	0	0.00	22	16,055.58	49.27	6	42.11	0.13	0	0.00	0.00	2,222	202,950.87	622.83				
A	Mtry Co. Monterey	253	13,161.75	40.39	10	1,096.99	3.37	4	27,654.90	84.87	1	0.00	5	7,446.85	22.85	0	0.00	0.00	0	0.00	0.00	272	49,360.49	151.48				
C	MPCC DMF	2,010	100,222.20	307.57	10	773.73	2.37	61	23,882.21	73.29	1	0.00	4	258.35	0.79	0	0.00	0.00	1	0.00	0.00	2,087	125,136.49	384.03				
D	Mtry Co. PB	733	90,136.76	276.62	15	2,841.27	8.72	63	28,024.60	86.00	1	0.00	2	204.49	0.63	5	1,897.75	5.82	0	0.00	0.00	819	123,104.87	377.79				
G	Rancho Fiesta	23	2,012.07	6.17	0	0.00	0.00	0	0.00	0.00	0	0.00	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00	23	2,012.07	6.17				
H	Rancho Del Monte	415	26,988.79	82.83	15	1,470.65	4.51	4	330.52	1.01	0	0.00	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00	434	28,789.96	88.35				
J	PB - LCP	19	2,734.00	8.39	0	0.00	0.00	1	109.19	0.34	0	0.00	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00	20	2,843.19	8.73				
COUNTY TOTAL		9,370	555,284.10	1,704.10	331	66,381.03	203.72	682	194,175.22	595.90	3	0.00	54	53,267.93	163.47	20	4,342.19	13.33	4	390.82	1.20	10,463	873,841.29	2,681.72				
OTHER																												
F	Well Irrigation CV	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00	0	0.00	0	0.00	0.00	2	0.90	0.00	1	10.55	0.03	3	11.44	0.04				
OTHER TOTAL		0	0.00	0.00	0	0.00	0.00	0	0.00	0.00	0	0.00	0	0.00	0.00	2	0.90	0.00	1	10.55	0.03	3	11.44	0.04				
CV-SS-SCD TOTAL		32,308	1,424,720.50	0.00	1,725	429,082.61	1,316.81	4,109	771,497.77	2,367.64	3	0.00	505	212,471.32	652.05	85	9,614.79	0.01	6	448.57	1.38	38,740	2,847,835.55	8,739.69				
E	Ryan Ranch	1	3.21	0.01	0	0.00	0.00	204	14,100.67	43.27	0	0.00	5	290.43	0.89	3	0.00	0.00	0	0.00	0.00	212	14,394.31	44.17				
I	Hidden Hills	444	31,442.85	96.49	0	0.00	0.00	10	624.10	1.92	0	0.00	0	0.00	0.00	1	75.16	0.23	0	0.00	0.00	454	32,142.12	98.64				
L	Bishop	318	25,750.64	79.03	0	0.00	0.00	55	9,459.29	29.03	0	0.00	0	0.00	0.00	12	30.89	0.09	0	0.00	0.00	385	35,240.82	108.15				
RR-HH-Bishop Total		762	57,196.70	175.53	0	0.00	0.00	269	24,184.06	74.22	0	0.00	5	290.43	0.89	16	106.05	0.33	0	0.00	0.00	1,051	81,777.25	250.97				
All Jurisdictions =																			39,791	2,929,612.80	8,990.65							

CALIFORNIA AMERICAN WATER
MONTEREY DISTRICT
CUSTOMERS & CONSUMPTION BY POLITICAL JURISDICTION
1000 Gallons
Oct 2016 to Sep 2017

CITY CODE	JURISDICTION	RESIDENTIAL		MULTI-RES		COMM/ IND		GOLF COURSE		PUB AUTHORITY		OTHER		NON REVENUE		TOTAL	TOTAL	TOTAL
		CONNECTIONS	USE	CONNECTIONS	USE	CONNECTIONS	USE	CONNECTIONS	USE	CONNECTIONS	USE	CONNECTIONS	USE	CONNECTIONS	USE	CONNECTIONS	(1000 GAL)	(AF)
1	CITY Monterey	7,942	277,579.23	565	225,080.62	1,519	319,939.68	0	0.00	290	112,545.80	22	1,763.62	0	0.00	10,338	936,908.95	2,875.27
2	Pacific Grove	5,833	198,475.25	386	66,975.09	508	69,155.12	1	24,219.76	72	17,896.24	12	637.29	0	0.00	6,813	377,358.75	1,158.07
3	Carmel	2,810	106,452.87	152	10,343.02	374	60,795.57	0	0.00	49	3,459.68	2	200.25	0	0.00	3,386	181,251.39	556.24
4	Seaside	5,542	244,682.86	289	72,288.53	580	85,322.28	0	0.00	68	16,459.85	8	100.82	1	4.85	6,488	418,859.19	1,285.43
5	Del Rey Oaks	727	28,243.27	4	317.00	64	6,174.92	0	0.00	7	62.30	1	0.00	0	0.00	803	34,797.49	106.79
7	Sand City	98	3,453.49	7	2,391.33	243	18,807.64	0	0.00	3	126.49	4	607.28	0	0.00	355	25,386.23	77.91
CITY TOTAL		22,951	858,886.96	1,403	377,395.58	3,288	560,195.21	1	24,219.76	490	150,550.36	49	3,309.27	1	4.85	28,183	1,974,561.99	6,059.71
6	COUNTY Mtry Co. CV	1,355	74,461.10	100	15,492.06	125	18,059.67	0	0.00	5	12,434.11	5	493.60	3	377.57	1,593	121,318.10	372.31
8	In Crml San. Dist	2,681	135,774.49	82	22,783.26	182	31,085.23	0	0.00	16	10,552.69	2	1,180.34	0	0.00	2,963	201,376.00	618.00
9	Out Crml San. Dist	1,883	100,926.42	98	23,996.27	199	54,996.19	0	0.00	22	10,185.27	5	39.79	0	0.00	2,207	190,143.94	583.53
A	Mtry Co. Monterey	275	13,672.91	11	1,284.42	4	303.83	1	30,644.07	5	6,588.50	0	0.00	0	0.00	296	52,493.72	161.10
C	MPCC DMF	2,004	92,776.59	10	605.68	57	24,700.04	1	52.88	4	254.10	0	0.00	1	0.00	2,077	118,389.28	363.32
D	Mtry Co. PB	722	74,266.70	15	2,706.19	57	25,318.30	1	6.96	2	194.01	4	826.24	0	0.00	801	103,318.39	317.07
G	Rancho Fiesta	23	1,422.88	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	23	1,422.88	4.37
H	Rancho Del Monte	417	27,270.26	14	1,299.21	4	238.96	0	0.00	0	0.00	0	0.00	0	0.00	435	28,808.43	88.41
J	PB - LCP	20	2,763.32	0	0.00	1	63.06	0	0.00	0	0.00	0	0.00	0	0.00	21	2,826.38	8.67
COUNTY TOTAL		9,380	523,334.67	329	68,167.09	629	154,765.26	3	30,703.90	55	40,208.68	16	2,539.96	4	377.57	10,416	820,097.12	2,516.79
F	OTHER Well Irrigation CV	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	2	3.22	1	89.68	3	92.90	0.29
OTHER TOTAL		0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	2	3.22	1	89.68	3	92.90	0.29
CV-SS-SCD TOTAL		32,332	1,382,221.64	1,732	445,562.67	3,918	714,960.47	4	54,923.66	544	190,759.04	67	5,852.44	6	472.11	38,602	2,794,752.00	8,576.78
E	Ryan Ranch	0	0.00	0	0.00	179	16,265.54	0	0.00	5	283.93	2	0.00	0	0.00	185	16,549.47	50.79
I	Hidden Hills	442	31,168.23	0	0.00	8	53.85	0	0.00	0	0.00	1	71.66	0	0.00	451	31,293.73	96.04
L	Bishop	321	29,116.99	0	0.00	54	10,048.52	1	0.00	0	0.00	11	61.71	0	0.00	387	39,227.21	120.38
RR-HH-Bishop Total		763	60,285.21	0	0.00	241	26,367.91	1	0.00	5	283.93	14	133.37	0	0.00	1,023	87,070.42	267.21
All Jurisdictions =																39,625	2,881,822.42	8,843.99

Consumption by Political Jurisdiction
1000 Gallons
Water Years 2017, 2018, 2019 Combined

	<u>Monterey</u>	<u>Pacific Grove</u>	<u>Carmel-by-the-Sea</u>	<u>Seaside</u>	<u>Del Rey Oaks</u>	<u>Sand City</u>	<u>County</u>	<u>TOTAL</u>
Total	2,843,701.50	1,094,294.45	563,132.47	1,192,434.70	100,209.61	76,435.87	2,713,264.22	8,583,472.82
Percent of Total								
Residential	1,478,210.42	801,602.12	364,905.51	895,924.89	80,838.96	18,354.73	1,960,633.41	5,600,470.04
Percent of Total	17.2%	9.3%	4.3%	10.4%	0.9%	0.2%	22.8%	
Non-Residential	1,365,491.08	292,692.33	198,226.96	296,509.81	19,370.65	58,081.14	752,630.81	2,983,002.78
Percent of Total	15.9%	3.4%	2.3%	3.5%	0.2%	0.7%	8.8%	

Notes:

- 1) Source: Cal-Am Customers & Consumption by Political Jurisdiction annual reports
- 2) Residential includes "Residential" and "Multi-Res" categories
- 3) Non-Residential is Total minus Residential
- 4) Monterey includes Ryan Ranch
- 5) County includes Hidden Hills and Bishop

Allocation of Production
Based on 5-Year Average (2017-2021)
Water Years 2017, 2018, 2019 Combined

	<u>Monterey</u>	<u>Pacific</u>	<u>Carmel-by-</u>	<u>Seaside</u>	<u>Del Rey</u>	<u>Sand City</u>	<u>County</u>	TOTAL
		<u>Grove</u>	<u>the-Sea</u>		<u>Oaks</u>			
Residential	1,674.80	908.21	413.43	1,015.08	91.59	20.80	2,221.38	6,345.28
Non-Residential	1,547.09	331.62	224.59	335.94	21.95	65.81	852.72	3,379.72

Notes: Based on 5-year average production of: 9,725 AF

**Water Required to Meet
AMBAG Regional Growth Forecast**

Water Required for Population Growth

	Monterey	Pacific Grove	Carmel-by-the-Sea	Seaside	Del Rey Oaks	Sand City	County	TOTAL
Population in 2020	28,170	15,265	3,949	33,537	1,662	385	8,916	91,884
Population in 2045	29,639	15,817	3,984	38,316	2,650	1,198	9,916	101,520
Increase	5.2%	3.6%	0.9%	14.2%	59.4%	211.2%	11.2%	10.5%
Acre-Feet in 2020	1,675	908	413	1,015	92	21	2,221	6,345
Acre-Feet by 2045	1,762	941	417	1,160	146	65	2,471	6,961
AF Served by Others	9	-	-	72	11	-	75	167
Net AF in 2045	1,753	941	417	1,087	135	65	2,396	6,795

Water Required for Employment Growth

	Monterey	Pacific Grove	Carmel-by-the-Sea	Seaside	Del Rey Oaks	Sand City	County	TOTAL
Jobs in 2020	40,989	8,016	3,566	10,476	748	2,092	4,300	70,187
Jobs in 2045	45,509	8,445	3,915	11,543	834	2,259	4,721	77,226
Increase	11.0%	5.4%	9.8%	10.2%	11.5%	8.0%	9.8%	10.0%
Non-Residential AF in 2020	1,547	332	225	336	22	66	853	3,380
Non-Residential AF in 2045	1,718	349	247	370	24	71	936	3,716
Increase	171	18	22	34	3	5	83	336

Attachment E



Frequently Asked Questions about RHNA

Topics:

- Regional Housing Needs Allocation (RHNA) Overview
- Regional Housing Needs Determination (RHND) from HCD
- RHNA Methodology
- ABAG Housing Methodology Committee
- Connections between RHNA and Plan Bay Area 2050
- RHNA Subregions
- RHNA and Local Jurisdictions

REGIONAL HOUSING NEEDS ALLOCATION (RHNA) OVERVIEW

What is RHNA?

Local housing is enshrined in state law as a matter of “vital statewide importance” and, since 1969, the State of California has required that all local governments (cities, towns and counties, also known as local jurisdictions) adequately plan to meet the housing needs of everyone in our communities. To meet this requirement, each city or county must develop a Housing Element as part of its General Plan (the local government’s long-range blueprint for growth) that shows how it will meet its community’s housing needs. There are many laws that govern this process, and collectively they are known as [Housing Element Law](#).

The Regional Housing Need Allocation (RHNA) process is the part of Housing Element Law used to determine how many new homes, and the affordability of those homes, each local government must plan for in its Housing Element. This process is repeated every eight years, and for this cycle the Bay Area is planning for the period from 2023 to 2031.

How does RHNA assist in addressing the Bay Area’s housing crisis?

The Bay Area’s housing affordability crisis is decades in the making. State law is designed to match housing supply with demand—particularly for affordable homes. Each new RHNA cycle presents new requirements to address dynamic housing markets, which in recent years have seen demand dramatically outstrip supply across all affordability levels.

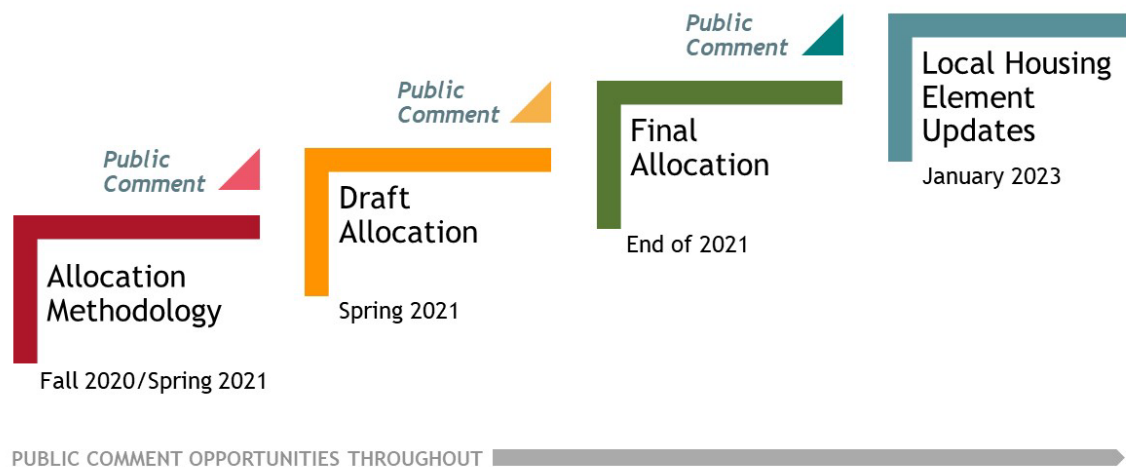
RHNA provides a local government with a minimum number of new homes across all income levels for which it must plan in its Housing Element. The Housing Element must include sites zoned for enough capacity to meet the RHNA goals as well as policies and strategies to expand housing choices and increase housing affordability.

Who is responsible for RHNA?

Responsibility for completing RHNA is shared among state, regional, and local governments:

- The **role of the State** is to identify the total number of homes for which each region in California must plan in order to meet the housing needs of people across the full spectrum of income levels, from housing for very low-income households all the way to market rate housing. This is developed by the [California Department of Housing and Community Development \(HCD\)](#) and is known as the Regional Housing Need Determination (RHND).
- The **role of the region** is to allocate a share of the RHND to each local government in the region. As the Council of Governments (COG) for the nine-county Bay Area, the Association of Bay Area Governments (ABAG) is responsible for developing the methodology for sharing the RHND among all cities, towns, and counties in the region. ABAG does this in conjunction with a committee of elected officials, city and county staff, and stakeholders called [the Housing Methodology Committee \(HMC\)](#).
- The **role of local governments** is to participate in the development of the allocation methodology and to update their Housing Elements and local zoning to show how they will accommodate their share of the RHND, following the adoption of the RHNA methodology.

What are the steps in the RHNA process?



Conceptually, RHNA starts with the Regional Housing Needs Determination provided by HCD, which is the total number of housing units the Bay Area needs, by income group. The heart of ABAG's work on RHNA is developing the methodology to allocate a portion of housing needs to each city, town, and county in the region. ABAG has convened a [Housing Methodology Committee](#) made up of local elected officials and staff and stakeholders to advise staff on the proposed methodology that ABAG will release for public comment in fall 2020. Following that milestone, ABAG will then develop a draft methodology to send to HCD for its review in early 2021.

After ABAG adopts the final methodology in spring 2021, it is used to develop a draft allocation for every local government in the Bay Area. A local government or HCD can appeal any local government's allocation. After ABAG takes action on the appeals, it will issue the final allocation by the end of 2021. Local governments must update Housing Elements by January 2023, including identifying sites that are zoned with enough capacity to meet the RHNA allocation. ABAG's role in the RHNA process ends once it has allocated a share of the Regional Housing Needs Determination (RHND) to each local government in the Bay Area; HCD reviews and approves local Housing Elements.

What's the timeline for completing RHNA?

The RHNA process is currently underway and will be complete by the end of 2021. Local governments will then have until January 2023 to update their Housing Elements. The proposed timing for the key milestones in the RHNA process is shown below:

ABAG 2023-2031 RHNA and Plan Bay Area 2050 Key Milestones	Proposed Deadline
Housing Methodology Committee kick-off	October 2019
Subregions form	February 2020
HCD Regional Housing Needs Determination	Summer 2020
Proposed RHNA methodology, draft subregion shares	Fall 2020
Final subregion shares	December 2020
Draft RHNA methodology to HCD for review	Winter 2021
Final RHNA methodology, draft allocation	Spring 2021
RHNA appeals	Summer 2021
Final RHNA allocation	End of 2021
Housing Element due date	January 2023

This is the 6th cycle for RHNA. What's different this time?

Recent legislation will result in the following key changes for this RHNA cycle:

- It is expected there will be a higher total regional housing need. HCD's identification of the region's total housing needs has changed to account for unmet existing need, rather than only projected housing need. HCD now must consider overcrowded households, cost burdened households (those paying more than 30% of their income for housing), and a target vacancy rate for a healthy housing market (with a minimum of 5%).

- RHNA and local Housing Elements must affirmatively further fair housing. According to HCD, achieving this objective includes preventing segregation and poverty concentration as well as increasing access to areas of opportunity. HCD has mapped [Opportunity Areas](#) and has developed guidance for jurisdictions about [how to address affirmatively furthering fair housing in Housing Elements](#). As required by Housing Element Law, ABAG has surveyed local governments to understand [fair housing issues, strategies, and actions across the region](#).
- There will be greater HCD oversight of RHNA. ABAG and subregions must now submit the draft allocation methodology to HCD for review and comment. HCD can also appeal a jurisdiction's draft allocation.
- Identifying Housing Element sites for affordable units will be more challenging. There are new limits on the extent to which jurisdictions can reuse sites included in previous Housing Elements and increased scrutiny of small, large, and non-vacant sites when these sites are proposed to accommodate units for very low- and low-income households.

How can I be more involved in the RHNA process?

Public participation is encouraged throughout the RHNA process especially at public meetings and during official public comment periods following the release of discussion documents and board decisions. Visit the ABAG website to:

- Learn about the [Housing Methodology Committee](#)
- View [upcoming meetings](#)
- Sign up for the [RHNA mailing list](#)

Is ABAG's prior RHNA available to review?

Yes, you can find more information about the [2015-2023 RHNA](#) on the ABAG website. You can also view documents from the [2007-2014 RHNA](#) and [1999-2006 RHNA](#).

REGIONAL HOUSING NEEDS DETERMINATION (RHND) FROM HCD

What is the Regional Housing Needs Determination?

The California Department of Housing and Community Development (HCD) identifies the total number of homes for which each region in California must plan in order to meet the housing needs of people at all income levels. The total number of housing units from HCD is separated into four income categories that cover everything from housing for very low-income households all the way to market rate housing. ABAG is responsible for developing a methodology to allocate a portion of this housing need to every local government in the Bay Area.

The four income categories included in the RHND are:

- Very Low Income: 0-50% of Area Median Income
- Low Income: 50-80% of Area Median Income
- Moderate Income: 80-120% of Area Median Income
- Above Moderate Income: 120% or more of Area Median Income

What will the actual RHND and RHNA numbers look like this cycle?

Although we expect the RHND will be significantly higher than prior cycles, we do not have this information at this time. We will receive the RHND from HCD in summer 2020; the methodology which will determine each local government's share of housing needs is currently being developed and is slated for release in fall 2020.

As a point of reference for how much the RHND might increase, for the current (6th) cycle, the Sacramento region received a RHND approximately 1.3 times higher than the previous cycle, while the Los Angeles region received a RHND approximately 3 times higher than the previous cycle. For the 5th RHNA cycle, the Bay Area's RHND was 187,990.

How does HCD develop the RHND?

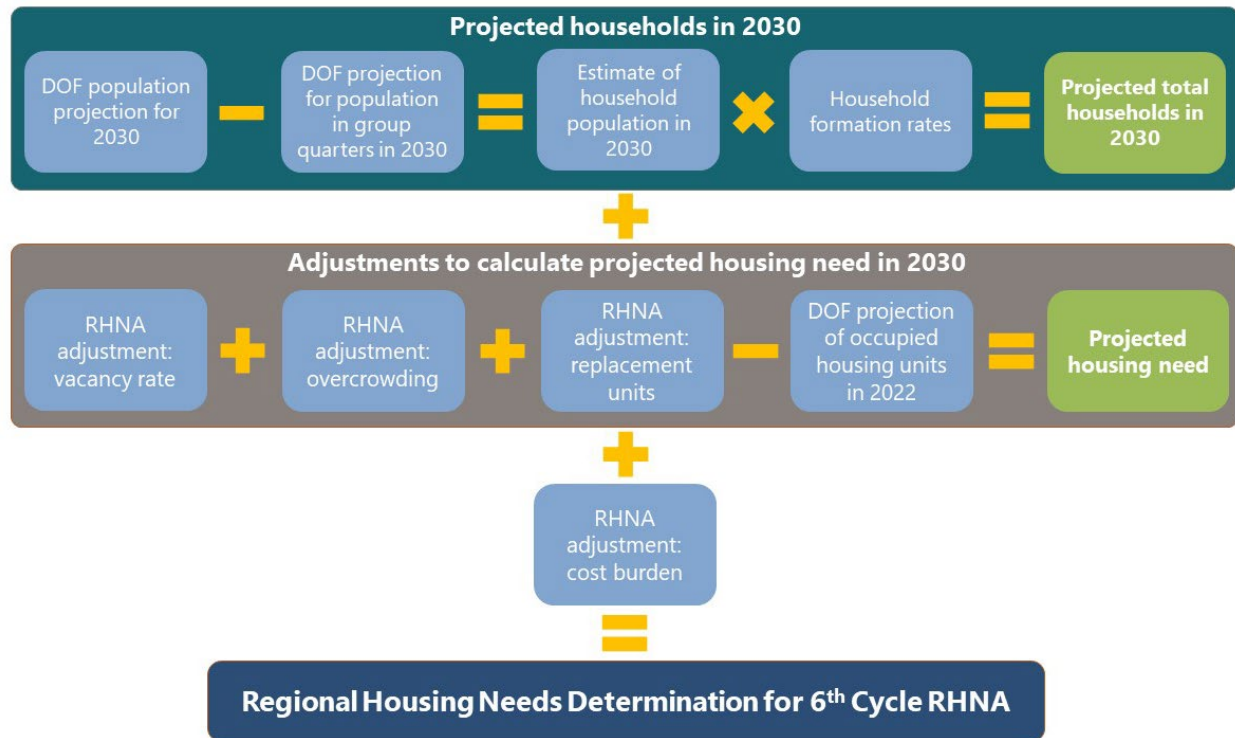
HCD is responsible for determining the number of housing units for which each region must plan, known as the Regional Housing Needs Determination (RHND). The RHND is based on a population forecast for the region from the California Department of Finance (DOF) and the application of specific adjustments to determine the total amount of housing needs for the region.

The adjustments are a result of recent legislation that sought to incorporate an estimate of existing housing need by applying factors related to:

- A target vacancy rate for a healthy housing market (defined as no less than 5 percent),
- The rate of overcrowding, which is defined as having more than one person per room in each room in a dwelling.
- The share of cost burdened households, which is defined as households paying more than 30% of household income on housing costs.

The RHNA process only considers the needs of the population in households who are housed in the regular housing market, and excludes the population living in group quarters, which are non-household dwellings, such as jails, nursing homes, dorms, and military barracks. HCD uses the age cohorts of the forecasted population to understand the rates at which people are expected to form households, which can vary for people at different stages of life. This results in the estimate of the total number of households that will need a housing unit in 2030 (which is the end date of the projection period for the Bay Area's RHNA cycle).

HCD Process for Identifying Regional Housing Needs Determination (RHND)



The total number of projected households is then adjusted using the factors related to vacancy rate, overcrowding, and an estimate of the need for replacement housing for units that were demolished or lost. This results in a forecast of the number of housing units that will be needed to house all households in the region in 2031. The number of existing occupied housing units is subtracted from the total number of housing units needed, which results in the number of additional housing units necessary to meet the housing need. The final step is an adjustment related to cost-burdened households, which results in the RHND for the region.

RHNA METHODOLOGY

What is the RHNA methodology?

At its core, RHNA is about connecting regional housing needs with the local planning process and ensuring local Housing Elements work together to address regional housing challenges. Working with the [Housing Methodology Committee](#), ABAG develops a methodology, or formula, that shares responsibility for accommodating the Bay Area's Regional Housing Needs Determination (RHND) by quantifying the number of housing units, separated into four income categories, that will be assigned to each city, town, and county to incorporate into its Housing Element.

The four income categories included in the RHND are:

- Very Low Income: 0-50% of Area Median Income
- Low Income: 50-80% of Area Median Income

- Moderate Income: 80-120% of Area Median Income
- Above Moderate Income: 120% or more of Area Median Income

The allocation formula is made up of factors that use data for each jurisdiction in the region to determine each jurisdiction's share of the total housing need. The allocation formula assigns units based on relative relationships between jurisdictions within the region. For example, if there is a factor to allocate units based on access to jobs, then a jurisdiction with many jobs will be allocated more units and a jurisdiction with fewer jobs will be allocated fewer units.

What are the objectives and factors that must be considered in the RHNA methodology?

The RHNA objectives provide the guiding framework for how ABAG must develop the methodology. ABAG is required to demonstrate how its methodology furthers each of the objectives. The RHNA factors include a longer list of considerations that must be incorporated into the methodology to the extent that sufficient data is available.

Summary of RHNA objectives [from [Government Code §65584\(d\)](#)]:

1. Increase housing supply and mix of housing types, with the goal of improving housing affordability and equity in all cities and counties within the region.
2. Promote infill development and socioeconomic equity; protect environmental and agricultural resources; encourage efficient development patterns; and achieve greenhouse gas reduction targets.
3. Improve intra-regional jobs-to-housing relationship, including the balance between low-wage jobs and affordable housing units for low-wage workers in each jurisdiction.
4. Balance disproportionate household income distributions (more high-income allocation to lower-income areas, and vice-versa)
5. Affirmatively further fair housing

Summary of RHNA factors [from [Government Code §65584.04\(d\)](#)]:

1. Existing and projected jobs and housing relationship, particularly low-wage jobs and affordable housing
2. Lack of capacity for sewer or water service due to decisions outside a jurisdiction's control
3. The availability of land suitable for urban development
4. Lands protected from urban development under existing federal or state programs
5. County policies to preserve prime agricultural land

6. The distribution of household growth assumed for regional transportation plans and opportunities to maximize use of public transportation and existing transportation infrastructure
7. Agreements between a county and cities in a county to direct growth toward incorporated areas of the county
8. The loss of units in assisted housing developments as a result of expiring affordability contracts.
9. The percentage of existing households paying more than 30 percent and more than 50 percent of their income in rent
10. The rate of overcrowding
11. The housing needs of farmworkers
12. The housing needs generated by the presence of a university within the jurisdiction
13. The housing needs of individuals and families experiencing homelessness
14. The loss of units during a state of emergency that have yet to be rebuilt or replaced at the time of the analysis
15. The region's greenhouse gas emissions targets provided by the State Air Resources Board

What does it mean to “affirmatively further fair housing”?

For the 2023-2031 RHNA, recent legislation added a new objective that requires the RHNA plan to “affirmatively further fair housing.” According to [Government Code Section 65584\(e\)](#), this means:

“Taking meaningful actions, in addition to combating discrimination, that overcome patterns of segregation and foster inclusive communities free from barriers that restrict access to opportunity based on protected characteristics. Specifically, affirmatively furthering fair housing means taking meaningful actions that, taken together, address significant disparities in housing needs and in access to opportunity, replacing segregated living patterns with truly integrated and balanced living patterns, transforming racially and ethnically concentrated areas of poverty into areas of opportunity, and fostering and maintaining compliance with civil rights and fair housing laws.”

In addition to this requirement for promoting fair housing as an outcome for RHNA, statutes required ABAG to collect information about [fair housing issues, strategies, and actions](#) in its survey of local jurisdictions about data to inform the development of the RHNA allocation methodology.

Lastly, a local jurisdiction's Housing Element must also affirmatively further fair housing and include a program that establishes goals and actions to do so. HCD has developed guidance for jurisdictions about [how to address affirmatively furthering fair housing in Housing Elements](#).

Does RHNA dictate how local governments meet their communities' housing needs or where new housing goes within a given city or town?

It is important to note the primary role of the RHNA methodology is to encourage a pattern of housing growth for the Bay Area. The final result of the RHNA process is the allocation of housing units by income category to each jurisdiction. It is in the local Housing Element that decisions about where future housing units could be located and the policies and strategies for addressing a community's specific housing needs are made. Local governments will include strategies related to issues such as addressing homelessness, meeting the needs of specific populations, affirmatively furthering fair housing, or minimizing displacement when they develop their Housing Elements. Although the RHNA methodology may include factors that conceptually assign housing to a particular geography, such as near a transit stop or in proximity to jobs, the resulting allocation from ABAG goes to the jurisdiction as a whole. It is up to local governments to use their Housing Elements to select the specific sites that will be zoned for housing.

The following table distinguishes between the narrow scope of RHNA and the broader requirements for jurisdictions' Housing Elements:

RHNA	LOCAL HOUSING ELEMENTS
Determines how many new homes each local jurisdiction must plan for in its Housing Element.	Includes goals, policies, quantified objectives, financial resources, and constraints for the preservation, improvement, and development of housing for all income levels.
Housing allocation is for an entire jurisdiction – housing is not allocated to specific sites or geographies within a jurisdiction.	Identifies sites for housing and provides an inventory of land suitable and available for residential development, including vacant sites and sites having potential for redevelopment.
A jurisdiction's housing allocation is divided across four income groups: very low-, low-, moderate-, and above moderate-income.	Analyzes special housing needs, such as those of the elderly; persons with disabilities, including a developmental disability; large families; farmworkers; families with female heads of households; and families and persons in need of emergency shelter.
Beyond allocation of housing units by income group, does not address housing needs of specific population groups nor include policy recommendations for addressing those needs.	Must demonstrate local efforts to remove governmental and nongovernmental constraints that hinder locality from meeting the need for housing for persons with disabilities, supportive housing, transitional housing, and emergency shelters.
	Analyzes existing affordable units at risk of converting to market-rate due to expiring subsidies or affordability contracts.
	Assesses existing fair housing issues and strategies for affirmatively furthering fair housing.

ABAG HOUSING METHODOLOGY COMMITTEE

What is the Housing Methodology Committee?

For the past several RHNA cycles, ABAG has convened an ad-hoc [Housing Methodology Committee \(HMC\)](#) to advise ABAG staff on the RHNA allocation methodology. The HMC for the 6th Cycle was convened in October 2019. The HMC is comprised of local elected officials and staff from every county in the Bay Area as well as stakeholder representatives selected by ABAG staff from a diverse applicant pool:

- 9 local government elected officials (one from each Bay Area county)
- 12 local government housing or planning staff (at least one from every county)
- 16 regional stakeholders representing diverse perspectives, from equity and open space to public health and public transit
- 1 partner from state government

View the HMC roster at https://abag.ca.gov/sites/default/files/hmc_roster_january_2020.pdf.

Why is the Housing Methodology Committee important?

ABAG's Housing Methodology Committee approach stands out compared to most other large Councils of Governments, going beyond the legal requirements by convening a forum where local elected officials, local government staff, stakeholder representatives, and the public can talk about the process together to inform the housing methodology.

The Housing Methodology Committee and its large stakeholder network is a key part of ABAG's approach to creating the RHNA allocation methodology. Through the HMC, ABAG staff seek to facilitate dialogue and information-sharing among local government representatives and stakeholders from across the Bay Area with crucial expertise to enable coordinated action to address the Bay Area's housing crisis. As ABAG strives to advance equity and affirmatively further fair housing, the agency seeks to ensure that a breadth of voices is included in the methodology process.

CONNECTIONS BETWEEN RHNA AND PLAN BAY AREA 2050

How are RHNA and Plan Bay Area 2050 related?

[Plan Bay Area 2050](#) is the Bay Area's next long-range regional plan for transportation, housing, the economy, and the environment, focused on resilient and equitable strategies for the next 30 years. Anticipated to be adopted in fall 2021, Plan Bay Area 2050 will establish a blueprint for future growth and infrastructure. Plan Bay Area 2050 must meet or exceed a wide range of federal and state requirements, including a per-capita greenhouse gas reduction target of 19 percent by 2035. Upon adoption by MTC and ABAG, it will serve as the Regional Transportation Plan/Sustainable Communities Strategy (RTP/SCS) for the San Francisco Bay Area.

By law, the RHNA Plan is required to be consistent with the development pattern from Plan Bay Area 2050. These two planning processes seek to address the Bay Area's housing needs over different time horizons: Plan Bay Area 2050 has a planning horizon of 2050, while the 6th cycle of RHNA addresses the need to address short-term housing needs, from 2023 to 2031. To achieve the required consistency, both the overall housing growth for the region, as well as housing growth for each jurisdiction, must be greater in the long-range plan than over the eight-year RHNA cycle.

Is Plan Bay Area 2050 used as part of the RHNA process?

In past RHNA cycles, ABAG used its long-range housing, population, and job forecast as an input into the RHNA methodology. However, this approach is not required by Housing Element Law. For the 6th cycle of RHNA, the [Housing Methodology Committee \(HMC\)](#) is still considering whether or not to incorporate data from the Plan Bay Area 2050 Blueprint into the RHNA methodology. Some of the options the HMC has discussed are:

1. Using the forecasted development pattern from the Blueprint as a baseline input into the RHNA methodology
2. Using a hybrid approach that uses the forecasted development pattern from the Blueprint along with additional factors to represent policy goals that are underrepresented in the Blueprint to direct RHNA allocations
3. Not using forecasted data from the Blueprint, but include factors that align with the policies and strategies in the Blueprint to direct RHNA allocations.

HMC members expressed interest and some concerns in considering use of the Plan in the methodology. While the strategies integrated into the Draft Blueprint were adopted in February 2020, the HMC is awaiting further details on the outputs of the Draft Blueprint modeling, which are anticipated in summer 2020. At that time, they will make a determination on if and how to integrate the Plan Bay Area 2050 Blueprint into the RHNA methodology. If not, they may need to adjust factors and weights to achieve consistency under Option 3 above.

RHNA SUBREGIONS

What is a subregion?

Housing Element Law allows two or more jurisdictions to form a "subregion" to conduct a parallel RHNA process to allocate the subregion's housing need among its members. The subregion process allows for greater collaboration among jurisdictions, potentially enabling RHNA allocations that are more tailored to the local context as well as greater coordination of local housing policy implementation. A subregion is responsible for conducting its own RHNA process that meets all of the statutory requirements related to process and outcomes, including developing its own RHNA methodology, allocating a share of need to each member jurisdiction,

and conducting its own appeals process. The subregion's final allocation must meet the same requirements as the regional allocation: it must further the statutory objectives, have considered the statutory factors, and be consistent with the development pattern of the SCS.

What subregions have formed for the 6th Cycle of RHNA in the Bay Area?

ABAG has received notification of formation of two subregions:

1. **Napa County:** includes City of American Canyon, City of Napa, Town of Yountville, and the County of Napa (*does not include City of Calistoga or City of St. Helena*)
2. **Solano County:** includes City of Benicia, City of Dixon, City of Fairfield, City of Rio Vista, City of Suisun City, City of Vacaville, City of Vallejo, and County of Solano

Can a jurisdiction withdraw from a subregion?

Consistent with ABAG's approach for previous RHNA cycles, a jurisdiction may withdraw from a subregion without causing the dissolution of the entire subregion. If a jurisdiction withdraws from the subregion, the subregion's share of housing needs will be reduced by the number of units the withdrawing jurisdiction would receive from the most current version of ABAG's methodology available at the time when the jurisdiction decides to withdraw. The withdrawing member will then become part of the region's RHNA process, and it would receive its allocation based on the methodology adopted by ABAG.

RHNA AND LOCAL JURISDICTIONS

How are local jurisdictions involved in RHNA? Do they help create the housing methodology?

Elected officials and staff from each county are on the [Housing Methodology Committee \(HMC\)](#) to represent the jurisdictions in that county. The HMC will make recommendations about the allocation methodology to the [ABAG Regional Planning Committee \(RPC\)](#), and the RPC will make recommendations to the [ABAG Executive Board](#), which will take action at key points in the RHNA process. Local governments will have the opportunity to comment on the proposed and draft methodology, both in written comments and at public meetings. There will also be an opportunity for local governments to file appeals on the draft allocations.

How does RHNA impact local jurisdictions' general plans? What is a Housing Element?

California's [Housing Element Law](#) states that "designating and maintaining a supply of land and adequate sites suitable, feasible, and available for the development of housing sufficient to meet the locality's housing need for all income levels is essential to achieving the state's housing goals." Once a city, town or county receives its RHNA allocation, it must then update the Housing Element of its general plan and zoning to demonstrate how it will accommodate all of the units assigned for each income category. General plans serve as a local government's blueprint for how the city, town or county will grow and develop. There are seven elements that

all jurisdictions are required to include in the General Plan: land use, transportation, conservation, noise, open space, safety, and housing.

What agency is responsible for the certification of Housing Elements?

ABAG's role in the RHNA process ends once it has allocated a share of the Regional Housing Needs Determination (RHND) to each local government in the Bay Area. The [California Department of Housing and Community Development](#) (HCD) reviews and approves Housing Elements and is responsible for all other aspects of [enforcing Housing Element Law](#).

Is there any funding and technical assistance available to assist local jurisdictions in creating their Housing Elements?

In the 2019-20 Budget Act, Governor Gavin Newsom allocated \$250 million for all regions, cities, and counties to do their part by prioritizing planning activities that accelerate housing production to meet identified needs of every community. With this allocation, HCD established the [Local Early Action Planning Grant Program \(LEAP\)](#) with approximately \$25.6 million expected to come to cities and counties in the Bay Area and the [Regional Early Action Planning Grant Program \(REAP\)](#) with \$23.9 million expected to come to ABAG. The LEAP program augments HCD's [SB2 Planning Grants](#) which have provided approximately \$24 million in funding to localities in the Bay Area. ABAG is currently designing its REAP program to provide in-depth technical assistance to localities.

Some individuals in the Bay Area view their jurisdictions as "built out." How might communities with little to no vacant land meet their respective housing allocations?

Large and small communities throughout the Bay Area have successfully identified under-utilized, infill sites for housing development. In past RHNA cycles, numerous Bay Area communities were able to meet their housing allocation exclusively through the identification of infill sites to provide for future housing needs. Encouraging the development of Accessory Dwelling Units (ADUs) is another strategy many Bay Area communities have used to add more housing choices for residents.

Will my jurisdiction be penalized if we do not plan for enough housing?

State [Housing Element Law](#) requires that jurisdictions plan for all types of housing based on the allocations they receive from the RHNA process. The state requires this planning, in the form of having a compliant housing element, and submitting housing element annual progress reports, as a threshold or points-related requirement for certain funding programs (SB 1 Sustainable Community Planning Grants, SB 2 Planning Grants and Permanent Local Housing Allocation, etc.). Late submittal of a housing element can result in a jurisdiction being required to submit a four-year update to their housing element.

HCD [may refer jurisdictions to the Attorney General](#) if they do not have a compliant housing element, fail to comply with their HCD-approved housing element, or violate housing element

law, the housing accountability act, density bonus law, no net loss law, or land use discrimination law. The consequences of those cases brought by the Attorney General are up to the courts, but can include financial penalties.

In addition, as the housing element is one of the required components of the general plan, a jurisdiction without a compliant housing element, may risk legal challenges to their general plan from interested parties outside of HCD.

Local governments must also implement their commitments from the housing element, and the statute has several consequences for the lack of implementation. For example, failure to rezone in a timely manner may impact a local government's land use authority and result in a carryover of RHNA to the next cycle. Failure to implement programs can also influence future housing element updates and requirements, such as program timing. HCD may investigate any action or lack of action in the housing element.

Will my jurisdiction be penalized if we do not build enough housing?

For [jurisdictions that did not issue permits for enough housing](#) to keep pace consistent with RHNA building goals, a developer can elect to use a ministerial process to get project approval for residential projects that meet certain conditions. This, in effect, makes it easier to build housing in places that are not on target to meet their building goals.

GLOSSARY OF ACRONYMS

ABAG - Association of Bay Area Governments

AMI – Area Median Income

DOF - California Department of Finance

HCD - California Department of Housing and Community Development

HMC - Housing Methodology Committee

MTC - Metropolitan Transportation Commission

RHNA - Regional Housing Need Allocation

RHND - Regional Housing Need Determination

RTP/SCS - Regional Transportation Plan/Sustainable Communities Strategy

TCAC - California Tax Credit Allocation Committee

Santa Monica: Regional Housing Needs Allocation

What is the RHNA?

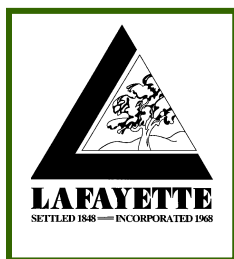
The State of California, as part of the State Housing Law, sets a targeted number of housing units that each regional council of governments in California must plan for. This targeted housing number known as the Regional Housing Needs Allocation, or RHNA, is updated every 8 years and is further divided amongst individual cities and counties by the regional council of governments.

How will the RHNA impact Santa Monica?

The Southern California Association of Governments (SCAG) serves as the regional council of governments for Southern California and is responsible for allocating the RHNA numbers between six counties and 191 cities, including the City of Santa Monica. This year, the regional allocation for Southern California is significantly larger than it has been in past years, in recognition of the severity of the State's housing crisis. SCAG developed a methodology for splitting up the regional allocation, which is based on numerous factors such as the past, present, and future demand for housing, access to jobs, quality of transit, among other factors. To read more about the methodology, visit [SCAG's website](#).

It is important to recognize that the RHNA is a targeted housing number - Cities and counties do not have to build this number of units, but rather they are required by the state to plan for them and demonstrate that under the current land use and development standards, there is capacity to accommodate for this number of housing units. However, if a jurisdiction fails to demonstrate that they can accommodate their RHNA, it can result in the loss of local control and important funding resources.

For the RHNA cycle planning period of October 2021 through October 2029, the Southern California region received an allocation of 1.3 million units. That means that the State is requiring cities within Southern California to demonstrate that they can plan for and have the capacity to build up to 1.3 million new housing units over the next 8 years. For this 6th Cycle of the RHNA, Santa Monica has received an allocation of 8,874 new housing units, of which about 70% must be for lower income households.



City Council

Don Tatzin, Mayor
 Brandt Andersson, Vice Mayor
 Mike Anderson
 Mark Mitchell
 Traci Reilly

THE CITY OF LAFAYETTE'S HOUSING ELEMENT FREQUENTLY ASKED QUESTIONS

What is the Housing Element?

The Housing Element is a chapter of Lafayette's General Plan. Every City in California must have a Housing Element, and this is the only part of the General Plan that must be regularly reviewed and approved by the State. Housing Elements are usually updated every five to eight years. Lafayette's current Housing Element covers the period from 2007 to 2014, and the updated Element will cover the period from 2014 to 2022.

What does it contain?

The Housing Element contains information on the housing needs of the community, including the needs of lower-income households and people with special needs, such as homeless persons, seniors, and people with disabilities. Some of these needs are determined by the state-mandated Regional Housing Needs Allocation (see below). In addition, the Element provides a detailed explanation of how the jurisdiction addresses the needs of the community based on existing and future housing needs. Lastly, it contains an inventory of sites within the community that could accommodate the RHNA allocation of affordable housing if they were developed.

What is the Regional Housing Needs Allocation (RHNA)?

The RHNA (pronounced REE-NAH) is an allocation of the State's projected housing needs to accommodate various income categories over the 8-year cycle of the Housing Element. The Association of Bay Area Governments (ABAG) receives a bulk allocation for the region from the State, and ABAG then assigns a portion of this regional allocation to each jurisdiction in the nine-county Bay Area, based on a complex model of job and population growth. The essential requirement of RHNA is that all jurisdictions need to demonstrate that its planning documents have enough land zoned at appropriate densities to allow the development of the housing needed to meet their allocation.

What is the City of Lafayette's RHNA allocation?

Lafayette's total RHNA allocation for the current period (2007-2014) is 361 units, and for the next period (2014-2022) is 400 units. The 2014-2022 allocation was reduced as a result of a successful protest by Lafayette of their initial figures. The following illustrates the 2014-2022 allocation, broken down along various income categories. ABAG adopted a policy that allocated a greater share of affordable housing to those communities, including Lafayette, that have a less than average share of affordable housing currently, and a smaller share of affordable housing to those communities that currently accommodate much affordable housing.

Total Projected Need	Very Low	Low	Mod	Above Mod	Average Yearly Need
400	138	78	85	99	57
	34.5%	19.5%	21.3%	24.8%	

Is the City required to make sure these units are built?

No, the RHNA allocation is not a prescription to build any units. And, the City itself does not build units; private developers do. The City is only required to show that there is enough land zoned at appropriate densities to accommodate this need, should a developer want to build these units. In addition, the City must demonstrate that its codes and requirements do not unduly constrain the building of housing (for example, it needs to show that housing can be built "as-of-right" in some zones, without requiring a land use permit).

Does the inventory of sites mean these sites can only be used for housing?

No. The City is only required to show sites that could be used for housing, but the actual use of the sites is always a decision made by the owners. However, if a site in the inventory is developed with a completely non-housing use during the eight-year cycle of the Housing Element, the City is required to replace that site with another to ensure that the inventory's capacity is maintained.

Does the City have enough land in the inventory to meet its RHNA allocation?

Yes, the City has prepared a draft inventory of sites which shows there is enough land to meet its RHNA allocation. While the inventory may change as a result of the public process, the City is required to ensure that it will meet its RHNA allocation during the eight-year cycle of the Housing Element.

Is there a minimum zoning density that the City must allow? What determines the minimum?

The State sets standards to ensure that densities are high enough to allow affordable housing to be built. As a suburban community, the State has set this default density at 20 units per acre. Although Lafayette can, and does, have lower densities, the State requires zoning for multifamily housing to be at least 20 units per acre. When a city's population reaches 25,000 people then the minimum default density increases to 30 units per acre. Lafayette's 2010 census population was just under 24,000. Lafayette's General Plan establishes the housing density at 35 units per acre in the downtown and in multifamily zoning districts. The City may consider lowering the housing densities, which will be a topic of discussion during the community meetings.

What is a Density Bonus?

A density bonus is a provision of State law and allows a developer to ask for and receive additional housing density (beyond what is allowed by the City's current zoning) in prescribed amounts, in return for providing affordable housing or senior housing within their developments. Even if the City does not adopt its own Density Bonus ordinance, it is still required to comply with the provisions of the State's Density Bonus law, which includes:

- Granting a sliding scale of market-rate density bonus percentages (20%-35%) based on the amount percentage of proposed affordable units;
- Providing up to three development concessions or incentives, depending on the percentage of affordable units provided;
- Granting a density bonus if a developer donates land for very low income housing; and
- Requiring jurisdictions to implement Density Bonus law through local codes.

Why is the City considering a Density Bonus ordinance?

Several years ago, the City decided not to adopt a Density Bonus ordinance but rather issued guidelines for compliance with the State's Density Bonus law. However, the State is now offering to do a streamlined review of the city's Housing Element, if a Density Bonus ordinance is adopted before the City submits its draft Housing Element to the State. It is expected that the streamlined review will result in a significantly shorter review period by the State, since it will only review those parts of the Element that have changed since the last Element was certified.

What happens if the City elects to resign its membership from ABAG?

In terms of the Housing Element, nothing would change. The City would still receive a RHNA allocation and be required by State law to complete the Housing Element, and have it certified by the State, regardless of its participation in ABAG. Further, continuing to participate in ABAG means that the City can have meaningful input on the RHNA allocation process and other programs conducted by ABAG.

Does having a Priority Development Area (PDA) affect the RHNA allocation?

A City's PDA status alone does not have a direct relationship to the allocation of Regional Housing Needs by ABAG. A determining factor on where growth will occur is based on where there are transit nodes; in the case of Lafayette, the RHNA allocation is partially tied to the existence of the BART station. In addition, one of the criteria for becoming a PDA is proximity to transit nodes, so the BART station was a significant reason the PDA was approved for Lafayette.

What happens if the City does not complete the Housing Element, or fails to receive certification from the State?

Successful certification of the Housing Element is directly tied to whether or not a jurisdiction is eligible to receive certain kinds of funding, including some transportation funds. Additionally, not having a certified Element puts a jurisdiction at risk of lawsuits from developers. Courts have required cities without approved Housing Elements to allow housing "as-of-right", without any discretionary review by the City until the Housing Element is certified, including in single-family zones.

What is the City doing to garner public comment and input on the Housing Element?

The City is holding three community meetings at which residents can ask questions and provide input as the Housing Element is being developed. In addition, there will be opportunities for community input before the Planning Commission and the City Council, both during the draft review of the Housing Element (prior to initial comments from the State), as well as during the final review before the Housing Element is adopted. The following is a tentative schedule for these meetings:

1. Wednesday, April 30th – Introduction to the Housing Element
2. Tuesday, May 13th – Housing Sites Inventory, Density Bonus Ordinance, and Density Adjustments
3. Wednesday, May 28th – Policies and Programs

When does the Housing Element have to be submitted to the State?

The Housing Element must be adopted by the City prior to submission of the final document in January 2015. As noted above, the City expects to adopt the Element in December 2014.

How can I find out more about this?

The City has more information on its website at www.lovelafayette.org/HE or you can contact planning staff:

[Niroop K. Srivatsa](#) at (925) 299-3206 • [Lindy Chan](#) at (925) 299-3202 • [Greg Wolff](#) at (925) 299-3204

Lafayette California: Overview

Since 1969, the State of California has required that all local governments adequately plan to meet the housing needs of everyone in our communities. To meet this requirement, each city or county must develop a Housing Element as part of its General Plan (the local government's long-range blueprint for growth) that shows how it will meet its community's housing needs. There are many laws that govern this process, and collectively they are known as [Housing Element Law](#).

The Regional Housing Need Allocation (RHNA) process is the part of Housing Element Law used to determine how many new homes, and the affordability of those homes, each local government must plan for in its Housing Element. This process is repeated every eight years, and for this cycle the Bay Area is planning for the period from 2023 to 2031.

Working with the State Department of Finance, the CA Department of Housing and Community Development (HCD) assigns future housing and population growth projections in eight-year cycles to every Council of Government in the State (in our case, the Association of Bay Area Governments, or ABAG). ABAG then assigns a number of units to each member jurisdiction, like Lafayette, San Francisco, Hayward, etc., which must ensure that there is enough land zoned at appropriate densities to accommodate the assigned RHNA. The RHNA number includes a distribution of units to be provided across the four income categories discussed above.

Some key takeaways about RHNA

We are *planning* for housing, not building it.

The free market will determine if and when the required units are actually developed. Lafayette does not develop housing and no one will be forced to sell their property or build housing.

If we are planning for housing, how should we plan for it and where should it be located? The allocation has been provided by the state and regional governments, while there is an appeal process, we don't know the outcome of the appeal. To be prepared, we must develop a compliant plan for how we want to handle our allocation. The Housing Element update process is your opportunity to decide where the housing should go.



June 2, 2022

Heather Adamson, AICP
AMBAG Director of Planning
24580 Silver Cloud Court
Monterey, CA 93940

sent USPS standard, certified mail, email

RE: Draft 6th Cycle RHNA Plan and Sand City Allotment

Dear Ms. Adamson:

This correspondence is in response to the Draft 6th Cycle (2023-2031) RHNA Plan and the allotment of 260 units in this cycle of the RHNA allocation to the City of Sand City. According to the Department of Finance, the City has a 2022 estimated population of 372 persons. There are approximately 184 dwelling units within the City (8 of which are currently under construction). Requiring a RHNA allocation of 260 that is approximately 141% of the existing number of all existing residential units in the City is patently unreasonable. The allocation to Sand City fails to meet the requirement of Cal. Gov. Code section 65584(d)(1) that the RHNA plan allocates in a manner that is equitable within the region. By comparison, if applied to the City of Monterey, the allocation to Sand City would be equivalent to allocating approximately 42,600 units to the City of Monterey based on its population of approximately 30,218 residents. Instead, your allocation in the draft plan allocates 3,654 units to the City of Monterey.

In addition, the allocation to Sand City ignores additional factors that the methodology requires be observed. For example, you are required to consider "the availability of land suitable for urban development or for conversion to residential use, the availability of underutilized land, and opportunities for infill development and increased residential densities..." and "land preserved or protected from urban development under federal or state programs, or both, designed to protect open space... environmental habitats..." (AMBAG Draft 6th Cycle RHNA Plan, April 2022, page 20); Cal Gov. code section 65584(d)(2). Sand City is small in land area (approximately 347 acres), landlocked between other jurisdictions and the Monterey Bay, with development within constrained by the presence of environmentally sensitive species and habitat protected and regulated by both the U.S. Fish and Wildlife Service and the California Department of Fish and Wildlife. About half of the City is located west of the Highway 1 freeway

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1 Pendergrass Way
Sand City, CA
93955

Administration
(831) 394-3054

Planning
(831) 394-6700

FAX
(831) 394-2472

Police
(831) 394-1451

FAX
(831) 394-1038

Incorporated
May 31, 1960

corridor within an appealable Coastal Zone overlay regulated by the City's Local Coastal Plan (LCP); yet subject to appeal to the California Coastal Commission (CCC). The CCC has previously imposed strict limits on coastal development in Sand City due to the Coastal Act's prioritization of public access, coastal recreation, and the preservation of sensitive coastal habitat over that of residential land use.

In addition, a majority of the City has already been re-zoned to either High Density Residential (R-3) or Planned Mixed Use, both enabling high density and multifamily residential development, consistent with Government Code Section 65584(d)(2) for infill and equitable housing opportunities and Government Code Section 65584(d)(3) for an improved relationship between jobs and housing. There are almost no other practical opportunities for re-zoning to accommodate additional residences without impacting the City's primary revenue source, its regional shopping centers.

The City understands the State-wide need for affordable housing and job/housing balance. However, in light of the above constraints and efforts already implemented by the City, it is inconceivable how the City could meet the goals of the current RHNA allocation. The City of Sand City requests AMBAG lower Sand City's allotment to a number that is actually achievable in light of its small size and noted constraints.

Sincerely,



Vibeke Norgaard
City Manager

cc: Mary Ann Carbone, Mayor
Sand City Council Members
Adam Lindgren, City Attorney
Charles Pooler, City Planner

NEWS > HOUSING

Pacific Grove to hold housing element update workshop



Pacific Grove City Hall. (James Herrera/Monterey Herald)

By **TESS KENNY** | tkenny@montereyherald.com | Monterey Herald

PUBLISHED: July 22, 2022 at 2:43 p.m. | UPDATED: July 22, 2022 at 2:44 p.m.



PACIFIC GROVE — Amid lofty state goals to expand housing over the next decade

The workshop, set for Monday from 6-8 p.m. at the Pacific Grove Community Center, will provide an update on the city's housing element, a state-required blueprint for how a locality's current and projected lodging needs can be satisfied. Housing elements are adjusted every eight years, as goals are realigned with present-day demands through a periodic process called the Regional Housing Needs Assessment, or RHNA.

Districts throughout the state are currently working through the latest housing element update. Local jurisdictions as part of the Association of Monterey Bay Area Governments will need to submit their revamped plans by December 2023. Though the process doesn't obligate local governments to build or approve new housing, it does mandate that they demonstrate appropriate zoning, development regulations and policies to support homebuilding goals.

In Pacific Grove, expectations are ambitious. Per the Regional Needs Allocation for 2023 to 2031, the city has been tasked with planning for a 14% jump in housing, an addition of 1,125 units that will necessitate not only rezoning but also changes to a general plan not touched since 1994.

"When I first saw (the allocation), like everyone, I thought it was a lot of units to plan for," said Anastacia Wyatt, Pacific Grove community development director. "I think we can feasibly plan for it, and we will do our best."

Wyatt said that with the scope and scale of rezoning that will be necessary to achieve a certified housing element, community engagement and input is particularly important. Hearing what residents need, she continued, will allow the city to reconcile citizen concerns and wants with whatever zoning and general plan changes are to come. Doing so will also help the city take an equitable approach to future homebuilding.

"I think equity is really critical. ... This is an opportunity to look at our community and think about what we want for the future," said Wyatt.

Pacific Grove Councilwoman Jenny McAdams reiterated Wyatt's optimism under a new housing element, even if she doesn't think the city will actually see the 14% increase in units by 2031.

"Do I think Pacific Grove will really build all (1,125 units)? No, but we're putting a policy in place that is supportive of additional housing," said Adams. "Our staff's job is to show that the city in good faith is implementing policing, zoning or incentives to



For more information about Pacific Grove's Housing Element Update Workshop on Monday, go to

https://www.cityofpacificgrove.org/our_city/departments/community_development/housing/index.php.


Tags: **Newsletter**



Tess Kenny

Tess Kenny covers education and events across Monterey County. She recently graduated from UC Santa Barbara with a bachelor's in communication and political science.

tkenny@montereyherald.com

 Follow Tess Kenny @TessKenny12



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By
WellnessGuide101.com

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government request. We might permanently block any user who abuses these conditions.



Attachment F

Evaluation of Water Supply Available versus Water Demand
Cal-Am Main Service Area

Supply Available									Demand		Supply vs Demand	
Year	Pure Water (Base)	Pure Water Expansion	Carmel River	Seaside Basin	ASR	Sand City Desal	Malpaso	Total Available Supply	Base Case Water Demand	Base Case Demand Plus Forecast Error =	Supply over Base Case Demand	Supply over Base Case Demand + 25% Error
										25%		
2025	3,500	2,250	3,376	774	1,300	210	58	11,468	9,882	9,882	1,586	1,586
2026	3,500	2,250	3,376	774	1,300	210	58	11,468	9,913	9,921	1,555	1,547
2027	3,500	2,250	3,376	774	1,300	210	58	11,468	9,945	9,961	1,523	1,507
2028	3,500	2,250	3,376	774	1,300	210	58	11,468	9,976	10,000	1,492	1,468
2029	3,500	2,250	3,376	774	1,300	210	58	11,468	10,008	10,039	1,460	1,429
2030	3,500	2,250	3,376	774	1,300	210	58	11,468	10,039	10,079	1,429	1,390
2031	3,500	2,250	3,376	774	1,300	210	58	11,468	10,071	10,118	1,397	1,350
2032	3,500	2,250	3,376	774	1,300	210	58	11,468	10,102	10,157	1,366	1,311
2033	3,500	2,250	3,376	774	1,300	210	58	11,468	10,134	10,196	1,334	1,272
2034	3,500	2,250	3,376	774	1,300	210	58	11,468	10,165	10,236	1,303	1,232
2035	3,500	2,250	3,376	774	1,300	210	58	11,468	10,196	10,275	1,272	1,193
2036	3,500	2,250	3,376	774	1,300	210	58	11,468	10,228	10,314	1,240	1,154
2037	3,500	2,250	3,376	774	1,300	210	58	11,468	10,259	10,354	1,209	1,114
2038	3,500	2,250	3,376	774	1,300	210	58	11,468	10,291	10,393	1,177	1,075
2039	3,500	2,250	3,376	774	1,300	210	58	11,468	10,322	10,432	1,146	1,036
2040	3,500	2,250	3,376	774	1,300	210	58	11,468	10,354	10,472	1,114	997
2041	3,500	2,250	3,376	774	1,300	210	58	11,468	10,385	10,511	1,083	957
2042	3,500	2,250	3,376	774	1,300	210	58	11,468	10,416	10,550	1,052	918
2043	3,500	2,250	3,376	774	1,300	210	58	11,468	10,448	10,589	1,020	879
2044	3,500	2,250	3,376	774	1,300	210	58	11,468	10,479	10,629	989	839
2045	3,500	2,250	3,376	774	1,300	210	58	11,468	10,511	10,668	957	800
2046	3,500	2,250	3,376	774	1,300	210	58	11,468	10,542	10,707	926	761
2047	3,500	2,250	3,376	774	1,300	210	58	11,468	10,574	10,747	894	721
2048	3,500	2,250	3,376	774	1,300	210	58	11,468	10,605	10,786	863	682
2049	3,500	2,250	3,376	774	1,300	210	58	11,468	10,637	10,825	831	643
2050	3,500	2,250	3,376	774	1,300	210	58	11,468	10,668	10,865	800	604
2051	3,500	2,250	3,376	1,474	1,300	210	58	12,168	10,699	10,904	1,469	1,264
2052	3,500	2,250	3,376	1,474	1,300	210	58	12,168	10,731	10,943	1,437	1,225
2053	3,500	2,250	3,376	1,474	1,300	210	58	12,168	10,762	10,982	1,406	1,186
2054	3,500	2,250	3,376	1,474	1,300	210	58	12,168	10,794	11,022	1,374	1,146
2055	3,500	2,250	3,376	1,474	1,300	210	58	12,168	10,825	11,061	1,343	1,107
											38,046	34,392

Notes: Projected annual water demand growth in AFY is estimated at: 31.44
 Projected annual water demand growth in AFY plus 25% error: 39.30

ITEM: ACTION ITEM**18. CONSIDER REQUEST FOR WATER FROM DISTRICT RESERVE AND DELAY OF PAYMENT OF FEES FOR NON-PROFIT PUBLIC BENEFIT PROJECTS – CASA DE NOCHE BUENA, 1292 OLYMPIA AVENUE, SEASIDE AND SHUMAN HEARTHOUSE, 600 FRANKLIN STREET, MONTEREY**

Meeting Date:	September 19, 2022	Budgeted:	N/A
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From:	David J. Stoldt, General Manager	Program/ Line Item No.:	N/A
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Prepared By:	Stephanie Locke	Cost Estimate:	N/A
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General Counsel Approval: 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: Community Human Services (CHS) is requesting Board approval for 0.393 Acre-Feet (AF) of water from the District Reserve Allocation and delayed collection of the fees associated with two Water Permits (**Exhibit 18-A**). The water is necessary to complete two shelters for women and families. The Monterey property at 600 Franklin Street is 0.215 AF short of the amount needed to fully renovate and occupy the available space and to provide meals for up to 35 occupants. Construction is scheduled to begin next month with opening planned for next summer. The Seaside shelter at 1292 Olympia is open, but CHS would like to add on-site meal preparation which requires a Water Permit and an additional 0.178 AF. Meals are currently brought in from Monterey. Full descriptions of the services provided at each location can be found in Exhibit A. The Board previously (February 13, 2020) approved a deferral of fees for the initial construction of the Seaside shelter.

District Reserve Allocation

The District Reserve was reinstated by Ordinance No. 182 (5/20/2019) and has a balance of 9 AF. The Reserve is available for use at the Board's discretion.

Deferral of Payment

District Rule 24-H-2 (**Exhibit 18-B**) allows the Board, on a case-by-case basis, to defer payment for projects undertaken by a California Non-Profit Public Benefit Corporation when there is the presence of a substantial financial hardship to the Project proponent such that the development of the project would be jeopardized by the present assessment of the full fees and charges due for the issuance of a Water Permit. When a delay in payment is approved by the Board, a deed restriction is recorded on the property that requires payment of all fees and charges due for the issuance of a Water Permit, together with deferred interest at a rate set by the Board, to be paid in full in the event the project ownership or occupancy is transferred to any entity other than a California Non-Profit Public Benefit Corporation. District Rule 24-H-2 is intended for use in the presence of substantial financial hardship to the project proponent.

CHS is a 501(c)(3) non-profit organization (**Exhibit 18-C**) and qualifies for consideration of the delayed permit fees as allowed by District Rule 24-H-2. The applicant states that substantial hardship would occur by requiring payment of the Capacity Fees.

RECOMMENDATION: District staff recommends the Board approve 0.215 AF of District Reserve for 600 Franklin Street, Monterey, and 0.178 AF of District Reserve for 1292 Olympia Avenue in Seaside to facilitate Community Human Service's construction and operation of two women's shelters. In addition, the Board should adopt the Findings of Approval provided as **Exhibit 18-D** and defer payment of fees and charges for these two Sites pursuant to Rule 24-H and approve an interest rate of 4% as the amount of interest that would be charged if there is a transfer to a for-profit organization in the future. The amount of interest will be stated in the deed restriction recorded on each property. Delayed fees, with interest, would become due when the property is no longer operated by a California Non-Profit Public Benefit Corporation.

EXHIBITS

- 18-A** Request for District Reserve Water and Delayed Payment of Fees
- 18-B** Rule 24-H-2
- 18-C** Non-Profit Status
- 18-D** Findings of Approval



September 8, 2022

Board of Directors
Monterey Peninsula Water Management District
5 Harris Court, Building G
Monterey, CA 93940

RE: Request for water credits from District Reserve Allocation and deferred payment of Capacity Fees for Shuman HeartHouse, 600 E. Franklin Street, Monterey, CA

Dear Members of the Board:

Community Human Services is a nonprofit 501(c)(3) and Joint Powers Authority providing mental health, substance abuse and homeless services to benefit very low, low and middle income individuals and families in Monterey County since 1969. CHS is working to address the homeless crisis in Monterey County by developing an emergency shelter at 600 E. Franklin Street, Monterey. Shuman HeartHouse will provide single women and families with children a safe place to live and supportive services for up to six months. Our case managers work with them to provide housing navigation, employment assistance, access to medical services, assessment and referrals to mental health and substance abuse services, and other supports depending on their individual needs. The overarching goal of Shuman HeartHouse is to provide its guests with a bridge to permanent housing and economic stability.

CHS acquired 600 E. Franklin Street through a generous donation of \$3.1M from the Shuman family of Carmel. The property was recently remodeled and is in excellent condition; however, it will require renovations to make it suitable for use as a shelter. CHS is currently conducting a capital campaign to raise \$3.1M for construction plus another \$1.6M for two years of operations, bringing the campaign total to \$4.7M. Approximately \$3M has been raised to date. We are scheduled to begin construction in October 2022 and hope to open our doors to the public in the summer of 2023.

Shuman HeartHouse is short of the required water credits. As such, CHS is requesting 0.215 AF water from the District Reserve Allocation, as well as deferred payment of Capacity Fees in the amount of \$7,225.72 (0.215 x \$33,608.00) under Rule 24-H. Deferred payment will alleviate CHS's fundraising burden on this project and will support a much needed new community service in Monterey County.

If you have any questions or need anything further, please feel free to contact me at rmccrae@chservices.org or (831) 658-3811, ext. 300.

Sincerely,

Robin McCrae
Chief Executive Officer



September 8, 2022

Board of Directors
Monterey Peninsula Water Management District
5 Harris Court, Building G
Monterey, CA 93940

RE: Request for water credits from District Reserve Allocation and deferred payment of Capacity Fees for Casa de Noche Buena, 1292 Olympia Avenue, Seaside, CA 93955

Dear Members of the Board:

Community Human Services is a nonprofit 501(c)(3) and Joint Powers Authority providing mental health, substance abuse and homeless services to benefit very low, low and middle income individuals and families in Monterey County since 1969. CHS and its partner Gathering for Women opened the Peninsula's first emergency shelter for homeless women and families in January 2021.

Casa de Noche Buena provides homeless women and families a safe place to live and supportive services for up to six months. Our case managers work with them to provide housing navigation, employment assistance, access to medical services, assessment and referrals to mental health and substance abuse services, and other supports depending on their individual needs. The overarching goal of Casa de Noche Buena is to provide its guests with a bridge to permanent housing and economic stability. Last fiscal year, we served 76 individuals. 6,022 bed-nights were provided. 17,253 meals were served. 63% of guests exited to permanent or long-term transitional housing.

Original plans for shelter operations called for daily breakfast and dinner service, prepared at the Gathering on El Dorado Street and delivered to the shelter. During COVID, operations changed to allow guests stay at the shelter during the day which required additional lunch service. Gathering is now delivering prepared dinners Monday through Friday and whole foods for onsite preparation of breakfast and lunch every day plus dinner on Saturday and Sunday.

CHS would like to have the capacity to prepare three meals a day onsite if/when needed. As such, we are requesting 0.178 AF water from the District Reserve Allocation, as well as deferred payment of Capacity Fees in the amount of \$5,982.22. While this project receives funding support from the County of Monterey and Peninsula cities, we are responsible for raising over \$600,000 per year in operating income. Deferred payment will alleviate our fundraising burden on this project and support a valued community asset.

If you have any questions or need anything further, please feel free to contact me at rmccrae@chservices.org or (831) 658-3811, ext. 300.

Sincerely,

Robin McCrae
Chief Executive Officer

H. PERMIT FEE PAYMENT PLANS

1. Except as may be required by operation of law, or as approved by the Board of Directors on a case-by-case basis pursuant to this Rule, the District shall not authorize a payment plan for fees and charges due for the issuance of a Water Permit. This means that no Permit will be issued by the District unless all required fees and charges have first been paid in full to the District. In any circumstance where a Permit has been issued on less than full payment of all fees and charges due from that Parcel, that Permit shall immediately be Suspended and thereafter Revoked. Revocation of a Water Permit shall cause removal or limitation of water service to that Connection.

2. Notwithstanding any provision of this Rule, the Board, on a case-by-case basis, may authorize delayed payment for Projects which are solely undertaken by California Non-Profit Public Benefit Corporations provided each such plan shall ensure, by recorded deed restriction which includes the consent of each property owner, that all fees and charges due for the issuance of a Water Permit, together with deferred interest at the rate to be set by the Board, shall be paid in full in the event Project-ownership or occupancy is transferred to any entity other than a California Non-Profit Public Benefit Corporation. This provision is intended for use only in the presence of a substantial financial hardship to the Project proponent such that the development of the Project would be jeopardized by the present assessment of the full fees and charges due for the issuance of a Water Permit.

Rule added by Ordinance No. 8 (1/14/81); amended by Ordinance No. 9 (2/14/83); Ordinance No. 17 (9/24/84); Ordinance No. 18 (11/12/84); Ordinance No. 20 (12/10/84); Ordinance No. 21 (3/11/85); Ordinance No. 26 (9/8/86); Ordinance No. 33 (3/14/88); Ordinance No. 34 (5/9/88); Ordinance No. 40 (4/10/89); Ordinance No. 60 (6/15/92); Ordinance No. 71 (12/20/93); Ordinance No. 76 (5/15/95); Ordinance No. 80 (11/20/95); Ordinance No. 98 (4/16/2001); Ordinance No. 111 (1/29/2004); Ordinance No. 114 (5/17/2004); Ordinance No. 125 (9/18/2006); Ordinance No. 145 (9/20/2010); Ordinance No. 157 (12/9/2013); Ordinance No. 162 (8/18/2014); Ordinance No. 164 (4/20/2015); Ordinance No. 170 (5/16/2016); Ordinance No. 176 (1/25/2017); Ordinance No. 177 (9/18/2017); Ordinance No. 182 (5/20/2019); Ordinance No. 185 (5/18/2020); Ordinance No. 189 (12/13/2021)

EXHIBIT 18-C

010493



STATE OF CALIFORNIA

FRANCHISE TAX BOARD

P.O. BOX 1286

MONTEREY, CALIF. 95741-1286

December 29, 1992

In reply refer to
340:G :CCLCOMMUNITY HUMAN SERVICES
PO BOX 3076
MONTEREY CA 93942

Purpose : CHARITABLE
Code Section : 23701d
Form of Organization : Association
Accounting Period Ending: June 30
Organization Number : 9787059 CH6SP

This letter confirms your previous exemption from state franchise and income tax under Section 23701d, Revenue and Taxation Code. In confirming your exempt status, we have made no examination of your current activities. If the organization has changed its operation, character, or purpose since exemption was originally granted, that change must be reported immediately to this office.

You may be required to file Form 199 (Exempt Organization Annual Information Return) on or before the 15th day of the 5th month (4 1/2 months) after the close of your accounting period. See annual instructions with forms for requirements.

You are not required to file state franchise or income tax returns unless you have income subject to the unrelated business income tax under Section 23731 of the Code. In this event, you are required to file Form 109 (Exempt Organization Business Income Tax Return) by the 15th day of the 5th month (4 1/2 months) after the close of your annual accounting period.

Contributions made to you are deductible by donors as provided by Sections 17214 through 17216.2 and 24357 through 24359 of the Code, unless your purpose is testing for Public Safety.

K SCHULTZ
EXEMPT ORGANIZATION UNIT
CORPORATION AUDIT SECTION
Telephone (916) 369-4171

RTF:

Internal Revenue Service

Department of the Treasury

District
Director

P.O. Box 2350 Los Angeles, Calif. 90053

Community Human Services
P O Box 3076
Monterey, CA 93942-3076

Person to Contact:

Barbara S. Cowans
Telephone Number:

(213) 894-2336
Refer Reply to:

Date: EO(1102)92

May 18, 1993

RE: Community Human Services
EIN: 94-6367167

Gentlemen:

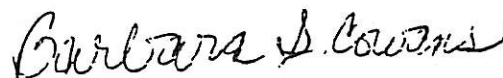
This letter is in response to your request for a copy of the determination letter for the above named organization.

Our records indicate that this organization was recognized to be exempt from Federal Income Tax in June 1982, as described in Internal Revenue Code Section 501(c)(3). It is further classified as an organization that is not a private foundation as defined in Section 509(a) of the code, because it is an organization described in Section 170(b)(1)(A)(vi).

The exempt status for the determination letter issued in June 1982, continues to be in effect.

If you need further assistance, please contact our office at the above address or telephone number.

Sincerely,



Barbara S. Cowans
Disclosure Assistant

EXHIBIT 18-D**DRAFT
FINDINGS OF APPROVAL****CONSIDER REQUEST FOR WATER FROM DISTRICT RESERVE AND DELAY OF
PAYMENT OF CAPACITY FEES FOR NON-PROFIT PUBLIC BENEFIT PROJECTS –
CASA DE NOCHE BUENA, 1292 OLYMPIA AVENUE, SEASIDE, AND SHUMAN
HEARTHOUSE, 600 FRANKLIN STREET, MONTEREY****September 19, 2022**

It is hereby found and determined as follows:

1. FINDING: Community Human Services (CHS), a 501(c)(3) California Non-Profit Public Benefit Corporation, requested Board approval of water from the District Reserve Allocation and to delay payment of fees for two Intensification of Use Water Permits that will result in an increase in Capacity of 0.215 Acre-Foot (AF) at 600 Franklin Street in Monterey, and an increase in Capacity of 0.178 AF at 1292 Olympia Avenue in Seaside. Both Sites will provide shelter services for the community.

EVIDENCE: Letter from CHS dated September 8, 2022, attached as **Exhibit 18-A** that describes the shelter projects.

2. FINDING: District Rule 24-H-2 allows the Board, on a case-by-case basis, to defer payment for projects undertaken by California Non-Profit Public Benefit Corporations when there is the presence of substantial financial hardship to the project proponent.

EVIDENCE: Letter from CHS dated September 8, 2022, attached as **Exhibit 18-A** and District Rule 24-H-2 attached as **Exhibit 18-B**.

3. FINDING: The applicants (**Exhibit 18-A**) state that substantial hardship would occur by requiring payment of the Capacity Fees.

EVIDENCE: The applicants have stated that the project would present a substantial financial hardship that could negatively affect the ability to provide necessary services.

4. FINDING: Deferred Capacity Fees, along with interest, shall be paid in full in the event project ownership or occupancy is transferred to any entity other than a California Non-Profit Public Benefit Corporation.

EVIDENCE: Rule 24-H-2 attached as **Exhibit 18-B**.

5. FINDING: When a delay in payment of Capacity Fees is approved by the Board, the Board must set an interest rate for the deferred fees. The Board approved this request and set an interest rate of 4 percent.

EVIDENCE: Minutes of the September 19, 2022, MPWMD Board meeting.

ITEM: ACTION ITEM**19. CONSIDER ADDING THE POSITION OF PUBLIC OUTREACH COORDINATOR/ PUBLIC OUTREACH SPECIALIST TO THE DISTRICT'S ORGANIZATIONAL CHART**

Meeting Date:	September 19, 2022	Budgeted:	Yes
From:	David J. Stoldt, General Manager	Program/ Line Item No.:	Salary & Benefits
Prepared By:	Suresh Prasad	Cost Estimate:	Range 26 \$89,516; Range 32 \$103,811 (+ benefits/taxes)

General Counsel Approval: N/A**Committee Recommendation:** The Finance and Administration Committee reviewed this item on September 12, 2022 and recommended approval.**CEQA Compliance:** This action does not constitute a project as defined by the California Environmental Quality Act Guidelines Section 15378.

SUMMARY: District has contracted with TMD for Public Outreach and Marketing services since 2020 to provide PR and Public Outreach services, however, the District did not renew the contract for FY 22-23. District staff would like to add the position of Public Outreach Coordinator or Public Outreach Specialist to the District's Organizational Chart due to the growing need for an in-house Public Outreach person. Based on level of experience and qualifications, the District would hire a Public Outreach Coordinator, a senior position, or a Public Outreach Specialist, a position that performs many of the desired functions and advances to the Coordinator with additional experience at the District. This new position will assist the District by making the District's mission and story known to a greater audience via social media, email lists and an increased community presence. The full job description can be found attached as **Exhibit 19-A: Public Outreach Coordinator/Public Outreach Specialist- Job Description**. The Public Outreach Coordinator/Public Outreach Specialist will receive immediate supervision from and reports to the General Manager.

The position would be placed at Range 26 for the Public Outreach Specialist and Range 32 for the Public Outreach Coordinator on the District's salary chart. This placement would be consistent in maintaining internal relationships with other MPWMD job classifications, their requirements, and level of responsibility. The salary range would be consistent in comparison with other agencies for comparable positions in the area. Range 26 monthly salary is between \$6,137.05 to \$7,459.63 monthly and Range 32 is between \$7,117.09 to \$8,650.87.

RECOMMENDATION: The Finance and Administration Committee recommends that the Board authorize staff to add the Public Outreach Coordinator/Public Outreach Specialist position to the District's current organization chart and associated salary range.

IMPACTS TO STAFF/RESOURCES: The FY 2022-2023 budget included fully funded position at Range 26.

EXHIBITS

19-A Public Outreach Coordinator/Specialist- *Job Description*

19-B Proposed District Organizational Chart



EXHIBIT 19-A

PUBLIC OUTREACH COORDINATOR / PUBLIC OUTREACH SPECIALIST

*Based on level of experience and qualifications, the District may hire a Public Outreach Coordinator, a senior position, or a Public Outreach Specialist, a position that perform many of the desired functions and advance to the Coordinator with additional experience at the District. Class specifications are intended to present a descriptive list of the range of duties performed by employees in the class. Specifications are **not** intended to reflect all duties performed within the job.*

DEFINITION

Under direction of the General Manager and the Water Demand Division Manager, performs a variety of duties related to the development, preparation, and implementation of strategic internal and external communications activities to educate customers, promote community engagement, advocate for the District's mission, and increase support for the District's interests, programs, and projects. This position is an advocate for the District's mission by coordinating presentations, workshops and special events; promoting District water conservation programs; and representing the District at community events, meetings, committees, etc.

DISTINGUISHING CHARACTERISTICS

This is a single incumbent classification responsible for developing and supporting the District's community affairs efforts, including informing the public about District activities and how they benefit water customers and the environment, maintaining and improving public relations, ensuring public education, and promoting community involvement. Responsibilities include performing diverse, specialized, and complex work involving significant accountability and decision-making responsibility, as well as extensive staff, public, and organizational contact. Successful performance of the work requires skill in managing projects and coordinating assigned work with other District departments, community groups, and external agencies. An employee in this classification represents the District and its programs in a variety of community and public forums.

ESSENTIAL FUNCTIONS

The following duties are typical for positions in this classification. Any single position may not perform all of these duties and/or may perform similar related duties not listed here:

Essential Functions:

1. Participate in the development and implementation of the District's short- and long-range communication frameworks; plan strategies to disseminate information to customers and the public in an effective and positive manner; design programs and materials to enhance the District's image and maximize public awareness of programs and services available.
2. Assist in the development and implementation of internal and external communications strategies, plans and programs in support of the District mission, vision and goals.

***Monterey Peninsula Water Management District
Public Outreach Coordinator (Continued)***

3. Coordinate, maintain, and manage upkeep of the District's website and social media platforms, including strategic implementation plans with organized, cohesive messaging.
4. Develop print, television, radio and web-based advertising materials; purchase advertising space and time as required.
5. Plan, arrange, and participate in tours, conferences, public hearings, meetings, exhibits, and other community-oriented events.
6. Oversee the preparation of news material and other information for distribution to the media, public, and District employees.
7. Assist in the preparation and publication of regular bulletins, newsletters, memos for internal distribution and ensure consistent branding, messaging, and style.
8. Monitor industry publications for opportunities to submit articles related to District accomplishments and projects; participate in recognition programs, and attend functions sponsored by those agencies in order to increase regional awareness of MPWMD activities.
9. Provide consultation to the General Manager, Board of Directors, and District staff on issues affecting the District's public image.
10. Initiate, develop, and maintain positive contacts with local, regional, state, and federal governments, industry associations/committees, community organizations, and media representatives in support of the District's goals and existing and future programs and services.
11. Liaise with community and industry groups by representing the District at a variety of activities, including community events, committees, special interest working groups, and conferences. Develop displays and promotional materials.
12. Prepare and maintain public education communications, publications and other media.
13. Coordinate with the Water Demand Division Manager and California American Water on joint conservation program advertising and joint website materials.
14. Assist General Manager with legislative affairs.
15. Research potential grant funding opportunities to support District programs and services; manage the grant application process and oversee the transition of funding awards to the grant administrator.

QUALIFICATIONS

Knowledge of:

- Principles and practices of communications and public relations.
- Techniques for effective communication, both written and oral, to diverse audience groups.
- Use and knowledge of computer software such as Word, PowerPoint, Excel, Outlook (Microsoft-based). Knowledge of Adobe Creative Suite is a plus, as well as ability to manipulate PDFs. Photoshop or other design tools is a positive.

***Monterey Peninsula Water Management District
Public Outreach Coordinator (Continued)***

- Proficient with major social media tools and online communications resources such as Constant Contact, MailChimp, CriticalMention, Basecamp. Understanding of video software and ability to post to YouTube Channel.
- Digital content management systems and website best practices, including using online metrics tools.
- Researching contacts to build media/contact lists for targeted pitches.
- Copywriting and copyediting.
- An eye for design and ability to work with artists and designers.
- Customer service principles and practices.
- Basic marketing and publicity techniques and principles.
- Applicable Federal, State, and local laws, regulatory codes, ordinances, and procedures relevant to assigned area of responsibility.
- Basic record keeping principles and procedures.
- English usage, spelling, vocabulary, grammar, and punctuation.

Ability To:

- Learn and share what you know.
- Present District policies, goals, and programs in an easy-to-understand manner.
- Explain technical information to diverse audiences and age groups using layman's terminology.
- Effectively represent the District programs in contact with the public, businesses, community organizations, and other government agencies.
- Obtain consensus when various parties have differing opinions.
- Operate a variety of audio-visual and automated office equipment including standard applicable software.
- Effectively use social media platforms to enhance the District's profile.
- Work collaboratively in a team environment including ability to accept constructive criticism from co-workers.
- Organize and prioritize a variety of projects and multiple tasks in an effective and timely manner; organize own work, set priorities, and meet critical time deadlines.
- Operate modern office equipment including computer equipment and specialized software applications programs.
- Use English and/or Spanish effectively to communicate in person, over the telephone, and in writing.
- Use tact, initiative, prudence, and independent judgment within general policy, procedural, and legal guidelines.
- Establish, maintain, and foster positive and effective working relationships with those contacted in the course of work.
- Sharing cool finds about media, communications, good causes, and new tools that can help improve our work.
- Ability to pass physical examination, including pre-employment assessment of safe work capacity in comparison to the essential job functions for the position.

EXPERIENCE AND TRAINING GUIDELINES — *Any combination of experience and training that would likely provide the required knowledge and abilities is qualifying. A typical way to obtain the knowledge and abilities would be:*

Experience: Three years of increasingly responsible community relations, public relations,

***Monterey Peninsula Water Management District
Public Outreach Coordinator (Continued)***

education, or related experience. Spanish speaking a plus.

Training: Equivalent to a bachelor's degree from an accredited four-year college or university with a major in marketing, communications, journalism, or a related field. Four years of increasingly responsible community relations, public relations, education, or related experience.

LICENSE OR CERTIFICATE:

Possession of, or the ability to obtain, an appropriate, valid driver's license.

WORKING CONDITIONS

The conditions herein are representative of those that must be met by an employee to successfully perform the essential functions of this job. Reasonable accommodations may be made to enable individuals with disabilities to perform the essential job functions.

Environmental Conditions: Office environment, work with computers.

Physical Conditions: Essential functions may require maintaining physical condition necessary for sitting, standing and walking for prolonged periods of time; operating motorized vehicles.

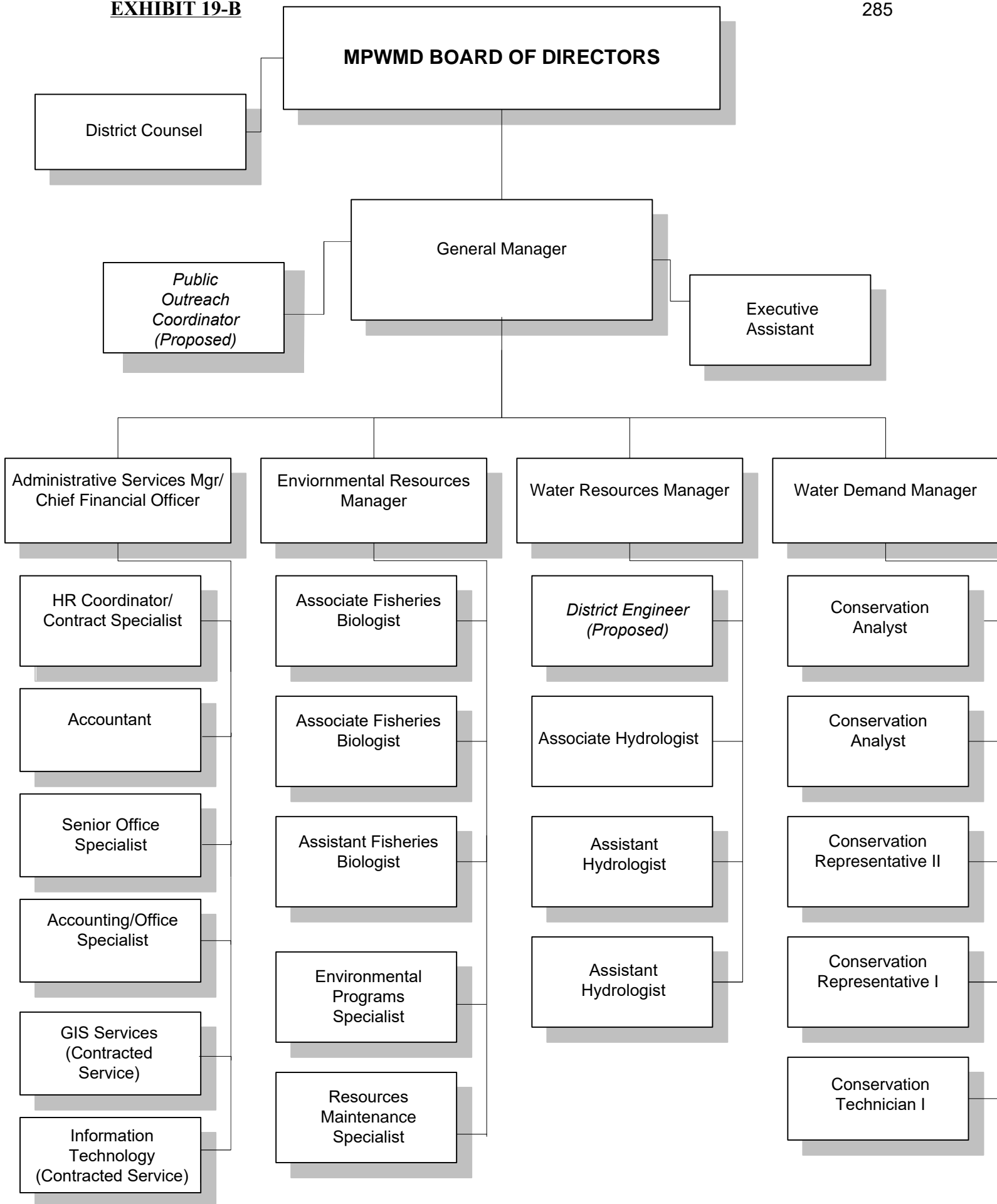
Vision: See in the normal visual range with or without correction; vision sufficient to read small print, computer screens and other printed documents.

Hearing: Hear in the normal audio range with or without correction.

Department: General Managers Office

Exempt: Yes

Approved Date: September 2022



ITEM: ACTION ITEM**20. APPROVE BUDGET AND CONSIDER METHOD FOR HIRING OUTSIDE CONSULTANT FOR PUBLIC OUTREACH SERVICES**

Meeting Date:	September 19, 2022	Budgeted:	No
From:	David J. Stoldt, General Manager	Program/ Line Item No.:	Professional Fees
Prepared By:	David J. Stoldt	Cost Estimate:	\$96,000

General Counsel Review: N/A**Committee Recommendation: The Finance and Administration Committee considered this item on September 12, 2022 and recommended approval of the budget.****CEQA Compliance: This action does not constitute a project as defined by the California Environmental Quality Act Guidelines Section 15378.**

SUMMARY: At its August 22, 2022 meeting, the Public Outreach Committee unanimously recommended that the Board consider to contract with an outside consultant for public outreach services. The committee has discussed several agencies earlier this summer but has not made a recommendation. Among those still being discussed are:

- WellmanAd (wellmanad.com)
- Spoke Consulting (spokeconsulting.com)
- Rauch Communication Consultants (rauchccc.com)
- Rally (wearerally.com)
- KP Public Affairs (ka-pow.com)

Directors are encouraged to review the firms above and/or suggest any additional firms for review.

At its September 12, 2022 meeting the Finance and Administration Committee recommended the Board approve a contract budget with a monthly retainer of no more than \$8,000. If proposed budget for a consultant's contract exceeds that amount, Board approval shall be sought at a subsequent meeting.

RECOMMENDATION: The Board is asked to consider three possible actions: (i) direct staff to hire a firm; (ii) direct staff to solicit statements of interest and qualifications from the firms for review by the Public Outreach committee and recommend a firm to the Board; or (iii) appoint a sub-committee of the Board to solicit statements of interest and qualifications from the firms and recommend a firm to the Board.

EXHIBIT

None

ITEM: ACTION ITEM**21. CONSIDER ADDING THE POSITION OF DISTRICT ENGINEER TO THE DISTRICT'S ORGANIZATION CHART**

Meeting Date:	September 19, 2022	Budgeted:	No
From:	David J. Stoldt, General Manager	Program/ Line Item No.:	Salary & Benefits
Prepared By:	Suresh Prasad	Cost Estimate:	\$154,108 (+ benefits/taxes)

General Counsel Approval: N/A**Committee Recommendation: The Finance and Administration Committee reviewed this item on September 12, 2022 and recommended approval.****CEQA Compliance: This action does not constitute a project as defined by the California Environmental Quality Act Guidelines Section 15378.**

SUMMARY: In 2019, Larry Hampson, the Planning & Engineering Manager/District Engineer retired and the District's restructuring process did not immediately fill the position of Planning & Engineering Manager/District Engineer. Instead, the District has since contracted with Larry to fulfill the role of District Engineer as a retired annuitant on a temporary basis. It is time for that to transition to a qualified District permanent employee.

The District would like to add the position of District Engineer to the District's Organizational Chart separate from the division manager position and promote Maureen Hamilton to the position. Maureen is currently the Senior Water Resources Engineer and has been an integral part of the Water Resources Department by managing the IRWM grant process, ASR backflush expansion, and Pure Water Monterey injection well field. During her tenure with the District, she studied for and passed her tests qualifying her for California registered Professional Engineer status. The District has already approved a contract with Larry for the entirety of the fiscal year, however, if the position of District Engineer is approved then the District will use Larry in an advisory capacity solely to complete projects related to the Sleepy Hollow Steelhead Rearing Facility and then wind down his contract with the District.

The full job description can be found in **Exhibit 21-A: District Engineer- *Job Description***. There is also **Exhibit 21-B** which outlines the new District Organizational Chart. The District Engineer will receive immediate supervision from and reports to the Water Resources Manager.

The position would be placed at Range 48 on the District's salary chart. This placement would be consistent in maintaining internal relationships with other MPWMD job classifications, their requirements, and level of responsibility. The salary range would be consistent in comparison with other agencies for comparable positions in the area. Range 48 monthly salary is between \$10,565.39 to \$12,842.30 monthly.

RECOMMENDATION: The Finance and Administration Committee recommends the Board authorize staff to add the District Engineer position to District's current organization chart and associated salary range.

IMPACTS TO STAFF/RESOURCES: The fully funded position (Senior Water Resources Engineer) was included in the FY 2022-2023 budget. A FY 2022-2023 contract with Larry Hampson employing him as District Engineer was also fully funded, however, we will not be using the entirety of the contractual amount. Adjustments to the salary budget will be included with the FY 2022-2023 mid-year budget.

EXHIBITS

21-A District Engineer- *Job Description*

21-B District Organizational Chart

EXHIBIT 21-A**DISTRICT ENGINEER**

*Class specifications are intended to present a descriptive list of the range of duties performed by employees in the class. Specifications are **not** intended to reflect all duties performed within the job.*

DEFINITION

To manage, oversee and participate in comprehensive planning efforts to document and manage regional water resources, representing the District in related negotiations and agreements with public agencies and private organizations. To perform professional engineering duties involving hydrologic and environmental research, analysis, interpretation and program development; to implement major engineering and environmental management programs across the District; and to perform a variety of technical tasks relative to assigned area of responsibility.

DISTINGUISHING CHARACTERISTICS

This is the advanced journey level of professional engineering job classes. Positions at this level are characterized by the performance of the most technically-advanced, professional-level research studies, and/or management of the more complex District projects. Employees at this level are expected to conduct in-depth analysis and understand complex principles and theories, laws and regulations and structures of other related governmental agencies which regularly interact with the District. Incumbents may solicit and administer grants, serve as District representative and technical advisor to committees, and exercise direction over professional and technical staff.

Senior Water Resources Engineer position is distinguished from the District Engineer position by the latter position's exercise of direction over professional and technical staff; and initiation of water resource, engineering, and administrative programs.

SUPERVISION RECEIVED AND EXERCISED

Receives general direction from the Water Resources Division Manager; provides direction over activities of other District staff, consultants, and contract employees on special projects.

ESSENTIAL AND MARGINAL FUNCTION STATEMENTS

The following duties are typical for positions in this classification. Any single position may not perform all of these duties and/or may perform similar related duties not listed here:

ESSENTIAL FUNCTIONS:

1. Conduct field and office engineering studies related to the planning, design, and construction of civil engineering projects and confer with other District staff and consultants to coordinate projects and activities. Such projects include, but are not limited to well construction, water pipeline construction, water quality testing, use of recycled water, use of recirculating aquaculture systems, construction of

Monterey Peninsula Water Management District
District Engineer (Continued)

- fish passage facilities, reservoir maintenance, modification of stream banks, or riparian enhancement projects.
2. Manage, oversee and participate in engineering projects identified in paragraph 1, including the preparation of plans, specifications, cost and quantity estimates; secure appropriate permits; prepare bid documents; maintain accurate records, and prepare periodic and special reports; negotiate terms and fees; approve contractor and consultant pay requests.
 3. Plan, prioritize, assign, supervise and review the work of consultants responsible for projects identified in paragraph 1 above.
 4. Participate in construction field activities including mark and layout field work locations; interpret plans and resolve problems during construction; enforce permit conditions; prepare and review as-built plans to ensure compliance with original plans and specifications; perform long-term monitoring including photo documentation, surveys, and prepare periodic reports.
 5. Participate and/or coordinate District actions to obtain grant funds from Federal and State grant programs; coordinate project solicitations within the District; administer grant funding.
 6. Provide technical assistance to private property owners regarding stream bank stabilization and repair; coordinate authorizations and permits from Federal, State, and local regulatory agencies for new stream restoration projects.
 7. Review applications for river work permits and make recommendations to the Planning & Engineering Manager regarding conformance to District standards; inspect authorized work; make recommendations to permittee and/or the Planning and Engineering Manager regarding conformance with river work permits.
 8. Gather and interpret hydrologic data including photos, cross-sections, profiles and sediment transport.
 9. Inspect the Carmel River to identify and document erosion hazards, riparian ordinance violations, and opportunities for enhancement; make recommendations to the Planning and Engineering Manager regarding appropriate corrective projects and actions.
 10. Make presentations to public agencies and private groups concerning projects.
 11. Prepare drafts of the following documents: requests for proposals and calls for bids; contract plans and specifications; review contract bids and proposals; participate in the review of contractor work activities.
 12. Maintain constant awareness of progress on assigned projects to ensure compliance with designated time and cost schedules for project completion.
 13. Inspect construction projects and perform a full range of construction contract administration duties; document onsite conditions; represent the District on site; provide reports and recommendations to senior staff as required to complete project construction.
 14. Participate in budget preparation; prepare cost estimates for project budget recommendations; monitor and control expenditures on assigned projects.
 15. Establish schedules and methods for providing assigned services; identify resource needs; review needs with appropriate management staff; allocate resources accordingly.

Monterey Peninsula Water Management District
District Engineer (Continued)

16. Represent the District to other governmental and regulatory agencies, professional and community groups and others; answer questions and provide information to the public; investigate complaints and recommend corrective actions as necessary to resolve complaints.
17. Perform related duties and responsibilities as required.

QUALIFICATIONS

KNOWLEDGE OF:

- Civil engineering principles and practices related to one or more of the following activities: planning, design, construction, and construction management skills relevant and applicable to well construction, water pipeline construction, water quality testing, use of recycled water, use of recirculating aquaculture systems, construction of fish passage facilities, reservoir maintenance projects, stream bank stabilization, repair, and other streamside corridor enhancement projects, river mechanics, or fluvial geomorphology.
- Principles and practices of project and construction management.
- Principles and practices of engineering design.
- Principles and practices of engineering surveying.
- Terminology, methods, practices, and techniques used in technical civil engineering report preparation.
- Principles and practices of budget preparation and control.
- Principles of mathematics as applied to engineering work.
- Recent developments, current literature, and sources of information regarding civil engineering of stream and river restoration projects, construction of new and recycled water supply projects, and projects to enhance anadromous fisheries.
- Modern office procedures, methods, and computer software and hardware as related to the solution of engineering problems.
- Pertinent federal, state, and local laws, codes, and regulations governing civil engineering, construction, and water quality including Section 401 and 404 of the federal Clean Water Act, the federal and state Endangered Species Acts, the California Environmental Quality Act, the California Department of Fish and Wildlife Code, and Monterey County Ordinances.

ABILITY TO:

- Plan, organize, and supervise the work of technical staff and consultants.
- Manage complex engineering projects.
- Administer and coordinate various projects and activities simultaneously.
- Ensure project compliance with appropriate federal, state, and local rules, laws, and regulations.
- Coordinate phases of construction projects and prepare progress reports.
- Analyze problems, identify alternative solutions, project consequences of proposed actions, and implement recommendations in support of goals.
- Conduct comprehensive engineering studies and develop appropriate recommendations.
- Perform technical research and solve difficult engineering problems.
- Prepare and maintain technical civil engineering records and prepare comprehensive reports.
- Compile rough technical data and prepare statistical and narrative reports from field studies.
- Develop, review and modify civil engineering plans, designs, and specifications.
- Exercise professional engineering judgment to achieve results consistent with objectives.

Monterey Peninsula Water Management District
District Engineer (Continued)

- Identify threatened and endangered species in the field.
- Understand pertinent sections of the federal and state Endangered Species Acts.
- Incorporate measures to protect threatened species into project designs and project maintenance.
- Use sophisticated word processing, spreadsheet, modeling, and graphical design programs.
- Communicate clearly and concisely, both orally and in writing.
- Establish and maintain effective working relationships with those contacted in the course of work.
- Maintain physical condition appropriate to the performance of assigned duties and responsibilities.

EXPERIENCE AND TRAINING GUIDELINES — Any combination of experience and training that would likely provide the required knowledge and abilities is qualifying. A typical way to obtain the knowledge and abilities would be:

EXPERIENCE

Six years of increasingly responsible professional civil engineering experience with two years of project management responsibility.

TRAINING

A Bachelor's degree from an accredited college or university with major course work in civil engineering or closely related field.

LICENSE OR CERTIFICATE:

Possession of a valid certificate of registration as a Professional Civil Engineer in the State of California; or possession of a certificate of registration by any state Board for Professional Engineers and willingness to obtain a Professional Engineer certificate of registration in the State of California within 18 months.

Possession of, or the ability to obtain, an appropriate, valid driver's license.

WORKING CONDITIONS

The conditions herein are representative of those that must be met by an employee to successfully perform the essential functions of this job. Reasonable accommodations may be made to enable individuals with disabilities to perform the essential job functions.

ENVIRONMENTAL CONDITIONS:

Office and field environment; travel from site to site; exposure to atmospheric conditions; work around moving water; work with computers.

PHYSICAL CONDITIONS:

Essential functions may require maintaining physical condition necessary for sitting, standing and walking for prolonged periods of time in and around river beds; operating motorized vehicles.

VISION:

See in the normal visual range with or without correction; vision sufficient to read small print, computer screens and other printed documents.

HEARING:

Hear in the normal audio range with or without correction.

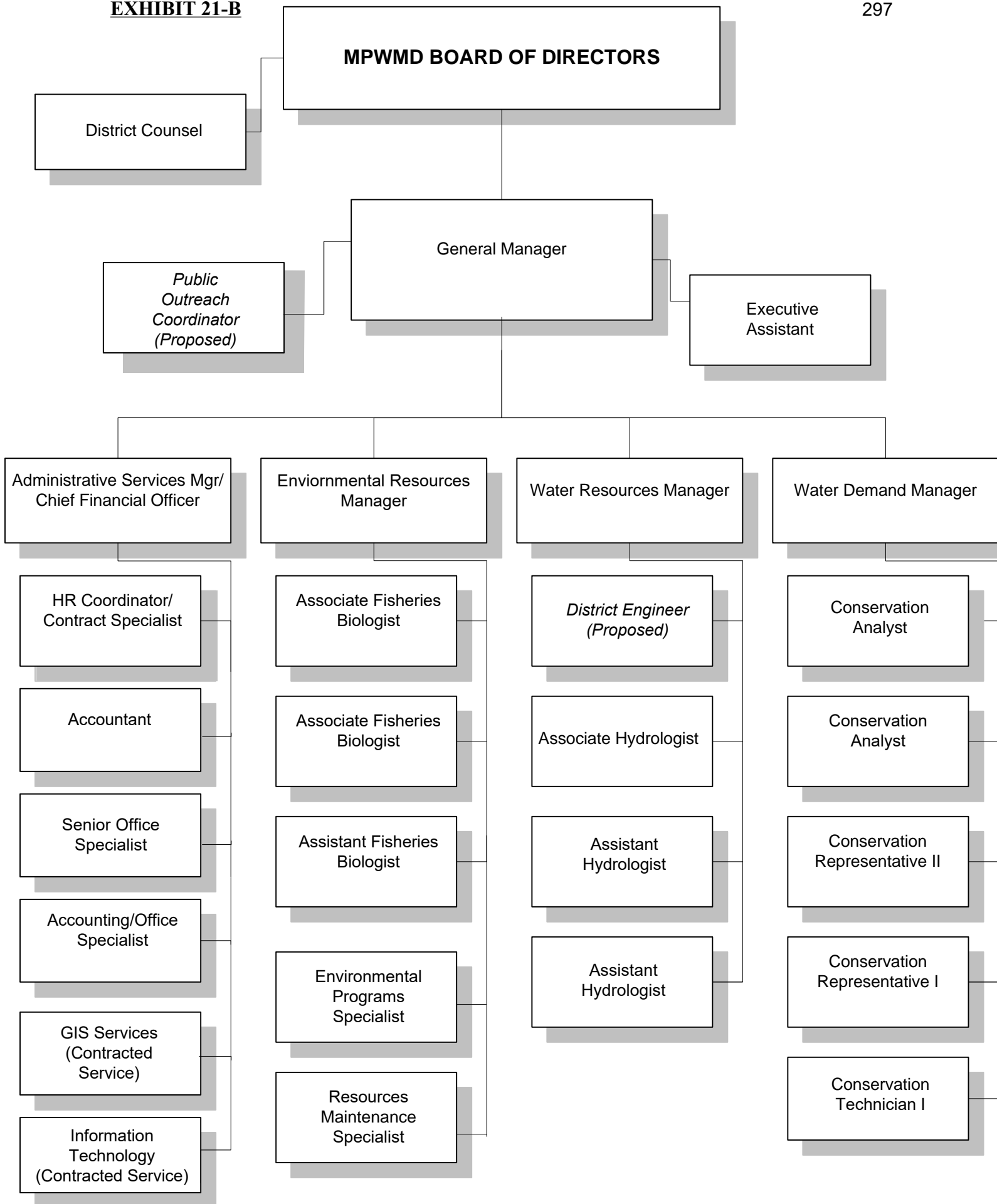
***Monterey Peninsula Water Management District
District Engineer (Continued)***

Department: Water Resources Department

Exempt: Yes

Approved Date: September 2022

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ITEM: ACTION ITEM**22. CONSIDER ADOPTION OF RESOLUTION 2022-26: A RESOLUTION OF THE BOARD OF DIRECTORS AUTHORIZING THE GRANT APPLICATION, ACCEPTANCE, AND EXECUTION FOR THE EXPANSION OF THE PURE WATER MONTEREY PROJECT**

Meeting Date:	September 19, 2022	Budgeted:	N/A
From:	David J. Stoldt, General Manager	Program/ Line Item No.:	N/A
Prepared By:	David J. Stoldt	Cost Estimate:	N/A

General Counsel Approval: 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: Late last year, Monterey One Water (M1W) submitted a grant application to the California Department of Water Resources (DWR) for the Urban & Multi-Benefit Drought Relief Grant Program. The request was \$9.5 million for Pure Water Monterey Expansion (PWMX).

DWR made the award announcement in March 2022 and did not include M1W on the funding list.

In July, DWR staff provided some excellent feedback:

- 1) Project readiness. We obviously are a lot farther along than we were in November.
- 2) Waiver for projects serving disadvantaged communities (DACs) – some of the areas to benefit from PWMX could be in DACs. (portions of Seaside and Monterey)
- 3) They are prioritizing awards based on technical review. PWMX is much farther along versus 9 months ago, hence should get a higher score.
- 4) It needs to be in response to an emergency. We will highlight drought, the Cease and Desist Order, and housing (RHNA) numbers.
- 5) Needs to help urban water supplies. This is where they said M1W was the wrong agency to apply for the program. We are in a much better position to score higher and to get more funding for PWMX if MPWMD takes the lead this go round.

RECOMMENDATION: The General Manager recommends that the Board adopt Resolution 2022-26 and direct staff to submit a grant application.

EXHIBIT**22-A Resolution 2022-26**

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DRAFT**RESOLUTION 2022-26**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE
MONTEREY PENINSULA WATER MANAGEMENT DISTRICT
AUTHORIZING THE GRANT APPLICATION, ACCEPTANCE, AND EXECUTION FOR
THE EXPANSION OF THE PURE WATER MONTEREY PROJECT**

WHEREAS, The Monterey Peninsula Water Management District (“District”) is organized and exists under the Monterey Peninsula Water Management District Law (Chapter 527 of the Statutes of 1977, and published at Water Code Appendix, Section 118-1, et seq.) (“District Law”).

WHEREAS, Pursuant to Section 325 of the District Law, and except as otherwise limited by the District Law, the District has the power to do any and every lawful act necessary in order that sufficient water may be available for any present or future beneficial use or uses of the lands or inhabitants within the District, including, but not limited to, irrigation, domestic, fire protection, municipal, commercial, industrial, recreational, and all other beneficial uses and purposes.

WHEREAS, Pursuant to Section 328 of the District Law, the District has the power, among other things, (a) to acquire public or private water systems necessary or proper to carry out the purposes of the District Law; (b) to store water in surface or underground reservoirs within or outside of the District for the common benefit of the District; (c) To conserve and reclaim water for present and future use within the District; (d) To appropriate and acquire water and water rights, and import water into the District and to conserve and utilize, within or outside of the District, water for any purpose useful to the District.

WHEREAS, Section 326 of the District Law authorizes the District to fix, revise, and collect rates and charges for the services, facilities, or water furnished by it, and authorizes the District to collect its rates and charges via the tax roll or other billing methods. Section 308 of the District Law authorizes the District, by resolution or ordinance, to fix and collect rates and charges for the providing of any service it is authorized to provide.

WHEREAS, The District engages in a variety of activities that supply water to properties within the District via a distribution system owned by California American Water (CAW), including water supplied by the Aquifer Storage and Recovery project and the Pure Water Monterey project.

WHEREAS, the Board of Directors of Monterey One Water (the “Agency”) proposes to implement the Expansion of the Pure Water Monterey Project (the “Project”) in partnership with the District;

WHEREAS, the Expansion of the Pure Water Monterey Project is being implemented in response to a drought scenario, as defined by Water Code section 13198(a) and is intended to (1) reduce vulnerability to drought, (2) relieve a Cease and Desist Order imposed by the State Water Board, (3) address immediate impacts on human health and safety and fish and wildlife resources, (4) provide water to persons or communities that are disadvantaged;

WHEREAS, the District has the legal authority and is authorized to enter into a funding agreement with the State of California; and

WHEREAS, the District intends to apply for grant funding from the California Department of Water Resources for the Expansion of the Pure Water Monterey Project;

NOW, THEREFORE, BE IT RESOLVED, as follows:

1. That pursuant and subject to all of the terms and provisions of the Budget Act of 2022, the District’s General Manager, or designee, is hereby authorized and directed to prepare and file an application for funding with the Department of Water Resources, and take such other actions as necessary or appropriate to obtain grant funding.
2. The District’s General Manager, or designee, is hereby authorized and directed to execute the funding agreement with the Department of Water Resources and any amendments thereto.

3. The District's General Manager, or designee, is hereby authorized and directed to submit any required documents, invoices, and reports required to obtain grant funding.

On motion of Director _____, and second by Director _____, the foregoing resolution is duly adopted this 19th day of September 2022 by the following votes:

AYES:

NAYS:

ABSENT:

I, David J. Stoldt, Secretary to the Board of Directors of the Monterey Peninsula Water Management District, hereby certify that the foregoing is a resolution duly adopted on the 19th day of September 2022.

Witness my hand and seal of the Board of Directors this ____ day of September 2022.

David J. Stoldt,
Secretary to the Board

ITEM: INFORMATIONAL ITEM/STAFF REPORT**23. REPORT ON ACTIVITY/PROGRESS ON CONTRACTS OVER \$25,000**

Meeting Date: September 19, 2022 **Budgeted:** N/A

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

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

General Counsel Review: N/A

Committee Recommendation: The Finance and Administration Committee reviewed this item on September 12, 2022.

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

SUMMARY: Attached for review is **Exhibit 23-A**, monthly status report on contracts over \$25,000 for the period June 2022. This status report is provided for information only, no action is required.

EXHIBIT

23-A Status on District Open Contracts (over \$25k)

EXHIBIT 23-A

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Monterey Peninsula Water Management District Status on District Open Contracts (over \$25K) For The Period June 2022

Contract	Description	Date Authorized	Contract Amount	Prior Period Expended To Date	Current Period Spending	Total Expended To Date	Expected Completion	Current Period Activity	P.O. Number
	City of Sand City	IRWM Grant Reimbursement	3/28/2022	\$ 1,084,322.50	\$ -	\$ 3,283.75	\$ 3,283.75	Current period IRWM Grant reimbursement	PO03093
	DeVeera Inc.	Dell PE R740XD Series Server (2)	6/21/2021	\$ 60,000.00	\$ -	\$ 45,873.53	\$ 45,873.53	Purchase of new servers as authorized by the Board	PO03025
1	Marina Coast Water District	IRWM Grant Reimbursement	3/28/2022	\$ 83,079.00	\$ 1,716.50	\$ 539.00	\$ 2,255.50	Current period IRWM Grant reimbursement	PO02947
2	City of Seaside	IRWM Grant Reimbursement	3/28/2022	\$ 578,987.90	\$ 13,036.20	\$ 20,267.12	\$ 33,303.32	Current period IRWM Grant reimbursement	PO02948
3	Telemetrix	Sleepy Operations Consultant TMX Contract	4/18/2022	\$ 26,000.00	\$ 23,872.00	\$ 1,650.00	\$ 25,522.00	Current period billing for sleepy hollow operations support	PO02928
4	Lapkoff & Gobalet Demographic Research, Inc.	2021 MPWMD Redistricting	6/21/2021	\$ 52,000.00	\$ 47,500.00		\$ 47,500.00		PO02927
5	Montgomery & Associates	Annual Groundwater Modeling support	11/15/2021	\$ 50,000.00	\$ 12,339.00	\$ 5,247.00	\$ 17,586.00	Current period billing for groundwater monitoring support	PO02849
6	DUDEK	Grant administration services for the Proposition 1 IRWM Implementation	12/14/2020	\$ 114,960.00	\$ 20,912.50	\$ 60.00	\$ 20,972.50	Current period billing for Prop 1 IRWM grant administration services	PO02847
7	Shute, Mihaly & Weinberger LLP	Measure J LAFCO Litigation Legal Services	1/1/2022	\$ 110,000.00	\$ 63,246.50	\$ 27,857.71	\$ 91,104.21	Current period billing for LAFCO Measure J litigation services	PO02843
8	Reiff Manufacturing	Quarantine tanks with for the Sleepy Hollow steelhead facility	10/18/2022	\$ 48,000.00	\$ 40,350.00		\$ 40,350.00		PO02824
9	Psomas	Measure J/Rule 19.8 MPWMD Survey Services	9/20/2021	\$ 28,000.00	\$ 25,900.00		\$ 25,900.00		PO02791
10	Regional Government Services	Human Resouces contractual services	6/21/2021	\$ 70,000.00	\$ 31,141.70	\$ 1,445.25	\$ 32,586.95	Current period billing for HR services	PO02698
11	The Marketing Department	Outreach Consultant Contract FY 2021/2022	6/21/2021	\$ 51,000.00	\$ 29,750.00	\$ 6,375.00	\$ 36,125.00	Current period billing for outreach serveices	PO02696
12	Tetra Tech, Inc.	Engineering services Sleepy Hollow Facility Upgrade	6/21/2021	\$ 67,500.00	\$ 34,529.05	\$ 616.11	\$ 35,145.16	Current period billing for Sleepy Hollow engineering services	PO02693
13	DeVeera Inc.	Dell PE R740XD Series Server (2)	6/21/2021	\$ 60,000.00	\$ -		\$ -		PO02666
14	Zim Industries, Inc.	ASR 1 Rehabilitation	2/25/2021	\$ 113,350.00	\$ 106,277.25		\$ 106,277.25		PO02650
15	DeVeera Inc.	IT Managed Services Contract for FY 2021/2022	6/21/2021	\$ 58,728.00	\$ 53,827.40	\$ 4,893.40	\$ 58,720.80	Current period billing for IT managed services	PO02647
16	DeVeera Inc.	BDR Datto Services Contract FY 2021/2022	6/21/2021	\$ 26,352.00	\$ 24,156.00	\$ 2,196.00	\$ 26,352.00	Current period billing for IT backup services	PO02646
17	The Ferguson Group LLC	2021-22 - Legislative and Administrative Services	6/21/2021	\$ 99,500.00	\$ 88,869.21	\$ 8,071.60	\$ 96,940.81	Current period retainer billing	PO02645
18	JEA & Associates	Legislative and Administrative Services	6/21/2021	\$ 43,400.00	\$ 35,200.00	\$ 3,200.00	\$ 38,400.00	Current period retainer billing	PO02644
19	Lynx Technologies, Inc	Geographic Information Systems contractual services	6/21/2021	\$ 35,000.00	\$ 16,700.00	\$ 2,100.00	\$ 18,800.00	Current period billing for GIS services	PO02637
20	Pueblo Water Resources, Inc.	ASR Operations Support	6/21/2021	\$ 75,000.00	\$ 53,807.14		\$ 53,807.14		PO02630
21	MBAS	ASR Water Quality	6/21/2021	\$ 40,000.00	\$ 36,712.50	\$ 507.00	\$ 37,219.50	Current period billing for water testing services	PO02627
22	Monterey One Water	PWM Deep Injection Well #4 Design/Construction	9/21/2020	\$ 4,070,000.00	\$ 1,109,051.76		\$ 1,109,051.76		PO02604
23	Goodin, MacBride, Squeri & Day, LLP	Legal Fee Related MPWSP	4/1/2021	\$ 50,000.00	\$ 29,848.31		\$ 29,848.31		PO02601
24	Local Agency Formation Commission (LAFCO) of Monterey County	Measure J/Rule 19.8 MPWMD LAFCO Application Procees	5/17/2021	\$ 232,800.00	\$ 210,584.62		\$ 210,584.62		PO02598
25	FISHBIO	Carmel River Fish Weir	8/17/2020	\$ 130,000.00	\$ 126,799.07		\$ 126,799.07		PO02586

Monterey Peninsula Water Management District
Status on District Open Contracts (over \$25K)
For The Period June 2022

Contract	Description	Date Authorized	Contract Amount	Prior Period Expended To Date	Current Period Spending	Total Expended To Date	Expected Completion	Current Period Activity	P.O. Number
26	Shute, Mihaly & Weinberger LLP	Measure J CEQA Litigation Legal Services	12/23/2020	\$ 200,000.00	\$ 134,820.57	\$ 6,112.99	\$ 140,933.56	Current period billing related to Measure J CEQA litigation legal services	PO02490
27	De Lay & Laredo	Measure J/Rule 19.8 3rd Party Operations Phase II	12/16/2019	\$ 87,000.00	\$ 18,690.50		\$ 18,690.50		PO02398
28	Weston Solutions, Inc.	UXO Support Services	6/15/2020	\$ 26,378.70	\$ 5,677.76		\$ 5,677.76		PO02371
29	Denise Duffy & Assoc. Inc.	CEQA addendum for ASR Parallel Pipeline	4/20/2020	\$ 28,567.00	\$ 25,970.44		\$ 25,970.44		PO02363
30	De Lay & Laredo	Measure J/Rule 19.8 Appraisal/MAI Services	6/15/2020	\$ 120,000.00	\$ 76,032.00		\$ 76,032.00		PO02316
31	De Lay & Laredo	Measure J/Rule 19.8 Appraisal/Rate Study Phase II	12/16/2019	\$ 200,000.00	\$ 188,683.75		\$ 188,683.75		PO02282
32	De Lay & Laredo	Measure J/Rule 19.8 Operations Plan - Phase II	12/16/2019	\$ 145,000.00	\$ 62,077.50		\$ 62,077.50		PO02281
33	De Lay & Laredo	Measure J/Rule 19.8 CEQA Services Consultant	12/16/2019	\$ 134,928.00	\$ 134,779.54		\$ 134,779.54		PO02273
34	Rutan & Tucker, LLP	Rule 19.8 Eminent Domain Legal Services Phase II	12/16/2019	\$ 200,000.00	\$ 168,265.94		\$ 168,265.94		PO02236
35	Norton Rose Fulbright	Cal-Am Desal Structuring & Financing Order	4/20/2015	\$ 307,103.13	\$ 38,557.29		\$ 38,557.29		PO02197
36	Pueblo Water Resources, Inc.	ASR SMWTF Engineering Services During Construction	10/21/2019	\$ 148,100.00	\$ 142,709.87		\$ 142,709.87		PO02163
37	U.S. Bank Equipment Finance	Copier machine leasing - 60 months	7/15/2019	\$ 52,300.00	\$ 28,887.36	\$ 871.81	\$ 29,759.17	6/30/2024 Current period billing for photocopy machine lease	PO02108
38	Monterey One Water	Supplemental EIR Costs for PWM Expansion Project	3/18/2019	\$ 750,000.00	\$ 731,336.70		\$ 731,336.70		PO02095
39	Monterey One Water	Pre-Construction Costs for PWM Expansion Project	11/13/2017	\$ 360,000.00	\$ 312,617.94		\$ 312,617.94		PO02094
40	DUDEK	Consulting Services for Prop 1 grant proposal	4/15/2019	\$ 95,600.00	\$ 94,315.05		\$ 94,315.05		PO01986
41	Denise Duffy & Associates	Consulting Services IRWM plan update	12/17/2018	\$ 55,000.00	\$ 53,322.32		\$ 53,322.32		PO01985
42	Tetra Tech, Inc.	Engineering services Sleepy Hollow Facility Upgrade	7/16/2018	\$ 30,000.00	\$ 26,878.87		\$ 26,878.87		PO01880
43	Ecology Action of Santa Cruz	IRWM HEART Grant	4/16/2018	\$ 152,600.00	\$ 86,362.33		\$ 86,362.33		PO01824
44	Pueblo Water Resources, Inc.	ASR Backflush Basin Expansion, CM services	7/16/2018	\$ 96,034.00	\$ 68,919.39		\$ 68,919.39		PO01778
45	Rural Community Assistance Corporation	IRWM DAC Needs Assessment	4/16/2018	\$ 100,000.00	\$ 99,250.00		\$ 99,250.00		PO01777
46	Mercer-Fraser Company	Sleepy Hollow Intake upgrade project	7/16/2018	\$ 2,075,000.00	\$ 2,047,318.58		\$ 2,047,318.58		PO01726
47	Colantuono, Highsmith, & Whatley, PC	MPTA Legal Matter	7/1/2018	\$ 100,000.00	\$ 65,792.68	\$ 14,574.00	\$ 80,366.68	Current period billing for MPTA legal matter	PO01707
48	Pueblo Water Resources, Inc.	Seaside Groundwater Basin Geochemical Study	1/24/2018	\$ 68,679.00	\$ 59,881.35		\$ 59,881.35		PO01628
49	Pueblo Water Resources, Inc.	SSAP Water Quality Study	8/21/2017	\$ 94,437.70	\$ 44,318.11		\$ 44,318.11		PO01510
50	Normandeau Associates, Inc.	Assistance with IFIM Study	11/13/2017	\$ 35,000.00	\$ 31,482.50		\$ 31,482.50		PO01509
51	Balance Hydrologics, Inc	Design Work for San Carlos Restoration Project	6/19/2017	\$ 51,360.00	\$ 50,894.32		\$ 50,894.32		PO01321
52	AECOM Technical Services, Inc.	Los Padres Dam Alternatives Study	1/25/2017	\$ 794,920.00	\$ 697,332.64	\$ 23,414.30	\$ 720,746.94	Current period billing for Los Padres Dsam Study	PO01268

Monterey Peninsula Water Management District
Status on District Open Contracts (over \$25K)
For The Period June 2022

Contract	Description	Date Authorized	Contract Amount	Prior Period Expended To Date	Current Period Spending	Total Expended To Date	Expected Completion	Current Period Activity	P.O. Number
53	Denise Duffy & Assoc. Inc.	MMRP Services for Monterey Pipeline	1/25/2017	\$ 80,000.00	\$ 73,144.06		\$ 73,144.06		PO01202
54	Goodin,MacBride,Squeri,Day,Lamprey	User Fee PUC Proceedings Legal Fee	7/1/2016	\$ 50,000.00	\$ 49,318.05		\$ 49,318.05	6/30/2022	PO01100
55	Whitson Engineers	Carmel River Thawleg Survey	9/19/2018	\$ 52,727.43	\$ 49,715.00		\$ 49,715.00		PO01076
56	HDR Engineering, Inc.	Los Padres Dam Fish Passage Study	4/18/2016	\$ 320,000.00	\$ 316,085.56		\$ 316,085.56		PO01072
57	Michael Hutnak	GS Flow Modeling for Water Resouces Planning	8/19/2013	\$ 71,800.00	\$ 65,880.00		\$ 65,880.00		PO00123
58	Justin Huntington	GS Flow Modeling for Water Resouces Planning	8/19/2013	\$ 59,480.00	\$ 53,918.98		\$ 53,918.98		PO00122

ITEM: INFORMATIONAL ITEM/STAFF REPORT**24. STATUS REPORT ON MEASURE J/RULE 19.8 PHASE II SPENDING**

Meeting Date:	September 19, 2022	Budgeted:	N/A
From:	David J. Stoldt, General Manager	Program/ Line Item No.:	N/A
Prepared By:	Suresh Prasad	Cost Estimate:	N/A

General Counsel Review: N/A**Committee Recommendation: The Finance and Administration Committee reviewed this item on September 12, 2022.****CEQA Compliance: This action does not constitute a project as defined by the California Environmental Quality Act Guidelines Section 15378.**

SUMMARY: Attached for review is **Exhibit 24-A**, monthly status report on Measure J/Rule 19.8 Phase II spending for the period June 2022. This status report is provided for information only, no action is required.

EXHIBIT**24-A** Status on Measure J/Rule 19.8 Phase II Spending

**Monterey Peninsula Water Management District
Status on Measure J/Rule 19.8 Spending Phase II
Through June 2022**

	Contract	Date Authorized	Contract/Approved Amount	Prior Period Spending	Current Period Spending	Total Expended To Date	Spending Remaining	Project No.
1	Eminent Domain Legal Counsel	12/16/2019	\$ 345,000.00	\$ 168,265.94		\$ 168,265.94	\$ 176,734.06	PA00005-01
2	CEQA Work	12/16/2019	\$ 134,928.00	\$ 134,779.54		\$ 134,779.54	\$ 148.46	PA00005-02
3	Appraisal Services	12/16/2019	\$ 430,000.00	\$ 188,683.75		\$ 188,683.75	\$ 241,316.25	PA00005-03
4	Operations Plan	12/16/2019	\$ 145,000.00	\$ 94,860.00		\$ 94,860.00	\$ 50,140.00	PA00005-04
5	District Legal Counsel	12/16/2019	\$ 40,000.00	\$ 157,304.16	\$ 3,052.50	\$ 160,356.66	\$ (120,356.66)	PA00005-05
6	MAI Appraiser	12/16/2019	\$ 170,000.00	\$ 76,032.00		\$ 76,032.00	\$ 93,968.00	PA00005-06
7	Jacobs Engineering	12/16/2019	\$ 87,000.00	\$ 86,977.36		\$ 86,977.36	\$ 22.64	PA00005-07
8	LAFCO Process	12/16/2019	\$ 240,000.00	\$ 217,784.62		\$ 217,784.62	\$ 22,215.38	PA00005-08
8	PSOMAS	9/20/2021	\$ 28,000.00	\$ 25,308.49		\$ 25,308.49	\$ 2,691.51	PA00005-09
9	Contingency/Miscellaneous/Uncommitted	12/16/2019	\$ 289,072.00	\$ 36,888.96	\$ 2,364.63	\$ 39,253.59	\$ 249,818.41	PA00005-20
	Total		\$ 1,909,000.00	\$ 1,186,884.82	\$ 5,417.13	\$ 1,192,301.95	\$ 716,698.05	

1	Measure J CEQA Litigation Legal Services	12/23/2020	\$ 200,000.00	\$ 134,820.57	\$ 5,482.49	\$ 140,303.06	\$ 59,696.94	PA00005-15
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1	Measure J LAFCO Litigation Legal Services	1/1/2022	\$ 110,000.00	\$ 63,246.50	\$ 27,857.71	\$ 91,104.21	\$ 18,895.79	PA00005-16
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Phase I Costs
Status on Measure J/Rule 19.8 Spending
Through November 2019

	Contract	Date Authorized	Contract Amount	Prior Period Spending	Current Period Spending	Total Expended To Date	Spending Remaining	Project No.
1	Eminent Domain Legal Counsel	12/17/2018	\$ 100,000.00	\$ 148,802.21	\$ 12,195.95	\$ 160,998.16	\$ (60,998.16)	PA00002-01
2	Investment Banking Services	2/21/2019	\$ 30,000.00	\$ -	\$ 27,000.00	\$ 27,000.00	\$ 3,000.00	PA00002-02
3	Valuation & Cost of Service Study Consulta	2/21/2019	\$ 355,000.00	\$ 247,690.63	\$ 39,274.54	\$ 286,965.17	\$ 68,034.83	PA00002-03
4	Investor Owned Utility Consultant	2/21/2019	\$ 100,000.00	\$ 84,221.69		\$ 84,221.69	\$ 15,778.31	PA00002-04
5	District Legal Counsel		\$ 35,000.00	\$ 33,763.61	\$ 8,133.98	\$ 41,897.59	\$ (6,897.59)	PA00002-05
6	Contingency/Miscellaneous		\$ 30,000.00	\$ 9,931.83	\$ 33,814.12	\$ 43,745.95	\$ (13,745.95)	PA00002-10
	Total		\$ 650,000.00	\$ 524,409.97	\$ 120,418.59	\$ 644,828.56	\$ 5,171.44	

ITEM: INFORMATIONAL ITEM/STAFF REPORT**25. LETTERS RECEIVED AND SENT****Meeting Date:** September 19, 2022**Budgeted:** N/A**From:** David J. Stoldt,
General Manager**Program/** N/A
Line Item No.:**Prepared By:** Joel G. Pablo**Cost Estimate:** N/A**General Counsel Review:** N/A**Committee Recommendation:** N/A**CEQA Compliance:** This action does not constitute a project as defined by the California Environmental Quality Act Guidelines Section 15378.

A list of letters sent by and/or received by the Board Chair and/or General Manager between August 10, 2022 and September 13, 2022 is shown below.

The purpose of including a list of these letters in the Board packet is to inform the Board and interested citizens. Copies of the letters are available for public review at the District office. If a member of the public would like to receive a copy of any letter listed, please contact the District office. Reproduction costs will be charged. The letters can also be downloaded from the District's website at www.mpwmd.net.

Author	Addressee	Date	Topic
Greta Arevalo	General Manager	August 12, 2022	Press Release- Notice of Extended Filing Period for Elective Office (November 2022 General Election)
Rudy Fischer	General Manager	August 14, 2022	Denial of MPWMD Request by the State Water Resources Control Board
Melodie Chrislock	Board of Directors and General Manager	August 15, 2022	Herald Letter to the Editor: Do We Need Cal-Am's Desal? By Melodie Chrislock
Melodie Chrislock	Board of Directors and General Manager	August 16, 2022	Senate Bill 1469 – The Water Rate Adjustment Mechanism (WRAM) Surcharges
Susan Schiavone	Board of Directors	August 19, 2022	Subject Line: Letter to the Pine Cone – August 5, 2022 for Board Packet <i>Letter to the Editor: Cal Am and private vs. public</i>

Melodie Chrislock	Board of Directors and General Manager	August 20, 2022	<i>In response to an e-mail dated August 20, 2022 from the Monterey County Association of Realtors</i> Subject Line: FW: Government Affairs Update for MCAR Members
Mary L. Adams	Dave Stoldt	August 24, 2022	Invitation to the Regional Water Forum at the Monterey County Board of Supervisor's Chambers (<i>Hybrid both on-site and via teleconference means</i>) at its Regularly Scheduled Meeting on September 20, 2022 at 1:30 p.m.
Melodie Chrislock	Board of Directors and General Manager	August 28, 2022	Senate Bill 1469 Wants to Reinstate WRAM
David J. Stoldt	John Ainsworth, Executive Director with the California Coastal Commission	September 6, 2022	Completeness Letter for Cal-Am's CDP Application #9-20-0603

ITEM: INFORMATIONAL ITEM/STAFF REPORT**26. COMMITTEE REPORTS**

Meeting Date:	September 19, 2022	Budgeted:	N/A
From:	David J. Stoldt, General Manager	Program/ Line Item No.:	N/A
Prepared By:	Joel G. Pablo	Cost Estimate:	N/A

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

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

Attached for your review as **Exhibits 26-A to 26-C** are the Final Minutes of the committee meetings listed below.

EXHIBITS

- 26-A** MPWMD Public Outreach Committee Meeting Minutes: June 27, 2022 (*Revised*)
- 26-B** MPWMD Water Demand Committee Meeting Minutes: July 7, 2022
- 26-C** MPWMD Finance and Administration Committee Meeting Minutes: July 11, 2022



EXHIBIT 26-A

Final Minutes Monterey Peninsula Water Management District Public Outreach Committee Monday, June 27, 2022

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

Call to Order | Roll Call

Chair Riley called the meeting to order at 4:00 p.m.

Committee members present: George Riley - Chair
Amy Anderson
Safwat Malek, *Alternate*

Committee members absent: None

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

District Counsel present: None

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

Action Items

1. Consider Adoption of April 14, 2022 Committee Meeting Minutes

Chair Riley opened the public comment period. No comments were received.

A motion was offered by Anderson with a second by Riley to approve the April 14, 2022 Committee meeting minutes. The motion passed on a roll-call vote of 3-Ayes (Anderson, Malek and Riley), 0-Noes and 0-Absent.

Discussion Items

David J. Stoldt, General Manager provided introductory remarks and requested the Committee to hear a discussion topic on concept designs for the Santa Margarita Aquifer and Storage Recovery Site (herein after referred to as "ASR"). Chair Riley accepted and allowed staff to present on the matter with no objections from other committee members.

Maureen Hamilton, Sr. Water Resources Engineer presented via MS PowerPoint entitled, "Santa Margarita ASR Site- *Outreach Installation Draft Design.*" *A copy of the presentation is on file at the District office and can be viewed on the District website.* Hamilton provided background information and reminded the committee the MPWMD Board of Director's at its July 2021 meeting authorized staff to contract with Ecological Concerns, Inc. for landscape and outreach design services at the Santa Margarita Aquifer Storage and Recovery Site located on General Jim Moore Boulevard in Seaside at the

intersection of Coe/Eucalyptus.

Hamilton's provided an overview of the:

1. Map of the Location Site
2. Goals of the Design and Outreach Efforts to help explain ASR, the Seaside Basin and the Carmel River
3. Overview of the Sign Detail, Sign Location / Placement and Messaging
4. Next steps to include gaining City concurrence, grant and funding opportunities, graphic design and print quality.

Following Mrs. Hamilton's presentation, Chair Riley asked about including additional informative pieces that touch upon Pure Water Monterey and the Seaside Groundwater Basin Watermaster. Riley believes including those two pieces along with a collaborative approach in asking other water agencies to produce signage along Eucalyptus will help with educational outreach efforts on water resources on the Peninsula. Committee Member Anderson shared her concerns about the amount of information that could be contained on the display boards ("Raindrop" shape) and asked staff to consider potential alternatives, *if possible* to include looking into different display shapes and sizes. In response to Anderson, Hamilton and Stoldt shared the raindrop panel will contain textual information and is consistent with the City of Seaside's sizing requirements. By committee consensus and discussions had, staff will continue working on educational outreach efforts at the ASR and work with additional draft concept drawings (addressing shapes, sizes and additional ideas) that may work for the ASR.

David J. Stoldt, General Manager screenshared an interpretive sign and provided an overview of the Songbird Sanctuary owned by the Big Sur Land Trust. *A copy of the presentation is on file at the District office and can be viewed on the District website.*

Opened Public Comment; No comments were directed to the Committee.

2. Identify Public Outreach Needs and Effectiveness: Are the District's Needs Being Met?

Item 2 and 3 were addressed in the same discussion.

Chair Riley introduced the following matter. David J. Stoldt, General Manager provided a brief overview of Exhibit 2-A: Identified Scope for District Public Outreach Services and noted the text found in bold can be taken care of by an outside Public Relation (PR) person and those not found in bold are those items District staff member can be tasked with. Committee Member Malek expressed a desire for the District to hire a PR firm to drive the District's outreach goals, specifically KP Public Affairs. In response to Malek, Stoldt noted the matter will be discussed further in Item No. 4, Consultant Resources and Availability. Stoldt stated he would be amenable to looking into local and out-of-area PR firms to assist the District with outreach efforts. Chair Riley explained the District should look at and be assertive in telling the District narrative and think about how messaging is conveyed to the broader public. Anderson added marketing is key skill. In addition, Anderson shared those close to her are unaware of the District's work on conservation and water supply. Anderson believes a PR firm are better geared and have the experience necessary to deliver on the District's outreach efforts. In response to Committee Member Anderson and Malek, Chair Riley asked both committee members to explore defining public outreach effort goals (short-term and long-term) and problems. Stoldt, General Manager provided a summary of discussions and desires of the committee to be understood as (a) working on, identifying and defining themes; (b) exploring hiring an in-house public outreach position; and (c) hiring an outside PR firm or person(s).

3. Identify Public Outreach Needs Best Suited for District Staff (and Board) and by an Outside Consultant

Item 2 and 3 were addressed in the same discussion.

4. Consultant Resources and Availability

David J. Stoldt, General Manager provided an overview and reviewed Exhibit 4-A: Identified Local Outreach Resources and covered each public relations persons or businesses in detail.

By committee consensus, Chair Riley asked staff to explore hiring an in-house public outreach position and explore the idea of hiring an outside Public Relations firm to dive into various outreach effort themes as discussed among the Committee members.

No comments were directed to the Committee on Item No. 4

Suggest Items to be Placed on a Future Agenda

None

Adjournment

Chair Riley adjourned the meeting at 5:33 p.m.

Joel G. Pablo, Board Clerk

Received by the MPWMD Board of Director's on September __, 2022

Approved by the MPWMD Public Outreach Committee on August __, 2022

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EXHIBIT 26-B

Final Minutes Water Demand Committee of the Monterey Peninsula Water Management District Thursday, July 7, 2022

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

Call to Order

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

Committee members present: *(By Roll-Call)*

Clyde Roberson, Chair
Amy Anderson *(Joined at 10:05 a.m.)*
George Riley, *Alternate*

Committee members absent:

Karen Paull

Staff members present:

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

District Counsel present:

David Laredo with De Lay and Laredo

Comments from the Public

No comments were directed to the committee.

Action Items

1. Consider Adoption of Committee Meeting Minutes from May 5, 2022

Chair Roberson introduced the item.

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

A motion was made by Roberson with a second by Riley to approve the committee meeting minutes from May 5, 2022. The motion passed on a roll-call vote of 2-Ayes (Roberson and Riley), 0-Noes, and 1-Absent (Anderson).

2. Consider Recommendation to the Board of Preferred Water Allocation Option(s) for Expansion of Montage Health's Ryan Ranch Campus

David J. Stoldt, General Manager provided background information, an overview of his staff report and answered committee questions. The committee considered each of the three potential option(s) that would secure water for the Expansion of Montage Health's Ryan Ranch Campus to make water available for the proposed Cancer Center building. The options presented to the committee and covered in detail in the staff report include: (1) Utilize existing unused CHOMP Allotment via adjustment in the definition of "Site"; (2) Utilize Existing Unused CHOMP Allotment via Transfer;

and (3) Utilize the District Reserve.

Opened Public Comment; no comments were directed to the Committee.

A motion was made by Riley with a second by Anderson move forward with and have the full Board consider adopting Option 1: To approve the utilization of an existing unused CHOMP allotment via adjustment in the definition of “Site” to make water available for the proposed Montage Health Cancer Center building. The motion passed on a roll-call vote of 3-Ayes (Roberson, Anderson and Riley), 0-Noes, and 0-Absent.

Discussion Items

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

David J. Stoldt, General Manager provided a verbal status report on the California Public Utilities Commission Application 21-11-024 Phase 2 Proceeding Scheduling and Materials and answered committee questions. Stoldt provided the following highlights:

1. A decision on Phase 1 of the application is anticipate by or prior to September 20, 2022
2. In a scoping memo dated February 9, 2022 and further described in Exhibit 3-B the commission has opened up the 2nd Phase of the Application.
 - i. Requesting for updated supply and demand information that will provide helpful information to determine if the Monterey Peninsula Water Supply Project (MPWSP- Application) is needed.
 - ii. Phase 2 Schedule and Procedural Schedule/Guidance dated June 17, 2022 was briefly discussed and is further described in Exhibit 3-A.
3. The District will send in reply briefs by August 19, 2022 in response to testimony to be submitted by California American Water on July 20, 2022 on Phase 2 of the Application.

In response to Director Riley, Laredo and Stoldt mentioned participants of Phase 2 of the proceeding will include: Monterey One Water, Marina Coast Water District, Public Water Now, Coalition of Peninsula Businesses, LandWatch, California American Water, Office of Ratepayer Advocates and the Monterey Peninsula Water Management District.

Opened Public Comments; No comments were directed to the Committee.

Suggest Items to be Placed on Future Agendas

Director Anderson asked staff to continue informing the committee on the CPUC proceedings.

Adjournment

Chair Roberson adjourned the meeting at 10:57 a.m.

Joel G. Pablo, Board Clerk

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

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

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EXHIBIT 26-C

Final Minutes Monterey Peninsula Water Management District Finance and Administration Committee July 11, 2022

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

Call to Order

The virtual meeting was called to order at 2:00 PM via Zoom.

Committee members present: Amy Anderson, Chair
Alvin Edwards
Karen Paull

Committee members absent: None

District staff members present: David Stoldt, General Manager
Suresh Prasad, Administrative Services Manager/Chief Financial Officer
Jonathan Lear, Water Resources Manager
Sara Reyes, Sr. Office Specialist

District Counsel present: David Laredo with De Lay and Laredo

Additions / Corrections to Agenda: None

Comments from the Public: None

Items on Board Agenda for July 11, 2022

1. Consider Adoption of June 13, 2022 Committee Meeting Minutes

On a motion by Edwards and second by Paull, the minutes of the June 13, 2022 meeting were approved on a roll call vote of 3 – 0 by Edwards, Paull and Anderson.

2. Consider Renewal of Contract with JEA & Associates for Legislative and Administrative Services

On a motion by Paull and second by Edwards, the Finance and Administration Committee recommended that the Board approve the proposed agreement with JEA & Associates for Fiscal Year 2022-2-23. The motion was approved on a roll call vote of 3 – 0 by Paull, Edwards, and Anderson.

3. Consider Renewal of Contract with Ferguson Group for Legislative and Administrative Services

On a motion by Paul and second by Edwards, the Finance and Administration Committee recommended that the Board approve the proposed agreement with the Ferguson Group for Fiscal Year 2022-2023. The motion was approved on a roll call vote of 3 – 0 by Paull, Edwards, and

Anderson.

4. Consider Adoption of Treasurer's Report for May 2022

On a motion by Paull and second by Edwards, the Finance and Administration Committee recommended the Board adopt the May 2022 Treasurer's Report and financial statements, and ratification of the disbursements made during the month. The motion was approved on a roll call vote of 3 – 0 by Paull, Edwards, and Anderson.

5. Consider Approving MPWMD Staff to Work with UCSC CITRIS Initiative and CSUMB Drone Camp Technical Support to Purchase Unmanned Drones and Establish a Vegetation Monitoring Program for the Carmel River Lagoon to Comply with the Allocation EIR Mitigation Program

On a motion by Edwards and second by Paull, the Finance and Administration Committee recommended that the Board authorize District Staff to procure in an amount not-to-exceed \$10,000. The motion was approved on a roll call vote of 3 – 0 by Edwards, Paull, and Anderson.

6. Consider Contracting with Martin Feeney to Install a Permanent Down Hole Sampling Pump in Paralta Test to Comply with Regional Water Quality Control Board General Permit 2012-0010

On a motion by Anderson and second by Edwards, the Finance and Administration Committee recommended that the Board authorize the District Staff to enter into and contract amendment with Martin Feeney to complete the installation of a down hold sampling pump in Paralta Test Well in an amount not-to-exceed \$30,000. The motion was approved on a roll call vote of 3 – 0 by Paull, Edwards, and Anderson.

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

This item was presented as information to the committee. No action was required or taken by the committee.

8. Status Report on Measure J/Rule 19.8 Phase II Spending

This item was presented as information to the committee. No action was required or taken by the committee.

9. Semi-Annual Financial Report on the CAWD/PBCSD Wastewater Reclamation Project

This item was presented as information to the committee. No action was required or taken by the committee.

10. Review Draft July 18, 2022 Special and Regular Board Meeting Agenda

General Manager David Stoldt reviewed the agenda with the Committee and stated an Informational Item titled "Legislation Advocacy Committee's State and Federal Bill Tracking", will be removed from the agenda due to no new information has been received. No additional changes were made to the agenda.

Suggest Items to be Placed on Future Agendas

None

Adjournment

The meeting adjourned at 2:58 PM

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ITEM: INFORMATIONAL ITEM/STAFF REPORT**27. MONTHLY ALLOCATION REPORT**

Meeting Date:	September 19, 2022	Budgeted:	N/A
From:	David J. Stoldt, General Manager	Program:	N/A
		Line Item No.:	
Prepared By:	Gabriela Bravo	Cost Estimate:	N/A

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

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

SUMMARY: As of August 31, 2022, a total of **26.461** acre-feet (**7.8%**) of the Paralta Well Allocation remained available for use by the Jurisdictions. Pre-Paralta water in the amount of **32.152** acre-feet is available to the Jurisdictions, and **28.333** acre-feet is available as public water credits.

Exhibit 27-A shows the amount of water allocated to each Jurisdiction from the Paralta Well Allocation, the quantities permitted in August 2022 (“changes”), and the quantities remaining. The Paralta Allocation had no debits in August 2022.

Exhibit 27-A also shows additional water available to each of the Jurisdictions. Additional water from expired or canceled permits that were issued before January 1991 are shown under “PRE-Paralta.” Water credits used from a Jurisdiction’s “public credit” account are also listed. Transfers of Non-Residential Water Use Credits into a Jurisdiction’s Allocation are included as “public credits.” **Exhibit 27-B** shows water available to Pebble Beach Company and Del Monte Forest Benefited Properties, including Macomber Estates, Griffin Trust. Another table in this exhibit shows the status of Sand City Water Entitlement and the Malpaso Water Entitlement.

BACKGROUND: The District’s Water Allocation Program, associated resource system supply limits, and Jurisdictional Allocations have been modified by a number of key ordinances. These key ordinances are listed in **Exhibit 27-C**.

EXHIBITS**27-A** Monthly Allocation Report**27-B** Monthly Entitlement Report**27-C** District’s Water Allocation Program Ordinances

EXHIBIT 27-A

MONTHLY ALLOCATION REPORT
Reported in Acre-Feet
For the month of August 2022

Jurisdiction	Paralta Allocation*	Changes	Remaining	PRE-Paralta Water	Changes	Remaining	Public Credits	Changes	Remaining	Total Available
Airport District	8.100	0.000	5.197	0.000	0.000	0.000	0.000	0.000	0.000	5.197
Carmel-by-the-Sea	19.410	0.000	1.398	1.081	0.000	1.081	0.910	0.000	0.182	2.661
Del Rey Oaks	8.100	0.000	0.000	0.440	0.000	0.000	0.000	0.000	0.000	0.000
Monterey	76.320	0.000	0.288	50.659	0.000	0.181	38.121	0.000	2.451	2.920
Monterey County	87.710	0.000	10.578	13.080	0.000	0.352	7.827	0.000	1.181	12.111
Pacific Grove	25.770	0.000	0.000	1.410	0.000	0.014	15.874	0.000	0.002	0.016
Sand City	51.860	0.000	0.000	0.838	0.000	0.000	24.717	0.000	23.373	23.373
Seaside	65.450	0.000	0.000	34.438	0.224	30.524	2.693	0.000	1.144	31.668
District Reserve	9.000	0.000	9.000	N/A			N/A			9.000
TOTALS	342.720	0.000	26.461	101.946	0.224	32.152	90.142	0.000	28.333	86.946

Allocation Holder	Water Available	Changes this Month	Total Demand from Water Permits Issued	Remaining Water Available
Quail Meadows	33.000	0.000	32.320	0.680
Water West	12.760	0.000	9.892	2.868

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

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EXHIBIT 27-B

**MONTHLY ALLOCATION REPORT
ENTITLEMENTS
Reported in Acre-Feet
For the month of August 2022**

Recycled Water Project Entitlements

Entitlement Holder	Entitlement	Changes this Month	Total Demand from Water Permits Issued	Remaining Entitlement/and Water Use Permits Available
Pebble Beach Co. *	201.420	2.150	32.261	169.159
Del Monte Forest Benefited Properties (Pursuant to Ord No. 109)	163.580	0.155	69.961	93.619
Macomber Estates	10.000	0.000	10.000	0.000
Griffin Trust	5.000	0.000	4.829	0.171
CAWD/PBCSD Project Totals	380.000	2.305	117.051	262.949

Entitlement Holder	Entitlement	Changes this Month	Total Demand from Water Permits Issued	Remaining Entitlement/and Water Use Permits Available
City of Sand City	206.000	0.000	7.753	198.247
Malpaso Water Company	80.000	0.073	20.651	59.349
D.B.O. Development No. 30	13.950	0.000	3.784	10.166
City of Pacific Grove	38.390	0.207	7.672	30.718
Cypress Pacific	3.170	0.000	3.170	0.000

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

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EXHIBIT 27-C

District's Water Allocation Program Ordinances

Ordinance No. 1 was adopted in September 1980 to establish interim municipal water allocations based on existing water use by the jurisdictions. Resolution 81-7 was adopted in April 1981 to modify the interim allocations and incorporate projected water demands through the year 2000. Under the 1981 allocation, Cal-Am's annual production limit was set at 20,000 acre-feet.

Ordinance No. 52 was adopted in December 1990 to implement the District's water allocation program, modify the resource system supply limit, and to temporarily limit new uses of water. As a result of Ordinance No. 52, a moratorium on the issuance of most water permits within the District was established. Adoption of Ordinance No. 52 reduced Cal-Am's annual production limit to 16,744 acre-feet.

Ordinance No. 70 was adopted in June 1993 to modify the resource system supply limit, establish a water allocation for each of the jurisdictions within the District, and end the moratorium on the issuance of water permits. Adoption of Ordinance No. 70 was based on development of the Paralta Well in the Seaside Groundwater Basin and increased Cal-Am's annual production limit to **17,619** acre-feet. More specifically, Ordinance No. 70 allocated 308 acre-feet of water to the jurisdictions and 50 acre-feet to a District Reserve for regional projects with public benefit.

In addition to releasing water from the development of the Paralta Well, Ordinance No. 70 established a "special reserve" of 12.76 acre-feet of water saved by system improvements to the former Water West System when it was purchased and integrated into Cal-Am. This reserve was made available to properties in the former Water West System on a first-come, first-served basis. The ordinance also increased Cal-Am's production limit for savings related to the annexation of the Quail Meadows subdivision.

Ordinance No. 73 was adopted in February 1995 to eliminate the District Reserve and allocate the remaining water equally among the eight jurisdictions. Of the original 50 acre-feet that was allocated to the District Reserve, 34.72 acre-feet remained and was distributed equally (4.34 acre-feet) among the jurisdictions.

Ordinance No. 74 was adopted in March 1995 to allow the reinvestment of toilet retrofit water savings on single-family residential properties. The reinvested retrofit credits must be repaid by the jurisdiction from the next available water allocation and are limited to a maximum of 10 acre-feet. This ordinance sunset in July 1998.

Ordinance No. 75 was adopted in March 1995 to allow the reinvestment of water saved through toilet retrofits and other permanent water savings methods at publicly owned and operated facilities. Fifteen percent of the savings are set aside to meet the District's long-term water conservation goal and the remainder of the savings are credited to the jurisdictions allocation. This ordinance sunset in July 1998.

Ordinance No. 83 was adopted in April 1996 and set Cal-Am's annual production limit at **17,621** acre-feet and the non-Cal-Am annual production limit at **3,046** acre-feet. The modifications to the production limit were made based on the agreement by non-Cal-Am water users to permanently reduce annual water production from the Carmel Valley Alluvial Aquifer in exchange for water service from Cal-Am. As part of the agreement, fifteen percent of the historical non-Cal-Am production was set aside to meet the District's long-term water conservation goal.

Ordinance No. 87 was adopted in February 1997 as an urgency ordinance establishing a community benefit allocation for the planned expansion of the Community Hospital of the Monterey Peninsula (CHOMP). Specifically, a special reserve allocation of 19.60 acre-feet of production was created exclusively for the benefit of CHOMP. With this new allocation, Cal-Am's annual production limit was increased to **17,641** acre-feet and the non-Cal-Am annual production limit remained at **3,046** acre-feet.

Ordinance No. 90 was adopted in June 1998 to continue the program allowing the reinvestment of toilet retrofit water savings on single-family residential properties for 90-days following the expiration of Ordinance No. 74. This ordinance sunset in September 1998.

Ordinance No. 91 was adopted in June 1998 to continue the program allowing the reinvestment of water saved through toilet retrofits and other permanent water savings methods at publicly owned and operated facilities.

Ordinance No. 90 and No. 91 were challenged for compliance with CEQA and nullified by the Monterey Superior Court in December 1998.

Ordinance No. 109 was adopted on May 27, 2004, revised Rule 23.5 and adopted additional provisions to facilitate the financing and expansion of the CAWD/PBCSD Recycled Water Project.

Ordinance No. 132 was adopted on January 24, 2008, established a Water Entitlement for Sand City and amended the rules to reflect the process for issuing Water Use Permits.

Ordinance No. 165 was adopted on August 17, 2015, established a Water Entitlement for Malpas Water Company and amended the rules to reflect the process for issuing Water Use Permits.

Ordinance No. 166 was adopted on December 15, 2015, established a Water Entitlement for D.B.O. Development No. 30.

Ordinance No. 168 was adopted on January 27, 2016, established a Water Entitlement for the City of Pacific Grove.

ITEM: INFORMATIONAL ITEM/STAFF REPORT**28. WATER CONSERVATION PROGRAM REPORT**

Meeting Date:	September 19, 2022	Budgeted:	N/A
From:	David J. Stoldt, General Manager	Program/ Line Item No.	N/A
Prepared By:	Kyle Smith	Cost Estimate:	N/A

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

I. MANDATORY WATER CONSERVATION RETROFIT PROGRAM

District Regulation XIV requires the retrofit of water fixtures upon Change of Ownership or Use with High Efficiency Toilets (HET) (1.28 gallons-per-flush), 2.0 gallons-per-minute (gpm) Showerheads, 1.2 gpm Washbasin faucets, 1.8 gpm Kitchen, Utility, and Bar Sink faucets, and Rain Sensors on all automatic Irrigation Systems. Property owners must certify the Site meets the District's water efficiency standards by submitting a Water Conservation Certification Form (WCC), and a Site inspection is occasionally conducted to verify compliance. Properties that do not require an inspection are issued a Conservation Certification document.

A. Changes of Ownership

Information is obtained monthly from *Realquest.com* on properties transferring ownership within the District. The information is compared against the properties that have submitted WCCs. Details on **95** property transfers that occurred between August 1, 2022, and August 31, 2022, were added to the database.

B. Certification

The District received **127** WCCs between August 1, 2022, and August 31, 2022. Data on ownership, transfer date, and status of water efficiency standard compliance were entered into the database.

C. Verification

From August 1, 2022, and August 31, 2022, **107** properties were verified compliant with Rule 144 (Retrofit Upon Change of Ownership or Use). Of the **107** verifications, **75** properties verified compliance by submitting certification forms and/or receipts. District staff completed **63** Site inspections. Of the **63** properties verified, **32 (51%)** passed.

D. CII Compliance with Water Efficiency Standards

Effective January 1, 2014, all Non-Residential properties were required to meet Rule 143, Water Efficiency Standards for Existing Non-Residential Uses. To verify compliance with these requirements, property owners and businesses are sent notification of the requirements

and a date that inspectors will be on Site to check the property. In August, District inspectors performed **3** verification inspections.

MPWMD is forwarding its CII inspection findings to California American Water (Cal-Am) for their verification with the Rate Best Management Practices (Rate BMPs) that are used to determine the appropriate Non-Residential rate division. Compliance with MPWMD's Rule 143 achieves Rate BMPs for indoor water uses. Properties with landscaping must also comply with Cal-Am's outdoor Rate BMPs to avoid Division 4 (Non-Rate BMP Compliant) rates. In addition to sharing information about indoor Rate BMP compliance, MPWMD notifies Cal-Am of properties with landscaping. Cal-Am then conducts an outdoor audit to verify compliance with the Rate BMPs. During August 2022, MPWMD referred **no** properties to Cal-Am for verification of outdoor Rate BMPs.

E. Water Waste Enforcement

The District has a Water Waste Hotline 831-658-5653 or an online form to report Water Waste occurrences at www.mpwmd.net or www.montereywaterinfo.org. There were **five** Water Waste responses during the past month. There were **no** repeated incidents that resulted in a fine.

II. WATER DEMAND MANAGEMENT

A. Permit Processing

As of July 6, 2021, the District has been processing both electronic and in person applications for Water Permits. Information can be found at <https://www.mpwmd.net/regulations/water-permits>.

District Rule 23 requires a Water Permit application for all properties that propose to expand or modify water use on a Site, including New Construction and Remodels. District staff processed and issued **65** Water Permits from August 1, 2022, and August 31, 2022. **Nine** Water Permits were issued using Water Entitlements (Pebble Beach Company, Malpas Water, etc.). **No** Water Permits involved a debit to a Public Water Credit Account. In addition to those Water Permits issued in August, **14** Meter Permits and **two** Hydrant Meter Permits were issued. All Water Permits have a disclaimer informing applicants of the Cease-and-Desist Order against California American Water and that MPWMD reports Water Permit details to California American Water.

District Rule 24-3-A allows the addition of a second Bathroom in an existing Dwelling Unit. Of the **65** Water Permits issued from August 1, 2022, and August 31, 2022, **five** were issued under this provision.

B. Permit Compliance

District staff completed **no** conditional Water Permit finals during August 2022. Staff completed **42** site inspections. **Twenty-eight** properties passed and **eight** failed due to unpermitted fixtures.

C. Deed Restrictions

District staff prepares deed restrictions that are recorded on the property title to provide notice of District Rules and Regulations, enforce Water Permit conditions, and provide notice of public access to water records. In April 2001, the District Board of Directors adopted a policy regarding the processing of deed restrictions. District staff provided Notary services for **56** Water Permits with deed restrictions.

D. Rebates

The full list of available rebates can be found in Rule 141:

<https://www.mpwmd.net/rules/Rule141-TableXIV-1.pdf>. Below is the rebate information for August 2022.

REBATE PROGRAM SUMMARY		August-2022				2022 YTD		1997 - Present	
I.	Application Summary								
	A.	Applications Received	86			540		29,773	
	B.	Applications Approved	74			470		23,309	
	C.	Single Family Applications	67			439		26,241	
	D.	Multi-Family Applications	6			33		1,597	
	E.	Non-Residential Applications	1			2		360	
II.	Type of Devices Rebated		Number of Devices	Rebate Paid	Estimated AF	Gallons Saved	Year to Date Number	Year to Date Paid	Year to Date Estimated AF
	A.	High Efficiency Toilet (HET)	4	\$300.00	0.020000	6,517	82	\$5,625.00	0.41000
	B.	Ultra HET	17	\$1,975.00	0.170000	55,395	27	\$3,225.00	0.27000
	C.	Toilet Flapper			0.000000	0	0	\$0.00	0.00000
	D.	High Efficiency Dishwasher	12	\$1,500.00	0.036000	11,731	90	\$13,450.00	0.27000
	E.	High Efficiency Clothes Washer - Res	36	\$18,000.00	0.579600	188,863	239	\$119,295.60	3.84790
	F.	High Efficiency Clothes Washer - Com			0.000000	0	0	\$525.00	0.00000
	G.	Instant-Access Hot Water System	1	\$100.00	0.005000	1,629	8	\$1,497.00	0.04000
	H.	Zero Use Urinals			0.000000	0	0	\$0.00	0.00000
	I.	Pint Urinals			0.000000	0	0	\$0.00	0.00000
	J.	Cisterns			0.000000	0	19	\$29,841.00	0.00000
	K.	Smart Controllers	5	\$454.26	0.000000	0	18	\$1,765.75	0.00000
	L.	Rotating Sprinkler Nozzles			0.000000	0	0	\$0.00	0.00000
	M.	Moisture Sensors			0.000000	0	0	\$0.00	0.00000
	N.	Lawn Removal & Replacement			0.000000	0	0	\$900.00	0.00000
	O.	Graywater			0.000000	0	0	\$0.00	0.00000
	R.	Other - Smart Flowmeter	12	\$2,199.00	0.000000	0	24	\$4,457.00	0.00000
III.	TOTALS		87	\$24,528.26	0.810600	264,135	507	\$180,581.35	4.83790
IV.	TOTALS Since 1997					Paid Since 1997: \$ 6,539,336		597.1	Acre-Feet Per Year Saved Since 1997 (from quantifiable retrofits)

ITEM: INFORMATIONAL ITEMS/STAFF REPORT**29. CARMEL RIVER FISHERY REPORT FOR AUGUST 2022****Meeting Date:** September 19, 2022 **Budgeted:** N/A**From:** David J. Stoldt,
General Manager **Program/** N/A
Line Item No.:**Prepared By:** Beverly Chaney **Cost Estimate:** N/A**General Counsel Review:** N/A**Committee Recommendation:** N/A**CEQA Compliance:** This action does not constitute a project as defined by the California Environmental Quality Act Guidelines Section 15378.

AQUATIC HABITAT AND FLOW CONDITIONS: By the end of August, most of the lower Carmel River below Cal-Am's Berwick Wells in Mid-Valley was dry or isolated pools. Releases from Los Padres Reservoir were reduced to 4.5 cfs and the reservoir's water surface elevation (WSE) dropped to 1,024 feet (full is ~1,040'). Steelhead rearing conditions downstream of Rosie's Bridge in the Village were generally "poor".

August's mean daily streamflow at the Sleepy Hollow Weir ranged from 3.1 to 4.0 cfs (monthly mean 3.7 cfs) resulting in 226 acre-feet (AF) of runoff, while the Highway 1 gage went dry at 0.0 to 0.14 cfs (monthly mean 0.1 cfs) resulting in 3.6 acre-feet (AF) of runoff.

There was no rainfall in August as recorded at the San Clemente gauge. The rainfall total for WY 2022 (which started on October 1, 2021) is 12.82 inches, or 61% of the long-term year-to-date average of 20.91 inches.

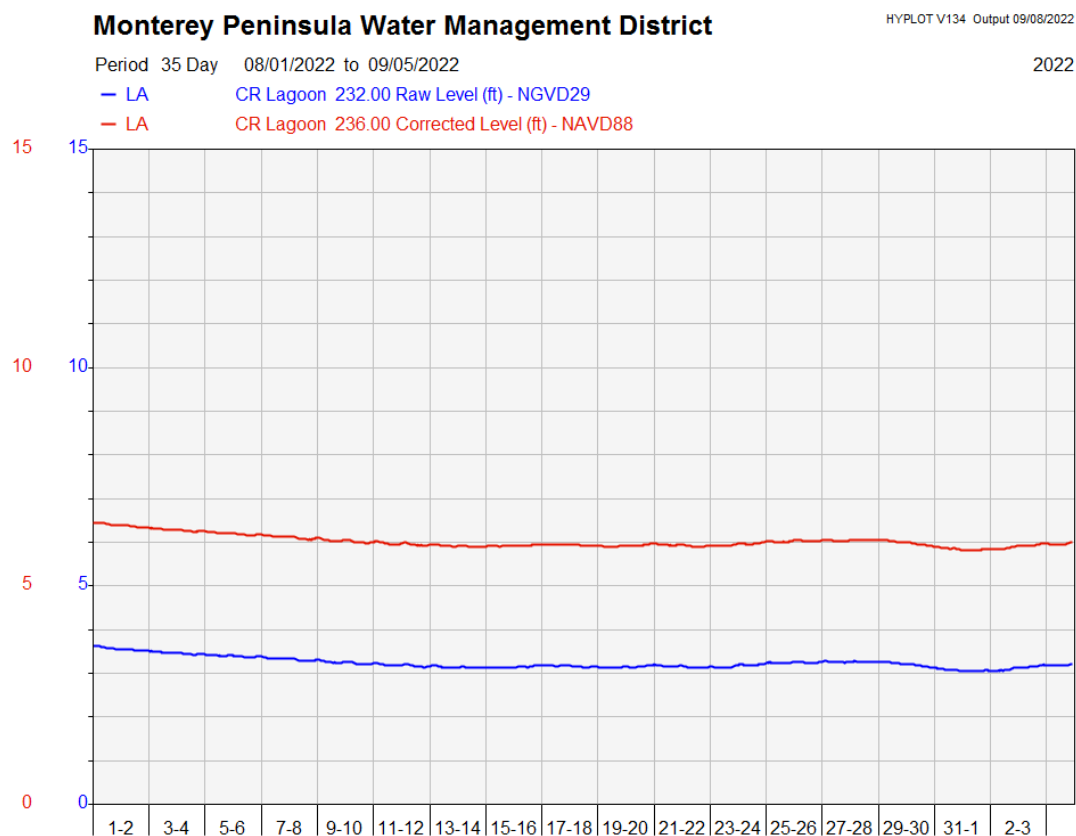
CARMEL RIVER LAGOON: During August, the lagoon water surface elevation (WSE) ranged from ~ 6.4 to 5.9 feet (North American Vertical Datum of 1988; NAVD 88). The lagoon mouth closed for the summer on May 4th (See graph below).

CARMEL RIVER STEELHEAD RESCUES: Mainstem rescues began on June 1, 2022. In August, Staff completed 7 days of fish rescues in the mid-valley reach. By the end of the month, a total of 13,494 steelhead had been rescued including: 12,646 young-of-the-year (YOY), 753 age 1+ fish, two kelts, with 93 mortalities (0.7%). Most of the fish were transported to the Sleepy Hollow Steelhead Rearing Facility.

SLEEPY HOLLOW STEELHEAD REARING FACILITY: The first rescued fish were brought to the facility June 1, 2022. Due to the very small size of many of the fish, the fry/YOY are being quarantined and held in the rectangular "rearing troughs" until they are large and healthy enough to be transferred to the rearing channel.

By the end of August, a total of 10,221 fish had been stocked in the rearing channel including: 8,717 (small/medium size YOY) and 624 age 1+ fish. There were 880 mortalities (8.6%).

Carmel River Lagoon Plot:



ITEM: INFORMATIONAL ITEMS/STAFF REPORT**30. MONTHLY WATER SUPPLY AND CALIFORNIA AMERICAN WATER PRODUCTION REPORT**

Meeting Date: September 19, 2022 **Budgeted:** N/A

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

Prepared By: Jonathan Lear **Cost Estimate:** N/A

General Counsel Review: N/A

Committee Recommendation: N/A

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

Exhibit 30-A shows the water supply status for the Monterey Peninsula Water Resources System (MPWRS) as of **September 1, 2022**. This system includes the surface water resources in the Carmel River Basin, the groundwater resources in the Carmel Valley Alluvial Aquifer and the Seaside Groundwater Basin. **Exhibit 30-A** is for Water Year (WY) 2022 and focuses on three factors: rainfall, runoff, and storage. The rainfall and Streamflow values are based on measurements in the upper Carmel River Basin at Sleepy Hollow Weir.

Water Supply Status: Rainfall through **August** 2022 totaled **0.00 inches** and brings the cumulative rainfall total for WY 2022 to **12.83 inches**, which is **61%** of the long-term average through **August**. Estimated unimpaired runoff through **August** totaled **0 acre-feet (AF)** and brings the cumulative runoff total for WY 2022 to **22,894 AF**, which is **34%** of the long-term average through **July**. Usable storage for the MRWPRS was **26,450 acre-feet**, which is **92%** of average through **July**, and equates to **80%** percent of system capacity.

Production Compliance: Under State Water Resources Control Board (SWRCB) Cease and Desist Order No. 2016-0016 (CDO), California American Water (Cal-Am) is allowed to produce no more than 4,110 AF of water from the Carmel River in WY 2022. Through **August**, using the CDO accounting method, Cal-Am has produced **3,808 AF** from the Carmel River (including ASR capped at 600 AF in, Table 13, and Mal Paso in Calendar Year 2022.) In addition, under the Seaside Basin Decision, Cal-Am is allowed to produce 1,474 AF of water from the Coastal Subareas and 0 AF from the Laguna Seca Subarea of the Seaside Basin in WY 2022. Through **August**, Cal-Am has produced **1,427 AF** from the Seaside Groundwater Basin. Through **August**, **71 AF** of Carmel River Basin groundwater have been diverted for Seaside Basin injection; **0 AF** have been recovered for customer use, **68 AF** have been diverted under Table 13 water rights, and **3,132 AF** of Pure Water Monterey recovered. Cal-Am has produced **7,729 AF** for customer use from all sources through **August**. **Exhibit 30-B** shows production by source. Some of the values in this report may be revised in the future as Cal-Am finalizes their production values and monitoring data.

EXHIBITS

30-A Water Supply Status: **September 1, 2022**

30-B Monthly Cal-Am production by source: WY 2022

EXHIBIT 30-A

**Monterey Peninsula Water Management District
Water Supply Status
September 1, 2022**

Factor	Oct – Aug 2022	Average To Date	Percent of Average	Oct – Aug 2021
Rainfall (Inches)	12.83	20.91	61%	10.85
Runoff (Acre-Feet)	22,894	67,543	34%	16,193
Storage ⁵ (Acre-Feet)	26,450	28,890	92%	26,530

Notes:

1. Rainfall and runoff estimates are based on measurements at San Clemente Dam. Annual rainfall and runoff at Sleepy Hollow Weir average 21.22 inches and 67,246 acre-feet, respectively. Annual values are based on the water year that runs from October 1 to September 30 of the following calendar year. The rainfall and runoff averages at the Sleepy Hollow Weir site are based on records for the 1922-2020 and 1902-2022 periods respectively.
2. The rainfall and runoff totals are based on measurements through the dates referenced in the table.
3. Storage estimates refer to usable storage in the Monterey Peninsula Water Resources System (MPWRS) that includes surface water in Los Padres and San Clemente Reservoirs and ground water in the Carmel Valley Alluvial Aquifer and in the Coastal Subareas of the Seaside Groundwater Basin. The storage averages are end-of-month values and are based on records for the 1989-2022 period. The storage estimates are end-of-month values for the dates referenced in the table.
4. The maximum storage capacity for the MPWRS is currently 33,130 acre-feet.

Production vs. CDO and Adjudication to Date: WY 2022

(All values in Acre-Feet)

Year-to-Date Values	MPWRS					Water Projects and Rights				
	Carmel River Basin ^{2, 6}	Seaside Groundwater Basin		MPWRS Total					Water Projects and Rights Total	
		Coastal	Laguna Seca		Ajudication Compliance	ASR Recovery	PWM Recovery	Table 13 ⁷ Sand City ³		
Target	5,277	850	0	850	6,127	50	3,170	174	275	3,669
Actual ⁴	3,808	1,302	124	1,427	5,234	0	3,420	68	107	3,595
Difference	1,469	-452	-124	-577	893	50	0	106	168	74
WY 2021 Actual	4,433	1,372	170	1,541	5,974	0	2,722	17	129	2,868

1. This table is current through the date of this report.
2. For CDO compliance, ASR, Mal Paso, and Table 13 diversions are included in River production per State Board.
3. Sand City Desal, Table 13, and ASR recovery are also tracked as water resources projects.
4. To date, 71 AF and 68 AF have been produced from the River for ASR and Table 13 respectively.
5. All values are rounded to the nearest Acre-Foot.
6. For CDO Tracking Purposes, ASR production for injection is capped at 600 AFY.
7. Table 13 diversions are reported under water rights but counted as production from the River for CDO tracking.

Monthly Production from all Sources for Customer Service: WY 2022

(All values in Acre-Feet)

	Carmel River Basin	Seaside Basin	ASR Recovery	PWM Recovery	Table 13	Sand City	Mal Paso	Total
Oct-21	438	41	0	344	0	0	7	829
Nov-21	407	45	0	234	0	6	7	698
Dec-21	361	39	0	162	42	28	7	639
Jan-22	268	39	0	301	26	2	3	639
Feb-22	230	40	0	419	0	0	3	692
Mar-22	253	92	0	400	0	24	4	772
Apr-22	249	87	0	400	0	17	6	758
May-22	309	190	0	350	0	25	5	878
Jun-22	342	292	0	249	0	6	0	889
Jul-22	370	286	0	274	0	0	5	934
Aug-22	405	278	0	287	0	0	0	970
Sep-22								
Total	3,631	1,427	0	3,420	68	107	47	8,699
WY 2021	4,270	1,541	0	2,722	17	129	56	8,735

1. This table is produced as a proxy for customer demand.
2. Numbers are provisional and are subject to correction.



Supplement to 09/19/2022 MPWMD Board Packet

Attached are copies of letters sent and/or received between **August 10, 2022 and September 13, 2022**. These letters are listed in the **September 19, 2022** Board packet under Letters Received.

Author	Addressee	Date	Topic
Greta Arevalo	General Manager	August 12, 2022	Press Release- Notice of Extended Filing Period for Elective Office (November 2022 General Election)
Rudy Fischer	General Manager	August 14, 2022	Denial of MPWMD Request by the State Water Resources Control Board
Melodie Chrislock	Board of Directors and General Manager	August 15, 2022	Herald Letter to the Editor: Do We Need Cal-Am's Desal? By Melodie Chrislock
Melodie Chrislock	Board of Directors and General Manager	August 16, 2022	Senate Bill 1469 – The Water Rate Adjustment Mechanism (WRAM) Surcharges
Susan Schiavone	Board of Directors	August 19, 2022	Subject Line: Letter to the Pine Cone – August 5, 2022 for Board Packet <i>Letter to the Editor: Cal Am and private vs. public</i>
Melodie Chrislock	Board of Directors and General Manager	August 20, 2022	<i>In response to an e-mail dated August 20, 2022 from the Monterey County Association of Realtors</i> Subject Line: FW: Government Affairs Update for MCAR Members
Mary L. Adams	Dave Stoldt	August 24, 2022	Invitation to the Regional Water Forum at the Monterey County Board of Supervisor's Chambers (<i>Hybrid both on-site and via teleconference means</i>) at its Regularly Scheduled Meeting on September 20, 2022 at 1:30 p.m.

Melodie Chrislock	Board of Directors and General Manager	August 28, 2022	Senate Bill 1469 Wants to Reinstate WRAM
David J. Stoldt	John Ainsworth, Executive Director with the California Coastal Commission	September 6, 2022	Completeness Letter for Cal-Am's CDP Application #9-20-0603

Joel Pablo

From: Arevalo, Greta <ArevaloG@co.monterey.ca.us>
Sent: Friday, August 12, 2022 10:51 PM
Cc: Elections
Subject: PR - Notice of Extended Filing Period for Elective Office
Attachments: 4. Extended Period Candidate Registration.pdf; 4. Extended Period Candidate Registration.docx

NEWS RELEASE

FOR IMMEDIATE RELEASE

Friday, August 12, 2022

Contact: Gina Martinez, Registrar of Voters

Phone: 831-796-1499

E-mail: elections@co.monterey.ca.us

Website: www.MontereyCountyElections.us

Facebook: <https://www.facebook.com/pages/Monterey-County-Elections>

Instagram: <https://www.instagram.com/montereycountyelections/>

Twitter: <https://twitter.com/MontereyVote>

Notice of Extended Filing Period for Elective Office

Salinas, CA – The regular candidate filing period for the November 8, 2022, General Election has closed. The filing period for the following offices, in which an eligible incumbent did not file, is extended until 5:00 p.m. on Wednesday, August 17, 2022. Any candidates seeking municipal office will contact their City Clerk for extensions.

DISTRICT NAME	SEAT
Monterey County Board of Education	Governing Board Member, Trustee Area 3
Monterey County Board of Education	Governing Board Member, Trustee Area 7
Aromas-San Juan Unified School District	Governing Board Member, 2-year
Aromas-San Juan Unified School District	Governing Board Member, Trustee Area 3
Gonzales Unified School District	Governing Board Member, Trustee Area 4
North Monterey County Unified School District	Governing Board Member, Trustee Area 2
Soledad Unified School District	Governing Board Member
Paso Robles Joint Unified School District	Governing Board Member, Trustee Area 6
Salinas Union High School District	Governing Board Member, Trustee Area 3
Salinas Union High School District	Governing Board Member, Trustee Area 7
Bradley Union School District	Governing Board Member
Chualar Union School District	Governing Board Member, Trustee 1
Graves Elementary School District	Governing Board Member
Greenfield Union Elementary School District	Governing Board Member
King City Union School District	Governing Board Member, 4 yr
King City Union School District	Governing Board Member, 2 yr
Mission Union Elementary School District	Governing Board Member

Pleasant Valley Joint Union Elementary School District	Governing Board Member
San Antonio Union School District	Governing Board Member
San Lucas Union Elementary School District	Governing Board Member
Santa Rita Union School District	Governing Board Member, Trustee Area 2
Spreckels Union Elementary School District	Governing Board Member
Castroville Community Services District	Director
Gonzales Rural Fire Protection District	Director
Greenfield Fire Protection District	Director
Salinas Valley Memorial Healthcare District	Director, Zone 1
Soledad Community Health Care District	Director
Greenfield Memorial District	Director
Aromas Water District	Director
Marina Coast Water District	Director
Monterey Peninsula Water Management District	Director, Division 3, 2 yr
San Ardo Water District	Director
San Lucas County Water District	Director

Information regarding state office extensions will be added to the Monterey County Elections website as it becomes available.

Candidates filing during this period must meet all filing obligations. For more information, visit <https://montereycountyelections.us/11082022-candidate-guidelines/>.

To schedule an appointment, call 831-796-1499.

---END---

NOTA DE PRENSA

PARA PUBLICACIÓN INMEDIATA

Viernes, 12 de agosto de 2022

Contacto: Gina Martinez, Directora del Departamento Electoral

Teléfono: 831-796-1499

E-mail: elections@co.monterey.ca.us

Página Web: www.MontereyCountyElections.us

Facebook: <https://www.facebook.com/pages/Monterey-County-Elections>

Instagram: <https://www.instagram.com/montereycountyelections/>

Twitter: <https://twitter.com/MontereyVote>

Aviso de extensión para postularse a ciertos puestos públicos

Salinas, CA – El periodo regular para postularse como candidato para la elección general del 8 de noviembre de 2022, ha cerrado. El periodo para postularse para uno de los siguientes cargos en los cuales el titular no se postuló, se extenderá hasta las 5:00 p.m. del miércoles, el 17 de agosto del 2022. Aquellos candidatos que estén buscando candidatura en un puesto municipal deben contactar a la secretaria de su ayuntamiento.

NOMBRE DE DISTRITO	PUESTO
Junta de Educación del Condado de Monterey	Miembro de la Junta Directiva, Área de Síndico 3
Junta de Educación del Condado de Monterey	Miembro de la Junta Directiva, Área de Síndico 7
Distrito Unificado de Aromas-San Juan	Miembro de la Junta Directiva, 2 años
Distrito Unificado de Aromas-San Juan	Miembro de la Junta Directiva, Área de Síndico 3
Distrito Escolar Unificado de Gonzales	Miembro de la Junta Directiva, Área de Síndico 4
D. Escolar Unificado del Norte del Condado de Monterey	Miembro de la Junta Directiva, Área de Síndico 2
Distrito Escolar Unificado de Soledad	Miembro de la Junta Directiva
Distrito Escolar Unificado Conjunto de Paso Robles	Miembro de la Junta Directiva, Área de Síndico 6
D. Unido de Escuelas Preparatorias de Salinas	Miembro de la Junta Directiva, Área de Síndico 3
D. Unido de Escuelas Preparatorias de Salinas	Miembro de la Junta Directiva, Área de Síndico 7
Distrito Escolar Unido de Bradley	Miembro de la Junta Directiva
Distrito Escolar Unido de Chualar	Miembro de la Junta Directiva, Área de Síndico 1
Distrito de Escuelas Primarias de Graves	Miembro de la Junta Directiva
Distrito Escolar Unido de Greenfield	Miembro de la Junta Directiva
Distrito Escolar Unido de King City	Miembro de la Junta Directiva, 4 años
Distrito Escolar Unido de King City	Miembro de la Junta Directiva, 2 años
Distrito Unido de Escuelas Primarias de Mission	Miembro de la Junta Directiva
D. Escolar Conjunto de Escuelas Primarias Pleasant Valley	Miembro de la Junta Directiva
Distrito Escolar Unido de San Antonio	Miembro de la Junta Directiva
Distrito Unido de Escuelas de San Lucas	Miembro de la Junta Directiva
Distrito Escolar Unido de Santa Rita	Miembro de la Junta Directiva, Área de Síndico 2
Distrito Escolar Unido de Escuelas Primarias de Spreckels	Miembro de la Junta Directiva
D. de Servicios a la Comunidad de Castroville	Director
D. Rural de Prot. Contra Incendios de Gonzales	Director
D. de Protección Contra Incendios de Greenfield	Director
Sistema de Salud Salinas Valley Memorial	Director, Zona 1
D. de Salud de la Comunidad de Soledad	Director
Distrito Conmemorativo de Greenfield	Director

Distrito de Agua de Aromas	Director
Distrito de Aguas Costeras de Marina	Director
D. de Admin. del Agua de la Península de Mry	Director, División 3, 2 años
Distrito de Agua de San Ardo	Director
Distrito de Agua del Condado de San Lucas	Director

Información con respecto a extensiones en puestos estatales se publicarán en la página de internet conforme se reciba la información.

Los candidatos que se postulan durante este periodo deben cumplir con todos los requisitos para postularse. Para más información visite: <https://montereycountyelections.us/candidate-guidelines/>.

Para obtener una cita, llame al 831-796-1499.

---FIN---



Greta Arevalo, MPA

Monterey County Elections

Program Manager – Vote by Mail Services

Phone 831-796-1495

Email arevalog@co.monterey.ca.us

1441 Schilling Pl – North Bld, Salinas, CA
93901



MONTEREY COUNTY ELECTIONS

1441 Schilling Place-North Building
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Gina Martinez
Registrar of Voters

Jessica Cedillo
Assistant Registrar of Voters



NEWS RELEASE

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Friday, August 12, 2022

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Salinas Union High School District	Governing Board Member, Trustee Area 7
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Chualar Union School District	Governing Board Member, Trustee 1
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Greenfield Union Elementary School District	Governing Board Member
King City Union School District	Governing Board Member, 4 yr
King City Union School District	Governing Board Member, 2 yr
Mission Union Elementary School District	Governing Board Member
Pleasant Valley Joint Union Elementary School District	Governing Board Member
San Antonio Union School District	Governing Board Member
San Lucas Union Elementary School District	Governing Board Member
Santa Rita Union School District	Governing Board Member, Trustee Area 2

MONTEREY COUNTY ELECTIONS



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Gina Martinez
Registrar of Voters

Jessica Cedillo
Assistant Registrar of Voters

Spreckels Union Elementary School District	Governing Board Member
Castroville Community Services District	Director
Gonzales Rural Fire Protection District	Director
Greenfield Fire Protection District	Director
Salinas Valley Memorial Healthcare District	Director, Zone 1
Soledad Community Health Care District	Director
Greenfield Memorial District	Director
Aromas Water District	Director
Marina Coast Water District	Director
Monterey Peninsula Water Management District	Director, Division 3, 2 yr
San Ardo Water District	Director
San Lucas County Water District	Director

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To schedule an appointment, call 831-796-1499.

---END---

MONTEREY COUNTY ELECTIONS

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PO Box 4400
Salinas, CA 93912

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Gina Martinez
Registrar of Voters

Jessica Cedillo
Assistant Registrar of Voters



NOTA DE PRENSA

PARA PUBLICACIÓN INMEDIATA

Viernes, 12 de agosto de 2022

Contacto: Gina Martinez, Directora del Departamento Electoral

Teléfono: 831-796-1499

E-mail: elections@co.monterey.ca.us

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Junta de Educación del Condado de Monterey	Miembro de la Junta Directiva, Área de Síndico 7
Distrito Unificado de Aromas-San Juan	Miembro de la Junta Directiva, 2 años
Distrito Unificado de Aromas-San Juan	Miembro de la Junta Directiva, Área de Síndico 3
Distrito Escolar Unificado de Gonzales	Miembro de la Junta Directiva, Área de Síndico 4
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Distrito Escolar Unificado de Soledad	Miembro de la Junta Directiva
Distrito Escolar Unificado Conjunto de Paso Robles	Miembro de la Junta Directiva, Área de Síndico 6
D. Unido de Escuelas Preparatorias de Salinas	Miembro de la Junta Directiva, Área de Síndico 3
D. Unido de Escuelas Preparatorias de Salinas	Miembro de la Junta Directiva, Área de Síndico 7
Distrito Escolar Unido de Bradley	Miembro de la Junta Directiva
Distrito Escolar Unido de Chualar	Miembro de la Junta Directiva, Área de Síndico 1
Distrito de Escuelas Primarias de Graves	Miembro de la Junta Directiva
Distrito Escolar Unido de Greenfield	Miembro de la Junta Directiva
Distrito Escolar Unido de King City	Miembro de la Junta Directiva, 4 años
Distrito Escolar Unido de King City	Miembro de la Junta Directiva, 2 años
Distrito Unido de Escuelas Primarias de Mission	Miembro de la Junta Directiva

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Distrito Escolar Unido de Santa Rita	Miembro de la Junta Directiva, Área de Síndico 2
Distrito Escolar Unido de Escuelas Primarias de Spreckels	Miembro de la Junta Directiva
D. de Servicios a la Comunidad de Castroville	Director
D. Rural de Prot. Contra Incendios de Gonzales	Director
D. de Protección Contra Incendios de Greenfield	Director
Sistema de Salud Salinas Valley Memorial	Director, Zona 1
D. de Salud de la Comunidad de Soledad	Director
Distrito Conmemorativo de Greenfield	Director
Distrito de Agua de Aromas	Director
Distrito de Aguas Costeras de Marina	Director
D. de Admin. del Agua de la Península de Mry	Director, División 3, 2 años
Distrito de Agua de San Ardo	Director
Distrito de Agua del Condado de San Lucas	Director

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NEWS RELEASE

FOR IMMEDIATE RELEASE

Friday, August 12, 2022

Contact: Gina Martinez, Registrar of Voters

Phone: 831-796-1499

E-mail: elections@co.monterey.ca.us

Website: www.MontereyCountyElections.us

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Notice of Extended Filing Period for Elective Office

Salinas, CA – The regular candidate filing period for the November 8, 2022, General Election has closed. The filing period for the following offices, in which an eligible incumbent did not file, is extended until 5:00 p.m. on Wednesday, August 17, 2022. Any candidates seeking municipal office will contact their City Clerk for extensions.

DISTRICT NAME	SEAT
Monterey County Board of Education	Governing Board Member, Trustee Area 3
Monterey County Board of Education	Governing Board Member, Trustee Area 7
Aromas-San Juan Unified School District	Governing Board Member, 2-year
Aromas-San Juan Unified School District	Governing Board Member, Trustee Area 3
Gonzales Unified School District	Governing Board Member, Trustee Area 4
North Monterey County Unified School District	Governing Board Member, Trustee Area 2
Soledad Unified School District	Governing Board Member
Paso Robles Joint Unified School District	Governing Board Member, Trustee Area 6
Salinas Union High School District	Governing Board Member, Trustee Area 3
Salinas Union High School District	Governing Board Member, Trustee Area 7
Bradley Union School District	Governing Board Member
Chualar Union School District	Governing Board Member, Trustee 1
Graves Elementary School District	Governing Board Member
Greenfield Union Elementary School District	Governing Board Member
King City Union School District	Governing Board Member, 4 yr
King City Union School District	Governing Board Member, 2 yr
Mission Union Elementary School District	Governing Board Member
Pleasant Valley Joint Union Elementary School District	Governing Board Member
San Antonio Union School District	Governing Board Member
San Lucas Union Elementary School District	Governing Board Member
Santa Rita Union School District	Governing Board Member, Trustee Area 2

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Spreckels Union Elementary School District	Governing Board Member
Castroville Community Services District	Director
Gonzales Rural Fire Protection District	Director
Greenfield Fire Protection District	Director
Salinas Valley Memorial Healthcare District	Director, Zone 1
Soledad Community Health Care District	Director
Greenfield Memorial District	Director
Aromas Water District	Director
Marina Coast Water District	Director
Monterey Peninsula Water Management District	Director, Division 3, 2 yr
San Ardo Water District	Director
San Lucas County Water District	Director

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---FIN---

Joel Pablo

From: mwchrislock@redshift.com
Sent: Monday, August 15, 2022 7:57 PM
To: Alvin Edwards; Amy Anderson; Clyde Roberson; Dave Stoldt; George Riley; Joel Pablo; Karen Paull;
 District 5; SAFWAT MALEK
Subject: Herald Letter to the Editor

Monterey Herald Letter to the Editor | August 16, 2022

<https://www.montereyherald.com/2022/08/15/letters-to-the-editor-aug-16-2022/>

Do We Need Cal Am's Desal?

Last week Cal Am held a community meeting in an attempt to sell us on its proposed desal plant in Marina. But they could not answer the two big questions in the room: How will they bring down the cost of water? And how much water do we really need? Instead of buyoff on the project, they got an earful from irate customers and Marina residents.

Cal Am assumes that if they produce more water from desal, people will use more. Right now you can use as much water as you want, but no one does because this water is prohibitively expensive. The reason people limit their water use is cost.

Cal Am has no plan to lower our water costs. In fact, just the opposite would happen. If their desal project were built, the cost of water would go up, further diminishing demand.

Right now the Peninsula uses 9,725 acre-feet. Cal Am wants to give us 6,250 more acre-feet. That's a lot of water! Who will use it?

If cost stays the same, growth is the only way to use more water. So how much water do we need for growth?

According to the AMBAG Regional Growth Forecast, which includes both population and job growth, we would need another 786 acre-feet annually by the year 2045.

And based on our historical growth before the moratorium, new water used for growth averaged only 16 acre-feet a year.

Why is Cal Am trying to build a desal plant that produces 6,252 acre-feet of extraordinarily expensive water when we don't need it and can't afford to use it? Profit.

*Melodie Chrislock, Director of Public Water Now
Carmel*

Joel Pablo

From: Rudy Fischer <rudyfischer@earthlink.net>
Sent: Sunday, August 14, 2022 9:02 PM
To: Joel Pablo; Dave Stoldt; E. Juaquin Esquivel - SWRCB; Eileen Sobeck - SWRCB; mtwomey@ambag.org; Kate McKenna - Executive Officer LAFCO; maleffel@mcbc.biz; Tom Rowley; Rick Heuer; wilde23kirstie@gmail.com; Bill Kampe; Bill Williams; Paul Bruno
Subject: Re: Denial of MPWMD Request by SWRCB

Comments to MPWMD/PWN:

I certainly hope no one is really surprised that the State Water Resources Control Board denied the Monterey Peninsula Water Management District request for water you don't have because the agency has not developed the water it was directed to years ago.

In the Carmel Pine Cone newspaper last week Susan Schiavone and Melodie Chrislock of Public Water Now (PWN) made a lot of accusations; blaming everyone else for our water shortage. Several times now MS Chrislock has also blamed Cal Am for not building a well for the ASR-1 deep injection well for the MPWMD. This at the same time that the agency is trying to take over Cal Am and Public Water Now and it's members on the MPWMD board block everything the company tries to do to actually develop new water. She has also claimed that the MPWMD has solved our water problems.

But I think the state's denial of the MPWMD request to allocate water for subsidized affordable housing projects shows that this claim just doesn't hold water. That rejection by the SWRCB is because they know that, over almost half a century, the MPWMD has failed to develop the sufficient and reliable sources of water it was created to produce. I don't blame that on the current board or even the current General Manager. Previous boards and GM's failed the water ratepayers of the Monterey Peninsula. But this board is now making the situation even worse.

The political action committee know as Public Water Now (FPPC 2021 ruling with fine attached) – to which most of you belong has fought the development of new water for years; resulting in the continuation of that problem. That means we cannot build affordable housing, people who own vacant lots cannot build a house there, and homeowners of existing homes cannot add bathrooms or water fixtures for their growing families. All because the Public Water Now dominated MPWMD board continues to fail the water rate payer.

While I also disagreed with the size of project Cal Am originally wanted to build (and let them know that, trying to get them to agree to a smaller - but expandable one if needed), they at least tried to present a solution. It is my belief that, because of the influence of PWN, the MPWMD board has made no attempt to negotiate anything on the desal plant proposal. Those members totally failed in their board responsibility to the residents of the Monterey Peninsula.

By the way, I believe that the head of Public Water at that time – who had originally agreed to the three legged solution which included a desal plant - torpedoed the project at a critical juncture. Then the board members decided to basically ignore the two most important goals of the MPWMD:

1. To increase the water supply to meet community and environmental needs.
2. To assist California American Water in developing a legal water supply.

Then they became hostile to Cal Am and stopped working or negotiating with them as they should have. But after 44 years, the MPWMD has only created one significant water project – and that provides less than fifteen percent of the water we need. It was developed years before the PWM directors were elected to the board. I wonder if even that project would have been approved by them though. That is because, when they were urged by the current head of PWN, to oppose a pipeline that would expand the utility of that project; they did indeed at first reject it. It was only because it just made too much sense that they finally came around.

It was Monterey One Water which (with a \$103 million SRF loan from the state and a significant amount in grants [\$30 million so far] brought in by Paul Sciuto of M1W) built the Pure Water Monterey plant which now provides 37% of the water the Peninsula uses – not the MPWMD, as Ms. Chrislock seemed to publicly claim recently. **THAT IS THREE TIMES THE AMOUNT OF WATER THE ASR PROJECT PROVIDES - AND IT IS RELIABLE AND CONSISTENT FROM YEAR TO YEAR!**

I believe the MPWMD – either by itself, with Monterey One Water/Pure Water Monterey, or with Cal Am or another partner – could develop the sources of the sufficient, reliable, and uninterrupted water the Monterey Peninsula needs in order to meet the requirements to get off of the CDO. But because Public Water Now's goal is to acquire most of the assets of Cal Am on the Monterey Peninsula, it is now fighting with that company. It is also fighting with the Monterey Peninsula Taxpayers Association and the Local Agency Formation Commission (LAFCO) – which represents 440,000 people - because fewer than 24,000 Monterey Peninsula residents voted to approve a local measure that could negatively affect multiple other communities they represent. But, like a spoiled and pouting unruly child, Public Water Now wants its way – even at the expense of others.

The Peninsula needs the MPWMD to move us forward on water solutions so we can get past the CDO. Not just on arguments and spending money on lawsuits. And still, rather than developing new water projects to meet the requirements needed to have the CDO lifted, the MPWMD board continues in their singleminded focus of trying to buy the local assets of Cal Am - an action which, by the way, will not produce one single additional drop of the water we need. And so our water poverty will probably continue.

Rudy Fischer

Pacific Grove City Councilman 2010-2018

Board of Directors, Monterey One Water 2013-2018

Joel Pablo

From: mwchrislock@redshift.com
Sent: Tuesday, August 16, 2022 9:41 AM
To: Alvin Edwards; Amy Anderson; Clyde Roberson; Dave Stoldt; George Riley; Joel Pablo; Karen Paull; District 5; SAFWAT MALEK
Subject: SB 1469 - WRAM Surcharges
Attachments: SB 1469 PAO Fact Sheet.pdf; Sen. Bradford - SB 1469.pdf; SB 1469 - Letter to Governor Newsom .pdf

Disregard my first email on this. It had a typo. – Melodie

Letter and attachments sent to Assemblyman Mark Stone's office regarding SB 1469.

Hi Erica,

Cal Water, Cal Am and the big water utilities are doing quite a sales job on SB 1469. This bill will hurt seven million Californians who get their water from these investor-owned utilities. They are selling the lie that this will increase conservation. It won't and that's why the CPUC discontinued WRAM surcharges. All they do is allow water utilities to exceed their authorized rate of return.

Attached is an updated fact sheet from the Public Advocates Office on SB 1469. Richard Rauschmeier <richard.rauschmeier@cpuc.ca.gov> would be happy to answer any questions about their data or conclusions.

Here's the latest propaganda aimed at legislators in Capitol Weekly
 <<https://capitolweekly.net/for-water-conservation-lawmakers-should-okay-decoupling/>>.

Is anyone in the Assembly paying attention to the facts on this? Where does Assemblyman Stone stand?

Melodie

Melodie Chrislock
 Managing Director
PUBLIC WATER NOW
<http://www.publicwaternow.org>
mwchrislock@redshift.com
 831 624-2282



August 8, 2022

The Honorable Gavin Newsom
Governor of California
California State Capitol
1021 O Street, Suite 9000
Sacramento, CA 95814

Re: Senate Bill 1469

Dear Governor Newsom:

On behalf of the millions of Californians to whom we provide safe and affordable drinking water service, we write to you regarding Senate Bill 1469 authored by Senators Bradford and Becker (SB 1469). In short, SB 1469 preserves a tremendously important water conservation tool, which could not be more important as California faces its worst drought in 1,200 years.

As you noted on July 29 when you met with the state's largest water suppliers, we are dealing with a changing climate in California that brings with it more frequent, persistent, and severe droughts. As was discussed in that meeting, one of the challenges posed by calls for water conservation is that reduced sales can leave utilities without the resources needed to operate their water systems safely and reliably. SB 1469 addresses this risk and, in doing so, is critical to our overall drought response and water supply efforts.

Without SB 1469, water suppliers regulated by the Public Utilities Commission (PUC) will be detached from the state's water conservation goals and will have a perverse incentive to sell as much water as possible. SB 1469 eliminates this incentive by allowing utilities to implement the regulatory best practice known as decoupling, which President Obama's Department of Energy concluded was "vital to ensuring that water and wastewater utilities have the incentives and the tools to reduce water and energy consumption."¹

Decoupling eliminates the concern that conservation will leave a utility without the resources needed to cover its fixed costs. Instead, the utility can focus on substantially expanding conservation initiatives, operating efficiently, and making critical investments in their water systems. As explained by the Regulatory Assistance Project, decoupling breaks the

¹ U.S. Department of Energy. (2015). Accelerate Energy Productivity 2030: A Strategic Roadmap for American Energy Innovation, Economic Growth, and Competitiveness. <https://www.energy2030.org/roadmap>.

conventional utility business model under which profits are tied to increasing sales, and “is a key component of a broader strategy to better align the utility’s incentives with societal interests.”²

After decades of success in the energy sector, in 2008, the PUC initiated a pilot program that allowed the water utilities it regulates to also implement decoupling. In the intervening years, the PUC-regulated water utilities have been at the forefront of the state’s efforts to make conservation a way of life. Peer reviewed research found that, during the last drought, the PUC-regulated utilities with decoupling saved considerably more water than their counterparts without decoupling and were twice as likely to meet the water conservation standards established by the State Water Resources Control Board.³ Now that the PUC’s pilot program has ended, SB 1469 is needed to prevent conservation backsliding.

SB 1469 will also help California achieve its climate change objectives. Substantial amounts of electricity are needed to pump, treat, store, and transport drinking water. Every drop of water that is not used creates corresponding energy savings. For this reason, organizations like the Alliance to Save Energy and American Council for Energy-Efficient Economy support SB 1469 as a tool to fight the drought and climate change. SB 1469 “will leverage water rates to meet California’s already progressive energy utility rates, positioning California as the leader once again in both water and climate issues, by aligning policy with the state’s water and energy efficiency goals.”⁴

In addition, SB 1469 will help keep water affordable. For example, a recent study found that water bills would be nearly 20% higher in East Los Angeles had it not been for their water supplier’s conservation efforts, made possible in large part to the PUC’s pilot program. The researchers concluded that these conservation efforts are “critical to help ensure that water utilities can continue to provide water service that is both affordable and sustainable.”⁵

Decoupling also allows water suppliers to employ equitable rates, guaranteeing that those who use the most also pay the most. Suppliers with decoupling tend to have lower fixed monthly service charges and progressive rates that increase the price customers pay for each unit of water as they use more. The Southern Environment Law Center has concluded that decoupling not only allows utilities to send proper price signals to high-volume users, but it also provides greater flexibility and savings to low-volume users, especially those who are low-income.⁶

² Regulatory Assistance Project. (2016). Revenue Regulation and Decoupling: A Guide to Theory and Application. Available at: <http://www.raponline.org/wp-content/uploads/2016/11/rap-revenue-regulation-decoupling-guide-second-printing-2016-november.pdf>.

³ Teodoro, M., Zhang, Y., & Switzer, D. (2018). Political Decoupling: Private Implementation of Public Policy. *Policy Studies Journal* 48(2), 401-424. <https://doi.org/10.1111/psj.12287>.

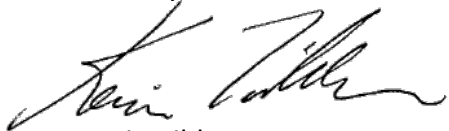
⁴ Alliance to Save Energy. (2022). Support letter for SB 1469.

⁵ Chesnutt, Pekelney, Mitchell, (2022). “The Economic Value of Efficiency for California Water Service: Lower Water Bills.” <https://www.calwater.com/docs/conservation/Economic-Value-of-Water-Efficiency-Lower-Water-Bills.pdf>.

⁶ Southern Environmental Law Center (2015). A Troubling Trend in Rate Design: Proposed Rate Design Alternatives to Harmful Fixed Charges. https://www.southernenvironment.org/uploads/news-feed/A_Troubling_Trend_in_Rate_Design.pdf.

For these reasons, we respectfully request your support of SB 1469 and the critical role it will play in helping us meet the state's water use objectives while fighting climate change and ensuring a sustainable future for all Californians.

Sincerely,



Kevin Tilden
President
California American Water



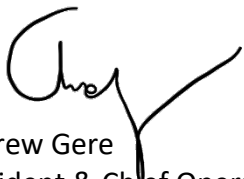
Martin A. Kropelnicki
President & Chief Executive Officer
California Water Service



Robert J. Sprowls
President & Chief Executive Officer
Golden State Water Company



Edward Jackson
President, California
Liberty Utilities



Andrew Gere
President & Chief Operating Officer
San Jose Water Company

Cc: President Alice Reynolds, California Public Utilities Commission
The Honorable Anthony Rendon, California State Assembly
The Honorable Toni Atkins, California State Senate
The Honorable Chis Holden, California State Assembly
The Honorable Steven Bradford, California State Senate
The Honorable Josh Becker, California State Senate
Ms. Ana Matosantos
Ms. Christine Bouma

Senate Bill 1469 – Fact Sheet

The Water Rate Adjustment Mechanism (WRAM or Full Decoupling) was intended to promote water conservation by decoupling water utilities' revenue from sales and presumably removing the financial incentive for a water utility to sell more water. However, California's experience with full decoupling has produced very different results. In 2008, the CPUC authorized WRAM as a pilot project for some water utilities.¹ After 10 years, the CPUC eliminated the program after determining that its flaws outweighed its benefits.² Instead, the CPUC authorized a decoupling mechanism targeted to conservation pricing (Monterey or Conservation WRAM). Several water utilities have filed petitions at the California Supreme Court appealing the CPUC's decision to eliminate full decoupling. The case is pending.

Decoupling Does Not Promote Conservation

Based on data that water utilities submitted during the CPUC pilot project, the year-to-year change in water usage per customer was nearly identical for the utilities that had full decoupling WRAM and those utilities which did not. However, ratepayers subjected to the full decoupling WRAM paid up to seven times more in surcharges resulting in additional utility profits over the same period (see graphs on next page).

To advance conservation, the CPUC establishes a specific conservation budget in each general rate case. These budgets help customers use water more efficiently and result in transparent bill impacts. During periods of drought, water utilities can activate special tariffs that allow for recovery of foregone revenue and increased costs due to conservation. For all large water utilities, the CPUC has implemented conservation rate designs where a greater percentage of total revenue is collected from volumetric charges with increasing tiers so that the unit cost paid by customers increases with usage.

In contrast to these targeted conservation efforts, the full decoupling WRAM is a blunt ratemaking instrument. It permits a utility to retroactively charge customers for *any* sales that did not occur for *whatever* reason, including those unrelated to conservation, such as economic downturn, weather, unemployment, poor forecasting, and high inflation. As an alternative, the CPUC's 2020 decision eliminating full decoupling WRAM allows for a more targeted mechanism that compensates utilities only for the variance in revenue that is directly attributable to conservation rate designs.³

¹ California Water Service, Golden State Water, California American Water, Suburban, and Liberty Utilities.

² CPUC Decision 20-08-047. Elimination of decoupling is to occur in each utility's next general rate case.

³ Conservation Water Rate Adjustment Mechanism (Conservation WRAM) or Monterey-Style WRAM.

How has Full Decoupling WRAM Impacted Lower-Income Customers?

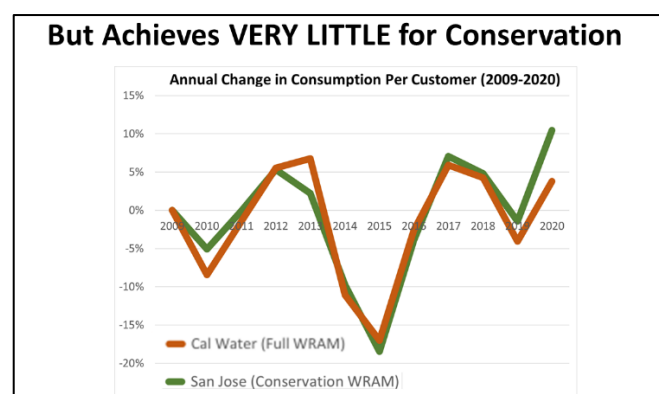
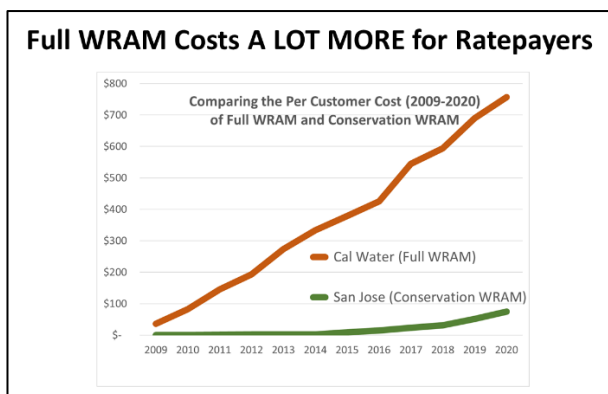
Full Decoupling WRAM surcharges have become as much as 20% of the total revenue for some utilities. In many cases, these surcharges represent only additional profit for water utilities that are already exceeding their Commission-authorized profit percentages. Furthermore, the full decoupling WRAM surcharge is applied equally to all ratepayers without regard to income. The result is that lower-income customers are particularly impacted because they spend a greater portion of their total income on essential utility services.

In 2016, the CPUC adopted special measures to control the growing and unsustainable surcharge balances in an effort to retain full WRAM decoupling. One of these measures required water utilities to collect a greater percentage of their total revenue from fixed charges, with a target range between 40% and 50%. While the utilities welcomed this change, its impact on lower-income customers and conservation efforts is questionable.

The Full Decoupling WRAM Disproportionately Benefits Shareholders

Full decoupling WRAM reduces transparency and unfairly benefits shareholders. Because decoupling surcharges accrue outside of general rate cases, neither ratepayers nor decision makers know the cumulative impacts to customer bills when setting general rate increases. In some cases, more than half of the actual increase in a residential bill has been the result of full decoupling WRAM surcharges added outside of a general rate case.

Full decoupling WRAM also functions as a backstop to bad forecasting, it reduces utilities' incentive to accurately forecast sales, revenues, and expenses in a general rate case and unfairly transfers forecasting risk from the utility to ratepayers. This backstop has also allowed water utilities to knowingly overestimate revenue or underestimate costs in order to produce misleadingly low bill impacts in general rate cases that are later overturned when recovery of full decoupling WRAM surcharges are added to customer bills.



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California State Senate

SENATOR
STEVEN BRADFORD
THIRTY-FIFTH SENATE DISTRICT



23
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August 2, 2022

The Honorable Joe Stephenshaw
Director, California Department of Finance
1021 O Street, Suite 3110
Sacramento, CA 95814

RE: Department of Finance Bill Analysis of SB 1469 (Bradford)

Dear Director Stephenshaw:

Thank you for your letter reviewing SB 1469 dated 7/14/2022. While I appreciate the work your staff has done to analyze the fiscal impact of this bill, it is unclear to me how SB 1469 would result in any additional costs for the CPUC, let alone require an additional seven positions and more than \$1.5 million per year in funding.

SB 1469 simply makes permanent a pilot program initiated by the CPUC in 2009. During the intervening period, the CPUC has already conducted more than 185 audits of the decoupling mechanisms implemented by the water utilities as well as numerous reviews of the applications for the implementation of those mechanisms. As such, any costs associated with SB 1469 are already incorporated into the CPUC's existing budget and the failure to enact SB 1469 would, in fact, leave the CPUC with excess positions and budget.

Additionally, as mentioned in your analysis, the CPUC "recommended that utilities petition for an alternative rate methodology known as Monterey-Style WRAM." The application for and implementation of these mechanisms would have to be reviewed and audited by the CPUC. Presumably, the CPUC has already accounted for the resource requirements of these mechanisms. SB 1469 would not result in any additional resource constraints, as it would simply allow water utilities to substitute one mechanism for another.

Finally, SB 1469 need not necessitate the initiation of any new proceedings at the CPUC. As part of the CPUC's pilot program, water utility applications for the implementation of decoupling mechanisms have been incorporated into their mandated triennial General Rate Cases. The assumption has been that process would continue. **To ensure that the legislation does not require the initiation of any new proceedings, the bill will be amended to only allow the water utilities to submit applications for the prescribed decoupling mechanisms during their respective General Rate Cases.**

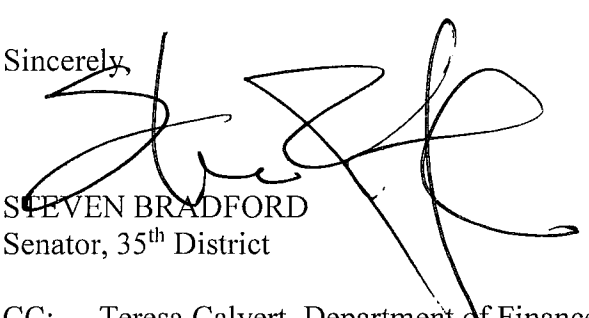
August 2, 2022
Page 2 of 2

The statement provided by the CPUC that decoupling failed to advance the state's water conservation objectives is not supported by any evidence in the proceeding mentioned in the analysis, and in fact peer-reviewed data shows that the statement is false. President Obama's Department of Energy went so far as to say, "Decoupling . . . is vital to ensuring that water and wastewater utilities have the incentives to reduce water and energy consumption."

Two separate studies have been completed by third party researchers that highlight how effective the CPUC's pilot was at encouraging greater water conservation. One study by a firm that regularly does work for the State Water Resources Control Board found that, prior to the last drought, the CPUC-regulated water utilities with decoupling, achieved 29% more water savings than those without full decoupling. Those savings amounted to about 7.9 billion additional gallons of water. A second study conducted by a well-respected authority on water policy, Professor Manny Teodoro of the University of Wisconsin, examined the conservation performance of CPUC-regulated utilities with decoupling to that of public agencies without decoupling during the last drought. Professor Teodoro found that the CPUC-regulated utilities with decoupling saved considerably more water than their counterparts without decoupling and were twice as likely to comply with the conservation mandates adopted by the Water Board.

It is also important to point out that decoupling does not increase the total amounts paid by customers. Rather, as the Natural Resources Defense Council has explained, a "decoupling mechanism is simply a system to regularly adjust rates to ensure a utility's actual revenues match its authorized revenues to recover its fixed costs. Regulators of investor-owned utilities and governing boards of publicly owned utilities can use regular, small adjustments in rates . . . to ensure that utilities recover their authorized fixed costs—no more and no less."

Sincerely,



STEVEN BRADFORD
Senator, 35th District

CC: Teresa Calvert, Department of Finance
David Evans, Department of Finance
Eamon Nalband, Department of Finance
Hazel Miranda, Office of Governor Gavin Newsom



OPINION

For water conservation, lawmakers should okay 'decoupling'



BY **ROBERTO BARRAGAN** POSTED 08.10.2022

With climate change, our boom and bust cycle of rainy vs dry years will mean fewer rainy years and longer, more frequent dry years. We've all been doing our part to conserve water during this drought, but according to figures provided by state water regulators, it's not enough.

We urge the legislature to pass and Gov. Newsom to sign SB 1469 which offers water providers a powerful tool to help encourage customers to save water and fight the drought.

SB 1469 makes permanent a program called decoupling which sounds technical but is really a very simple concept to conserve water.

When water customers pay their water bill, they are paying for maintenance of our water infrastructure as well as the cost of the water.

Decoupling changes the water utility business model from selling to conserving water by severing the link between water sales and everyday system operations

Decoupling changes the water utility business model from selling to conserving water by severing the link between water sales and everyday system operations. It eliminates an incentive for water providers to sell more water.

SB 1469 will ensure all customers equitably contribute to operations, maintenance, and infrastructure costs, but under SB 1469, water providers will be able to establish progressive, equitable water rates so those who use more water pay more, and those who use less will pay less.

In 2008, after decades of success with energy utilities, the California Public Utilities Commission (CPUC) established a pilot decoupling program.

SB 1469 will also make it easier for water suppliers to maintain robust water conservation programs to help incentivize Californians to conserve, including rebates for turf replacement and high-efficiency home appliances, making them accessible to those who may not otherwise be able to afford them, as well as programs to assist low-income families repair leaky sprinkler systems.

Decoupling came about because in 2008, after decades of success with energy utilities, the California Public Utilities Commission (CPUC) established a pilot decoupling program for the largest water utilities it regulates. That pilot program ended in 2020, but empirical, peer-reviewed research highlighted the effectiveness of decoupling.

For example, during California's last major drought from June 2015 – April 2017, water suppliers that implemented decoupling “adopted more aggressive conservation measures, were more likely to meet state conservation standards, and conserved more water,” according to an independent study done in 2018.

The same study found that if all water suppliers had been using decoupling, the additional conservation would have equated to 54.6 billion gallons of additional water savings, enough to supply San Francisco for more than two years.

Low income and low water use customers will benefit the most from SB 1469. SB 1469 protects customers by ensuring they only pay the actual cost of operating, maintaining, and upgrading the water system.

Without the passage of SB 1469, 75% of customers served by PUC-regulated water suppliers could see their water bills increase by an average of more than 7.7 percent and water use would increase by 5 to 10 percent, according to a 2020 study from M.Cubed. The same study found that without SB 1469, lower-income customers who use the least water could see their monthly bills increase by 10 – 20 percent.

Every drop of water that is saved by decoupling and SB 1469 results in corresponding energy savings, making the water conservation efforts supported by decoupling a critical tool in the battle against climate change.

SB 1469 has been endorsed by a wide array of environmental groups, non-governmental organizations, and even President Obama’s Department of Energy as an essential tool to support water conservation because it removes the incentive for water providers to sell more water.

We are strong supporters of SB 1469 because it will help those from disadvantaged communities the most. We urge a YES vote on SB 1469.

—
Editor’s Note: Roberto Barragan is the executive director of the California Community Economic Development Association, which advocates for community revitalization in diverse urban and rural neighborhoods.

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Joel Pablo

From: susan schiavone <s.schiavone@sbcglobal.net>
Sent: Friday, August 19, 2022 1:34 PM
To: Joel Pablo
Subject: LTE to Pine Cone August 5, 2022 for Board Packet

Cal Am and private vs. public

Dear Editor,

Cal Am is currently politicizing the issue of the ASR 1 well (Pine Cone, July 8). Pushing the water district to break their contract for water delivery is not legal or reasonable. The problem is being worked out; there is no reason to go back to over-pumping Carmel River. In fact, the water from Pure Water Monterey is what enabled Cal Am to get off the river.

The increase in cost for recycled water is pandemic-related cost increases for chemicals, construction and materials. Rather, they use this chimera to convince us to support their proposed desal plant, where water estimates are \$6,000-8,000 an acre-foot, not \$3,486 for Pure Water Monterey. We also need to remember that the desal plant is highly polluting and damages plover habitat and Marina groundwater sources. Pure Water Monterey is a sustainable water supply, soon to run on methane produced by the waste management district, making a closed sustainable low-carbon system. In that framework, the recycled water is a bargain.

The private/public argument should include that MPWMD has been awarded a district transparency certificate of excellence for outstanding efforts to promote transparency and good governance for three years, along with awards for fiscal management. And Monterey One Water along with Marina Coast Water District received national recognition for engineering excellence on the Pure Water Monterey Phase I.

Private companies have no transparency. You may

not know we ratepayers are paying for at six water company acquisitions Cal Am has made in recent years, and added a new one this month. We benefit zero but share the cost because the CPUC allows private utilities to do this, increasing their monopoly.

Private companies work for shareholders and profit. A local public water agency would end CPUC sweet deals Cal Am enjoys at the expense of ratepayers.

Susan Schiavone,
Seaside

Joel Pablo

From: mwchrislock@redshift.com
Sent: Saturday, August 20, 2022 6:23 PM
To: Alvin Edwards; Amy Anderson; Clyde Roberson; Dave Stoldt; George Riley; Joel Pablo; Karen Paull; District 5; SAFWAT MALEK
Subject: FW: Government Affairs Update for MCAR Members
Attachments: Fwd: Government Affairs Update for MCAR Members

An MCAR member sent me the attached email after calling to complain that MCAR was sending out false information to its members.

Pinterits was one of three desal supporters who spoke at the Cal Am Community Meeting along with John Tilley and Eric Tynan. There were 20 Cal Am customers and Marina Residents who spoke against it.

Here's the message Adam Pinterits sent out to members of MCAR (Monterey County Association of Realtors).

CalAm Water Forum

Earlier this week California American Water hosted public forums about their water service and regional water supply projects. MCAR President Russell Hays and I attended to make sure the vital nexus of water and housing was recognized. In addition to this public dialogue, we have been in communication with other water supply stakeholders in the region including Ag. and Hospitality.

Key takeaways:

- It is still not clear that recycled water is consistently meeting all safety requirements
- Recycled water supply is not reliable, Ag. will keep and reuse their wastewater if it makes more sense for them to do so
- Desalination technology has continued to advance, the lack of negative environmental impact has been demonstrated by the test slant well
- Though still challenging to get approved and built, a desalination plant remains a necessary component of long-term, drought-proof water supplies to support much needed housing

Stay tuned for local calls to action. If further public conversations take place Realtors need to speak up for sensible solutions.

Melodie Chrislock
 Managing Director

PUBLIC WATER NOW

<http://www.publicwaternow.org>

mwchrislock@redshift.com

831 624-2282

Joel Pablo

From: Ferguson, Lloyd W <lloyd.ferguson@cbnorcal.com>
Sent: Saturday, August 13, 2022 3:52 PM
To: mwchrislock@redshift.com
Subject: Fwd: Government Affairs Update for MCAR Members



Hi,

Thank you to the many members who have recently joined a committee, attended classes both in-person and hybrid, or visited the new MCAR office. Stop by the office, check our social media, or give us a call to learn more about getting involved with your association.

Due to schedule constraints, Coffee with your GCAD and LGR will not take place this month, so I want to provide a thorough update on local and state government affairs instead. If you have feedback or government-related issues of concern, [please let me know](#).



-Adam Pinterits, Government & Community Affairs Director

MCAR Answers C.A.R. Calls to Action

Last month C.A.R. put out an urgent call to action to oppose SB 1105 and SB 679, bills that would create new tax authorities with no elected officials to hold accountable. Members of MCAR joined me in leading the effort and rallying members from San Benito and Santa Cruz Counties to join us in meetings with our lawmakers and their staff. Together we presented arguments to oppose these bills.

SB 1105 was defeated this week! SB 679 will moved forward. **Please participate in the continued call to action C.A.R. will announce soon by clicking the button below and telling your representatives you oppose unaccountable taxation.**

Tell your Assembly Member and Senator that you **OPPOSE** allowing an un-elected body to tax your property!

Shoutout to the members who attended: MCAR President-Elect Jorge Edeza, Renee Garner, Gloria Moore, and Ian Morran.

Salinas Rental Registry



The Salinas Community Development Department has created a first draft of the rental registry ordinance. With the help of experienced Local Government Relations Committee member, Gloria Moore, we are providing comments and critiques of the very rough draft.

Examples of the provisions we are opposing:

- Discriminatory exemption of certain property types and waiving requirements for nonprofit housing providers
- Requirements applying even to properties that are vacant
- Lack of consideration or waivers for small, locally owned rental housing providers currently exempt for needing a business license
- Complete discretionary spending of rental registry funds without independent oversight

Seattle created similarly overreaching rental regulations in 2020 and has since lost nearly 10,000 units of rental housing as owners were forced to stop renting them. **We will continue to oppose regulatory overreach locally as it helps neither renters nor rental housing providers. Please be prepared to join us at a future Salinas City Council meeting if this ordinance is not significantly revised.**

CalAm Water Forum



Earlier this week California American Water hosted public forums about their water service and regional water supply projects. MCAR President Russell Hays and I attended to make sure the vital nexus of water and housing was recognized. In addition to this public dialogue, we have been in communication with other water supply stakeholders in the region including Ag. and Hospitality.

Key takeaways:

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- Though still challenging to get approved and built, a desalination plant remains a necessary component of long-term, drought-proof water supplies to support much needed housing

Stay tuned for local calls to action. If further public conversations take place Realtors need to speak up for sensible solutions.

No Coffee with your GAD this month Two in September: Salinas and Monterey

Due to schedule constraints there is no Coffee with your GCAD event this month. We will instead host two in September, one in Salinas and one in Monterey.

Please save the dates:

- **Tuesday, September 13, 10AM, Salinas**
- **Thursday, September 15, 10AM, Monterey**



C.A.R. Legislative Update



California's State budget and accompanying legislation were approved by the Legislature and signed into law by the Governor. One of the items included an allocation of \$500 million to CalFHA to fund Senate Pro Tempore Atkins' proposed new equity sharing down payment assistance program entitled the California Dream for All Program. The money allocated to the California Dream for All program will provide down payment assistance with an equity share component for first time homebuyers making no more than 150% of the area median income.

Details are still forthcoming but effectively it will provide homebuyers with up to a 20% down payment, with a small percentage coming from the homeowner. The plan envisions that homeowners will refinance out of that state lien and once the state investment is paid back those funds could be used for other potential homeowners. C.A.R. will provide more information on this program as details are finalized.

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Joel Pablo

From: Hardgrave, Sarah <HardgraveS@co.monterey.ca.us>
Sent: Wednesday, August 24, 2022 3:58 PM
To: Dave Stoldt
Cc: Joel Pablo; District 5; Donna Meyers; Buche, Brent
Subject: On behalf of Monterey County Board Chair Adams - Invitation to Regional Water Forum
Attachments: MPWMD.Regional Water Forum Invitation to Water Agencies.pdf

Dear Dave:

On behalf of Chair Adams, please see the attached invitation from the Monterey County Board of Supervisors to participate in a regional water forum, to be held on September 20, 2022 at 1:30pm.

The purpose of the regional water forum is to provide an overview of current efforts regarding water management and sustainability, and to initiate a comprehensive discussion on regional water supplies and solutions. The goal is to look broadly at what will be needed to ensure water security in Monterey County. An understanding of the larger regional water picture is important to forge a consensus approach for water agencies and County leaders.

Please see the attached letter inviting you, or your designated representative, to attend.

Thank you for your consideration.

Sarah Hardgrave | *Chief of Staff*
to District 5 Supervisor Mary L. Adams
County of Monterey
Phone: 831-647-7755

MONTEREY COUNTY



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MARY L. ADAMS, *Chair, District 5*

August 23, 2022

David Stoldt, General Manager

MPWMD

P.O. Box 85

Monterey, CA 93942-0085

Re: Invitation to Speak at Regional Water Forum, September 20, 2022, 1:30pm

Dear Mr. Stoldt:

On September 20, 2022 at 1:30pm, the Board of Supervisors will hold its second Regional Water Forum to address water supply issues facing Monterey County.

The purpose of the regional water forum is to provide an overview of current efforts regarding water management and sustainability, and to initiate a comprehensive discussion on regional water supplies and solutions. The goal is to look broadly at what is needed to ensure water security in Monterey County. An understanding of the larger regional water picture is important to forge a consensus approach for water agencies and County leaders.

The first regional water forum, held in March, provided an overview of how the regional water picture is now influenced by the Sustainable Groundwater Management Act's required outcomes, particularly in over drafted subbasins. The second forum will provide an overview of the portfolio of potential regional management actions and projects to address our water supply needs, followed by input from key stakeholders, including our federal and state elected representatives, special district water agency and regulated utility representatives and the public.

As part of the forum agenda, I would like to invite you, or your designated representative to make brief remarks (up to five minutes) on these issues. In particular, the Board of Supervisors would benefit from hearing your perspective on the following questions:

- What are the water supply needs and conditions facing your agency?
- What role do you see for your agency in implementing regional projects or management actions?
- Where do you foresee progress towards regional solutions in the next five years?
- What are the biggest challenges to getting there?
- What do you recommend as next steps?

This invitation to speak is being sent to the following water agencies and the regulated utilities in Monterey County:

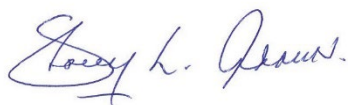
- Monterey County Water Resources Agency
- Salinas Valley Groundwater Sustainability Agency
- Monterey One Water
- Monterey Peninsula Water Management District
- Marina Coast Water District/MCWD Groundwater Sustainability Agency
- Castroville Community Services District
- Seaside Groundwater Basin Watermaster
- Arroyo Seco Groundwater Sustainability Agency
- California Water Service
- California American Water
- Alco Water Service

We are planning for the water agencies' portion of the agenda to occur shortly after 2:30pm, following a presentation by the General Managers from the Monterey County Water Resources Agency and the Salinas Valley Basin Groundwater Sustainability Agency and remarks from our Federal and State representatives.

If you, or your designated representative, are able to participate on September 20th, please have your staff confirm with my office by email to my Chief of Staff, Sarah Hardgrave at hardgraves@co.monterey.ca.us or by phone at 831-647-7755. Sarah will be following up with you in early September to answer any questions you may have about this invitation.

I look forward to working with you and other stakeholders to identify a path forward to ensure water security for Monterey County in the 21st century and beyond.

Sincerely,

A handwritten signature in blue ink, appearing to read "Mary L. Adams".

Mary L. Adams, Chair
Monterey County Board of Supervisor
Fifth District

cc: MPWMD Board of Directors

Joel Pablo

From: mwchrislock@redshift.com
Sent: Sunday, August 28, 2022 12:05 PM
To: Alvin Edwards; Amy Anderson; Clyde Roberson; Dave Stoldt; George Riley; Joel Pablo; Karen Paull; District 5; SAFWAT MALEK
Subject: SB 1469 wants to reinstate WRAM
Attachments: 202120220SB1469_Assembly Floor Analysis.pdf
Importance: High

Assemblymember Mark Stone,

Laura Shybut came out with another analysis of SB 1469 (attached) for the Assembly Floor. Unfortunately, she swallowed the utilities' arguments (and paid-for consultant analysis) hook, line, and sinker. Going so far as to now state unequivocally, *"Utility rate decoupling works. In fact, from 2008 – 2018, decoupled suppliers and their customers reduced water use by 13% more than non-decoupled suppliers."*

Here's how the utilities' paid consultant study calculated the benefits of WRAM.

Customer #1 is a 100 gallon-per-day user who cuts his usage by 10% and now uses 90 gallons-per-day.

Customer #2 is a 1000 gallon-per-day user who cuts his usage by 2% and now uses 980 gallons-per-day.

Who is doing a better job conserving?

Most people would say Customer #1 is doing a better job conserving. And this is consistent with the Public Advocates Office's analysis comparing decoupling effects on percentage changes in consumption amongst utilities over the 10-year CPUC pilot program.

But the analysis paid for by the utilities says Customer #2 is doing a better job conserving because he saved 20 gallons and Customer #1 only saved 10 gallons.

Seriously, this is how the utilities were able to show WRAM is better at conservation. Unfortunately, our legislators and environmental groups are being lied to.

These utilities want to raise water costs on 7 million Californians to increase their

profits on shrinking water sales.

Melodie Chrislock

Melodie Chrislock

Managing Director

PUBLIC WATER NOW

<http://www.publicwaternow.org>

mwchrislock@redshift.com

831 624-2282

Background

In April all the WRAM surcharges for the water we didn't use finally dropped off our bills.

Now the four big water utilities (Cal Am, Cal Water, Goldent State and Liberty) have gone to our state legislators to try and get WRAM back on our bills. They claim WRAM or decoupling increases conservation. But the CPUC found it did not after a ten year pilot program. They also found that WRAM was allowing the utilities to exceed their authorized rate of return. That's why the CPUC discontinued WRAM in 2020 and the charges finally expired in April.

Now the utilities are lying to our legislators. All our senators believed them, including John Laird. I spoke with him about this months ago, but he voted for it anyway. Now it is headed to the Assembly for a vote. I've contacted Mark Stone about this.

For water conservation, lawmakers should okay 'decoupling'

<https://capitolweekly.net/for-water-conservation-lawmakers-should-okay-decoupling/>

The big water utilities didn't like the results of the CPUC's pilot program which found decoupling or WRAM did NOT increase conservation, so they did their own study to get the result they wanted!

"Decoupling came about because in 2008, after decades of success with energy utilities, the California Public Utilities Commission (CPUC) established a pilot decoupling program for the largest water utilities it regulates. That pilot program ended in 2020, but empirical, peer-reviewed research highlighted the effectiveness of decoupling."

This article is the height of well crafted lying! They never admit what the CPUC found or even mention that WRAM charges were discontinued. They make the reader think the study they conducted validated the pilot study the CPUC did.

One more reason to be rid of Cal Am.

Melodie Chrislock

SENATE THIRD READING
SB 1469 (Bradford and Becker)
As Amended August 23, 2022
Majority vote

SUMMARY

Authorizes the California Public Utilities Commission (CPUC), upon application by a water corporation with more than 10,000 service connections, to consider and allow implementation of a mechanism that separates the water corporation's revenues and its water sales, commonly known as "decoupling."

Major Provisions

COMMENTS

The CPUC regulates the rates and service of water corporations that provide water service to about 16% of California's residents. Approximately 95% of those residents – or nearly 1.2 million people – are served by "Class A" water corporations which are water corporations that have more than 10,000 service connections. There are nine of these large, Class A water corporations.

In 2008, the CPUC instituted a pilot program by which the state's largest water corporations could decouple charges for water use from other charges the corporations collected from their respective ratepayers. The goals of the decoupling program, as described by the CPUC, were "to sever the relationship between sales and revenue to remove any disincentive for the utility to implement conservation rates and programs; ensure cost savings are passed on to ratepayers; and reduce overall water consumption." In 2020, the CPUC chose to end the decoupling mechanisms, noting no party "presented evidence or arguments that persuade us that the pilot WRAM/MCBA [decoupling] mechanism provides discernable benefits that merit its continuation."

This bill would require the CPUC to consider authorizing one of the nine largest water corporations to use decoupling mechanisms, upon the corporation's request. Unless mutually agreed upon by the corporation and the CPUC, the corporation may only make such a request during the corporation's triennial general rate case application. The CPUC objects to this requirement as "legislative ratemaking."

According to the Author

According to the author, "SB 1469 is seeking to establish for water corporations a long-held practice of ratemaking that has been used to encourage conservation. Decoupling has been in place for energy utilities since the 1980s and the Legislature made the program permanent in 2001 as part of the policies and practices established after the 2000 energy crisis. Decoupling was identified as a best practice for water utilities since 2005 as part of the CPUC's Water Action Plan and reaffirmed in its 2010 update. When utilizing rate decoupling, water conservation efforts resulted in real reductions in operating costs, resulting in lower monthly bills for customers. In fact, from 2008 – 2018, decoupled suppliers and their customers reduced water use by 13% more than non-decoupled suppliers. Utility rate decoupling works - LADWP, the largest municipal utility in the United States, serving four million residents and businesses

implemented decoupling for its water utility in 2016 (Ordinance 184130). SB 1469 reinstates rate decoupling to ensure that both cost savings and conservation benefits continue to be available for customers throughout California."

Arguments in Support

A broad coalition of water corporations, labor, local chambers of commerce, water conservation organizations, local governments, and environmental organizations support this measure. The proponents argue that decoupling of sales and revenue supports conservation efforts, especially critical as the state continues to experience drought. Many of the water utilities supporting this bill disagree with the CPUC decision to eliminate full decoupling, arguing that decoupling provides stability despite changes in water use and ensures that water suppliers only receive the funds they need to safely operate and upgrade the water system.

Arguments in Opposition

Those opposed to this bill are consumer groups that include California Coastkeeper Alliance, Public Water Now, and the Public Advocates Office (oppose unless amended) who argue that the decision to decouple water utility rates is best left to the CPUC, who already determined that full decoupling should be discontinued. They note that the issues in determining just and reasonable rates for customers are complex and involve multiple variables, particularly as it relates to encouraging conservation. They express concerns that the surcharges imposed by full decoupling lack transparency, create customer complaints, and can saddle customers with costs for extended periods. Moreover, they note that conservation can occur under alternative mechanisms which are still permitted by the CPUC.

FISCAL COMMENTS

According to the Assembly Appropriations Committee, the CPUC estimates approximately \$1.3 million in ongoing funding is needed to implement this bill, with an additional \$234,000 every year for three years. According to the CPUC, these funds would be needed to consider as many as 91 new complex proceedings that the CPUC anticipates would be filed in response to this bill. Recent amendments may adjust these cost estimates.

VOTES

SENATE FLOOR: 36-0-4

YES: Allen, Bates, Becker, Borgeas, Bradford, Cortese, Dahle, Dodd, Durazo, Eggman, Glazer, Gonzalez, Grove, Hueso, Hurtado, Jones, Kamlager, Laird, Leyva, Limón, McGuire, Melendez, Min, Newman, Nielsen, Ochoa Bogh, Pan, Portantino, Roth, Rubio, Skinner, Stern, Umberg, Wieckowski, Wiener, Wilk

ABS, ABST OR NV: Archuleta, Atkins, Caballero, Hertzberg

ASM UTILITIES AND ENERGY: 14-0-1

YES: Eduardo Garcia, Patterson, Bauer-Kahan, Carrillo, Chen, Mike Fong, Cristina Garcia, Holden, Mayes, Muratsuchi, Quirk, Reyes, Santiago, Ting

ABS, ABST OR NV: Cunningham

ASM APPROPRIATIONS: 16-0-0

YES: Holden, Bigelow, Bryan, Calderon, Arambula, Megan Dahle, Davies, Mike Fong, Fong, Gabriel, Eduardo Garcia, Levine, Quirk, Robert Rivas, Akilah Weber, McCarty

UPDATED

VERSION: August 23, 2022

CONSULTANT: Laura Shybut, Natalie Seitzman / U. & E. / (916) 319-2083 FN: 0003929



OPINION

For water conservation, lawmakers should okay 'decoupling'



BY **ROBERTO BARRAGAN** POSTED 08.10.2022

With climate change, our boom and bust cycle of rainy vs dry years will mean fewer rainy years and longer, more frequent dry years. We've all been doing our part to conserve water during this drought, but according to figures provided by state water regulators, it's not enough.

We urge the legislature to pass and Gov. Newsom to sign SB 1469 which offers water providers a powerful tool to help encourage customers to save water and fight the drought.

SB 1469 makes permanent a program called decoupling which sounds technical but is really a very simple concept to conserve water.

When water customers pay their water bill, they are paying for maintenance of our water infrastructure as well as the cost of the water.

Decoupling changes the water utility business model from selling to conserving water by severing the link between water sales and everyday system operations

Decoupling changes the water utility business model from selling to conserving water by severing the link between water sales and everyday system operations. It eliminates an incentive for water providers to sell more water.

SB 1469 will ensure all customers equitably contribute to operations, maintenance, and infrastructure costs, but under SB 1469, water providers will be able to establish progressive, equitable water rates so those who use more water pay more, and those who use less will pay less.

In 2008, after decades of success with energy utilities, the California Public Utilities Commission (CPUC) established a pilot decoupling program.

SB 1469 will also make it easier for water suppliers to maintain robust water conservation programs to help incentivize Californians to conserve, including rebates for turf replacement and high-efficiency home appliances, making them accessible to those who may not otherwise be able to afford them, as well as programs to assist low-income families repair leaky sprinkler systems.

Decoupling came about because in 2008, after decades of success with energy utilities, the California Public Utilities Commission (CPUC) established a pilot decoupling program for the largest water utilities it regulates. That pilot program ended in 2020, but empirical, peer-reviewed research highlighted the effectiveness of decoupling.

For example, during California's last major drought from June 2015 – April 2017, water suppliers that implemented decoupling “adopted more aggressive conservation measures, were more likely to meet state conservation standards, and conserved more water,” according to an independent study done in 2018.

The same study found that if all water suppliers had been using decoupling, the additional conservation would have equated to 54.6 billion gallons of additional water savings, enough to supply San Francisco for more than two years.

Low income and low water use customers will benefit the most from SB 1469. SB 1469 protects customers by ensuring they only pay the actual cost of operating, maintaining, and upgrading the water system.

Without the passage of SB 1469, 75% of customers served by PUC-regulated water suppliers could see their water bills increase by an average of more than 7.7 percent and water use would increase by 5 to 10 percent, according to a 2020 study from M.Cubed. The same study found that without SB 1469, lower-income customers who use the least water could see their monthly bills increase by 10 – 20 percent.

Every drop of water that is saved by decoupling and SB 1469 results in corresponding energy savings, making the water conservation efforts supported by decoupling a critical tool in the battle against climate change.

SB 1469 has been endorsed by a wide array of environmental groups, non-governmental organizations, and even President Obama’s Department of Energy as an essential tool to support water conservation because it removes the incentive for water providers to sell more water.

We are strong supporters of SB 1469 because it will help those from disadvantaged communities the most. We urge a YES vote on SB 1469.

—
Editor’s Note: Roberto Barragan is the executive director of the California Community Economic Development Association, which advocates for community revitalization in diverse urban and rural neighborhoods.

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September 6, 2022

Mr. John Ainsworth
Executive Director
California Coastal Commission
455 Market Street
San Francisco, CA 94105

Via Email

RE: Completeness Letter for Cal-Am's CDP Application #9-20-0603

Dear Mr. Ainsworth:

We understand that the California American Water Company's (Cal-Am) CDP Application #9-20-0603 has been deemed complete.

Please be aware that Cal-Am is in the midst of an open application A.21-11-024 in front of the California Public Utilities Commission (CPUC), Phase 2 of which specifically is to review and approve updated water supply and demand estimates for the Monterey Peninsula Water Supply Project (the desalination plant). The February 9, 2022 CPUC scoping memo for the proceeding states that testimony required in Phase 2 should address the most recent supply and demand data Cal-Am has available and which should further address a scenario in which the Amended and Restated Water Purchase Agreement is adopted and a scenario in which it is not adopted. As such, the Phase 2 CPUC proceedings will likely determine the timing of need for the desalination plant and its appropriate size.

In an update to the scoping memorandum on June 17, 2022 the assigned CPUC Commissioner provided the following schedule for the Phase 2 proceeding:

- September 26, 2022 Meet & Confer
- October 6, 2022 Joint Case Management Statement
- w/in 30 days of 10/6 Evidentiary Hearings
- w/in 30 days of Hearings Opening Briefs
- w/in 20 days of Opening Briefs Reply Briefs
- w/in 90 days of Reply Briefs Proposed Decision

As you can see, the important outcome of this CPUC Phase 2 proceeding may not be known until March of 2023. We hope the Coastal Commission will wait until the conclusion of the CPUC proceedings before it schedules a hearing on CDP Application #9-20-0603. Anything else would be premature and not fully informed by the facts.

Thank you for your consideration of the District's position.

Sincerely,

A handwritten signature in blue ink that reads "David J. Stoldt".

David J. Stoldt
General Manager

cc: Dan Carl, Alison Detmer, Tom Luster