



Final Minutes
Water Supply Planning Committee of the
Monterey Peninsula Water Management District
Monday, August 1, 2022

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

Call to Order: Chair Edwards called the meeting to order at 3:02 p.m.

Committee members present: Alvin Edwards, Chair
Karen Paull
George Riley

Committee members absent: None

Staff members present: David J. Stoldt, General Manager
Jonathan Lear, Water Resources Division Manager
Maureen Hamilton, Senior Water Resources Engineer
Joel G. Pablo, Board Clerk

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

Comments from the Public: Chair Edwards opened public comment.
No comments were directed to the Committee.

Action Items

1. Consider Adoption of April 4, 2022 Committee Meeting Minutes

Committee Member Paull, Edwards and Riley provided input on the draft meeting minutes.

Chair Edwards opened public comment; no comments were directed to the committee.

A motion was made by Paull with a second by Riley to approve the April 4, 2022 Committee Meeting Minutes and to be further revised by District Staff. The motion passed on a vote of 3-Ayes (Edwards, Paull and Riley), 0-Noes and 0-Absent.

Discussion Items

2. Update on Sand City Wells

The committee heard a verbal report from David J. Stoldt, General Manager on an update on the Sand City Wells and answered committee questions. Stoldt directed attention to Exhibit 2-A: Location Map showing the proposed project location at the intersection of West Bay St. and Sand Dunes Dr. for a future production well. He shared that the proposed well is slated to come on-line in late 2023 and is estimated to produce 200 to 300 gallons per minute (GPM) of brackish water

with a 50% reject rate. *In response to Riley*, Stoldt stated the lesson learned with having the Sand City Desalination plant is the integral role freshwater plays in reducing salinity in the brackish water mix. Stoldt mentioned the desal plant was designed to have a peak production capacity of 300 acre-feet (AF) annually. Instead, Stoldt commented he has seen its production numbers decline since its first full year in operation and at its peak performance at 276 AF in 2011. Stoldt stated the numbers have steadily declined over the last four years averaging at approximately 172 AF / year through the end of 2021. He noted the water produced from the plant is brought into the main system and made available to California American Water. Edwards shared with District staff that the South of Tioga Project in Sand City has cleared a headway with the California Department Fish and Wildlife with continual progress being had and updates on the project being reported on regularly by local media. Edwards commented with the Tioga project on the horizon he would like to see the District and Sand City to have adequate water resources available for the proposed development.

Chair Edwards opened the public comment period. No comments were directed to the committee on this matter.

3. Progress on ASR-01 Well Discussions and Alternatives

David J. Stoldt, General Manager provided background information, an overview of the staff report and answered committee questions. Stoldt commented that the State Division of Drinking of Water (DDW) reviewed the contents of the July 9, 2021 letter submitted by Monterey One Water regarding the estimated underground retention time of the injected water to Aquifer Storage and Recovery Well No. 1. As a result of the letter and information provided by Pure Water Monterey partners, Stoldt mentioned the DDW instructed California American Water to discontinue extraction from the well effectively changing its status from active to inactive until minimum retention times and regulations are met. He mentioned the District, Monterey One Water and California American Water will negotiate and discuss potential physical solutions / remedial actions at their Tuesday, August 2, 2022 meeting. Stoldt directed attention and covered extensively each of the remedial actions found in the staff report at length with the committee members. *In response to Riley*, Stoldt made the following points: (1) the quickest solution or has been in progress is connecting the Peralta Well to the Monterey pipeline; (2) the easiest, having a mercury treatment in place to minimize the mercury readings at ASR Well No. 4 to increase production capacity; (3) the cheapest, is for the District to accelerate the two new injection wells for Pure Water Monterey than to build the proposed two new extraction wells by California American Water; and (4) build a substitute or replacement well.

Chair Edwards commented he would like all the parties to come together to discuss potential solution(s) on the matter on August 2, 2022 without having to go before the CPUC.

Chair Edwards opened public comments. No comments were directed to the committee on this matter.

4. District Engagement with the Salinas Valley Basin GSA

David J. Stoldt, General Manager addressed the committee on the District's engagement with the Salinas Valley Groundwater Sustainability Agency (GSA) and shared a few notes from the staff report. Stoldt shared Jon Lear, Water Resources Manager has been engaged with the GSA's work as a voting member of the Technical Advisory Committee (TAC), Seawater Intrusion Working Group and Marina Coast GSA TAC for the Monterey-Sub-Area of the Salinas Valley. Committee Member Riley commented as a key partner with the GSA he hopes the District can participate in

the future in either short- or long-range planning projects in an effort to become part of the solution on various water issues.

Chair Edwards opened public comment. No comments were directed to the committee on this matter.

5. Update on the Pure Water Monterey Expansion Construction Bid Schedule

David J. Stoldt, General Manager covered key financing information and dates on the Pure Water Monterey Expansion Construction Bid Schedule. Stoldt mentioned Pure Water Monterey Expansion has been approved for a Federal Water Infrastructure Finance and Innovation Act (WIFIA) loan valued at approximately \$60 million and recognized Monterey One Water's, Mike McCullough, Director of External Affairs and staff on their efforts in obtaining the loan. Stoldt reviewed the key dates of the bid schedule as noted in the staff report with a target date for a final decision on November 1, 2022. He explained a construction award will not occur until an approved and fully executed water purchasing agreement and loan is intact. *In response to Chair Edwards*, Stoldt and Paull explained there are alternative funding concepts and mechanisms that can be used without CalAm's support and as previously discussed at the MPWMD Water Supply Planning Committee on May 3, 2021.

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

- (a) *John Tilley*: Inquired with District staff on an updated executive schedule and timeline for the Pure Water Monterey – Expansion project.

In response to Tilley, Stoldt mentioned an updated schedule may be released in the next several weeks. He explained a performance start date for the Pure Water Monterey Expansion would occur approximately 26 months out from the date the WPA is fully signed and executed.

No further comments were directed to the Committee. No further comments were directed to the committee.

6. Summary of Cal-Am Positions in Phase 2 of CPUC Application A.21-11-024

A summary of positions held by California American Water in Phase 2 of the California Public Utilities Commission (CPUC) *Case No. A.21-11-024* were discussed by Stoldt and the Committee.

Stoldt mentioned on July 20, 2022 California American Water submitted its initial testimony on Phase 2 of the application pertaining to the Supply and Demand on the Monterey Peninsula Water Supply Project (MPWSP). Discussion ensued with the General Manager, District Counsel and the Committee on CalAm's testimony and positions and as listed in the bulleted points in the staff report with a detailed focus on: (1) Supply and Demand numbers and forecasting; (2) discounting numbers as projected by the District and/or Monterey One Water for Aquifer Storage and Recovery, Pure Water Monterey plus its Expansion; and (3) their strategies, rationale and arguments on submitted testimony. Stoldt explained the District will submit testimony in regard to Aquifer Storage and Recovery and Monterey One Water will cover Pure Water Monterey and source waters. *In response to Paull*, Stoldt stated a further and expanded recycling wastewater plant can be expanded in the future to account for population growths that may occur. *In response to Chair Edwards*, District Counsel Farina confirmed once testimony has been lodged with the CPUC on the matter the District can share the District's and CalAm's submissions with the

general public. Farina mentioned currently and as mentioned by the Administrative Law Judge in the proceeding there is no Phase 3 as of yet.

Chair Edwards opened public comment. No comments were directed to the committee on this matter.

Suggest Items to be Placed on Future Agendas

Chair Edwards requested further updates on Aquifer Storage and Recovery Well No. 1 and Injection Well for the October 3, 2022 Water Supply Planning Committee Meeting.

Adjournment

There being no further business, Chair Edwards adjourned the meeting at 4:09 p.m.

/ s/ Joel G. Pablo

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

Approved by the MPWMD Water Supply Planning Committee on October 03, 2022
Received by the MPWMD Board of Director's on October 17, 2022