

**Consider Approval of Application to Amend
California-American Water Company System Permits
For the Ryan Ranch and Bishop Units
To Change the Source of Supply, and
Authorize Permanent Connection to
The Main California American Water System to
Receive Deliveries of Native Seaside Basin Groundwater
From the Coastal Subarea**

Public Hearing

September 21, 2020

Application

- Connect Cal-Am Ryan Ranch and Bishop Units to Main CAW System
- Will enable Cal-Am to supply native Seaside Coastal Groundwater Basin water in place of Laguna Seca Subarea groundwater
- Environmental review was completed in the amended MPWSP EIR
- Interconnection was approved by the CPUC in the Decision Approving a Modified Monterey Peninsula Water Supply Project, Adopting Settlement Agreements, Issuing Certificate of Public Convenience and Necessity and Certifying Combined Environmental Report (D.18-09-017)
 - Secondary objective of the Monterey Peninsula Water Supply Project (MPWSP)

Cal-Am Standard Producer

- Cal-Am has a recognized Standard Production Allocation in the Seaside Basin Adjudication Decision
- Subunits in the Laguna Seca Subarea had their production ramped down to zero in 2018
- Since that time, Cal-Am has continued pumping from the subarea and has relied on replenishment assessments to comply with the Adjudication Decision

Native Groundwater Delivery

- Cal-Am's operation of the interconnection will not conflict with the SWRCB Order No. 2016-0016 (CDO) provided that the water delivered through the interconnection to the Ryan Ranch and Bishop Units is accounted for as native groundwater from the Seaside Coastal Subarea
- The Adjudication Decision expressly authorizes Cal-Am to deliver or transfer native groundwater from the Seaside Coastal Subarea for use in place of Laguna Seca Subarea water

Native Groundwater Delivery

- The CDO directs Cal-Am to maximize groundwater use over Carmel River diversions in order to reduce Carmel River diversions to authorized limits, and it prohibits Cal-Am from increasing Carmel River diversions in order to offset loss in production from the Basin
- The 2016 CDO established an Effective Diversion Limit (EDL) of 8,310 Acre Feet Annually (AFA)
- Cal-Am cannot exceed the EDL as a result of either reduced groundwater availability from the Seaside Groundwater Basin or increased groundwater demands in the Seaside Groundwater Basin

Native Groundwater Delivery

- The delivery of native Seaside Coastal Subarea groundwater will not change Cal-Am's obligations under the CDO and Water Right Orders 95-10 and 2009-0060
- The SWRCB Orders address Cal-Am's total rights to the Seaside Basin, but do not differentiate between Coastal and Laguna Seca Subarea allocations
- The orders do not impose restrictions on Cal-Am's ability to use Seaside Basin groundwater as authorized under the Seaside Basin Decision

Benefits to Interconnection

- Interconnection will improve system reliability
- More uniform type of operations for Ryan Ranch and Bishop Units
- Ensure adequate water supplies available to serve existing needs
- Increased reliability and fire protection for both Ryan Ranch and Bishop water systems
- Lower Total Dissolved Solids (TDS) for Ryan Ranch and Bishop Units
- Lower salt concentrations for Bishop wastewater system (used to irrigate the golf course)

No other changes to the 2 systems are proposed

California Environmental Quality Act Review

- The Board's action focuses on approving the connection of the Ryan Ranch and Bishop Units to the Main Cal-Am System
- A Class 1 Categorical Exemption for minor alterations to existing facilities for an investor-owned public utility applies to this action (CEQA Guidelines 15301-(b))
- The rationale for the Class 1 exemption is based on the following facts:
 - There will be no change in the System Limits (Production Limit and Expansion Capacity Limit) for either system
 - Emergency transfer of water from the Bishop Unit to Ryan Ranch and from the Main Cal-Am System to Ryan Ranch already occurs when physical supplies and/or treatment capability at Ryan Ranch is inadequate or to transfer Water Entitlements to projects in Ryan Ranch

Recommendation

- Staff recommends the Board authorize the change in the Source of Supply for the Ryan Ranch and Bishop Units of CAW from Laguna Seca Subarea to native Seaside Coastal Subarea groundwater to be delivered through a permanent main extension from the bottom of Ragsdale Drive

Recommendation

- Staff recommends that the Board take the following actions:
 - Adopt the Findings of Approval
 - Approve Application #20200501CAW; authorize amendment of MPWMD Permit #M15-03-L3-A for CAW's Ryan Ranch and Bishop Units to connect to the Main CAW System with amended Conditions of Approval for both the Ryan Ranch and Bishops Units
 - Direct staff to file a Notice of Exemption with the Monterey County Clerk