



# Supplement to 7/19/10 MPWMD Board Packet

Attached are copies of letters received between June 12, 2010 and July 12, 2010. These letters are also listed in the July 19, 2010 Board packet under item 22, Letters Received.

Author	Addressee	Date	Topic
Russell McGlothlin	California Public Utilities Commission	6/7/10	CPUC Hearing A.04-09-019, Monterey Peninsula Cities' Intention to Seek Intervention
William Monning	Michael Peevey	6/10/10	Support for the Regional Water Plan
Walter A. Harrison	Darby Fuerst	7/6/10	Sea Well Desalination Technology
Darby Fuerst	Walter A. Harrison	7/12/10	Response from Darby Fuerst to Walter A. Harrison
Donald G. Hubbard	Stephanie Pintar	7/7/10	Saucito Land Company/459-473 Alvarado Street and 470 Tyler Street, Monterey
Darby Fuerst	Donald G Hubbard	7/12/10	Response from Darby Fuerst to Donald G. Hubbard

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June 7, 2010

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JUN 07 2010

MPVND

Russell M. McGlothlin  
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805.965.4333 fax  
RMcGlothlin@bhfs.com

VIA ELECTRONIC MAIL AND U.S. MAIL

To: CPUC Hearing A0409010 Service List

RE: CPUC Hearing A.04-09-019

SUBJ: Monterey Peninsula Cities' Intention to Seek Intervention

Dear Counsel:

Please be advised that following a meeting of the mayors of the City of Seaside, City of Monterey, City of Carmel-by-the-Sea, City of Pacific Grove, and Sand City (collectively the "Cities") on June 4th, the Cities decided that it is in their best interests to move to intervene in the Regional Water Project proceedings before the California Public Utilities Commission ("CPUC"). Counsel for the Cities will make an oral motion to intervene pursuant to CPUC Rules of Practice and Procedure Rule 1.4 at 8:30 a.m. on Tuesday, June 8, 2010 when Administrative Law Judge Minkin has scheduled time for procedural motions in advance of the evidentiary hearing.

The Cities do not intend to present any witnesses, and shall seek to coordinate any desired cross-examination with other parties. Direct cross-examination by the Cities will be limited to matters that have not been explored by other counsel and that is pertinent to the Cities' interest. Because of the limited cross-examination by the Cities, their intervention should not materially extend the time required for the evidentiary hearing.

The Cities acknowledge that their intervention motion is relatively late in the proceedings, but wish to assure the Settling Parties that the Cities' goal for intervening is to ensure that the Cities' interests are protected, and to facilitate appropriate compromise among the parties to ensure that the Regional Water Project is promptly approved by the CPUC. To that end, the Cities wish to be granted party status so that they can ask appropriate questions of witnesses during the evidentiary hearing and subsequently submit briefs. The Cities certainly do not wish to derail the Regional Water Project, which is widely viewed as the most beneficial option for resolving the Monterey Peninsula's water challenges.

In sum, the Cities believe their participation will be constructive. Please contact me should you desire to further discuss the Cities' intentions in this respect.

Best Regards,

Russell M. McGlothlin

c.c. Angela K. Minkin, Presiding A.L.J.

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# Assembly California Legislature



**WILLIAM W. MONNING**  
 ASSEMBLY MEMBER, TWENTY-SEVENTH DISTRICT

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June 10, 2010

Michael Peevey, Chairman  
 California Public Utilities Commissioners  
 California Public Utilities Commission  
 505 Van Ness Avenue  
 San Francisco, CA 94102

JUN 14 2010

Re: Support for the Regional Water Plan

Dear Chairman Peevey and Commissioners:

I am writing in support of the proposed Regional Water Project (RWP) sponsored by the Marina Coast Water District (MCWD), the Monterey County Water Resources Agency (MCWRA), and the California American Water Company (Cal-Am).

The region's historic dependence on the Carmel and Salinas Rivers for its water supply has resulted in reduced stream flows and overdrafted, and in some cases contaminated, aquifers. The overdraft of the Carmel River in particular has resulted in serious impacts on the Carmel Valley River habitat while jeopardizing a sustainable and long term water resource for Cal-Am customers and Monterey County businesses.

I have followed the process of stakeholder meetings and have reviewed this project proposal in light of the State Water Resources Control Board's (SWRCB) Cease and Desist Order (95-10), which requires Cal-Am and Monterey Peninsula water users to limit and discontinue the overdraft of the Carmel River. In a letter dated September 28, 2009, I encouraged the SWRCB to postpone its enforcement of the 95-10 Cease and Desist Order pending the finalization and implementation of the RWP.

A regional water solution has proven to be an elusive political, land use, and engineering objective. The RWP proposal and the Water Project Agreement (WPA) that have been achieved among public and private parties represent a historic effort to address the 95-10 Cease and Desist Order while creating a sustainable water resource. It is important to note that Cal-Am customers, represented by the Monterey Peninsula Water Management District (MPWMD), have achieved landmark conservation measures as reflected in the decline of average water units used since the



June 10, 2010

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original imposition of the 95-10 Cease and Desist Order. These conservation efforts by ratepayers represent a strong commitment to responsible water use, but have still fallen short of adequately addressing the overdraft issue. The public-private partnership proposed in the RWP that is the subject of consideration by the California Public Utilities Commissions (CPUC) represents a strategic advance in addressing the current water resource crisis.

Additionally, by creating an alternative water source, the project will improve Carmel River flows and habitats for threatened species, such as the South Central California Coast Steelhead Trout. The project is considered environmentally superior to other desalination options because of its reliance on state-of-the-art wells instead of open ocean intakes, which can entrain and entrap marine organisms. The project also takes advantage of an existing outfall structure that allows for significant dilution of the brine.

Some of the engaged stakeholders, including mayors and various organizational participants, have cited concerns regarding costs, ownership, and governance. The CPUC is charged with oversight and regulation to protect ratepayers. While the projected costs will inevitably result in higher water costs to ratepayers, there exists a historic imperative to expand our water resource while minimizing and ending the overdraft of the Carmel River. I favor a continued commitment by Cal-Am to structure its water rate schedule in a manner that rewards conservation measures while also factoring the broader public benefits to the region of certain commercial users including, but not limited to, the hotel and restaurant industry whose contributions to the local economy and jobs are critical to the region's health.

During the past year, I have met with and encouraged stakeholders to continue to discuss and address outstanding concerns through a process of principled dialogue. While the dialogue continues, support for this project has grown to include a broad range of publicly elected and organizational representatives. The support of a RWP by the Surfrider Foundation, the Public Trust Alliance, the Citizens for Public Water, and the majority of mayors and the Monterey County Board of Supervisors representing the service areas attests to a process that has included many stakeholders. I am also encouraged by the direct engagement of the Monterey Peninsula Water Management District (MPWMD) with the MCWRA, the MCWD, and Cal-Am regarding the WPA.

My support is also based on representations made by the public and private partners who have signed the settlement agreement to establish an oversight body that will include public, municipal, environmental, business, and other stakeholders. I strongly believe that the establishment of this oversight body will allow for continued dialogue on the development and implementation of the RWP in a manner that will provide for protection of the public, environmental, and ratepayer interests.

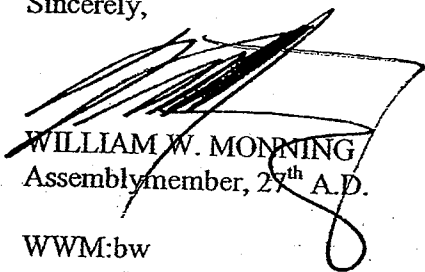
June 10, 2010  
Page 3

Further, my support is based on an understanding that the parties to the settlement agreement and the supportive stakeholders remain committed to the inclusion and promotion of broad conservation measures, public education, maintenance of existing and new equipment, and efforts to minimize and eliminate overdraft of existing water well resources and to prevent the contamination of any and all existing water resources.

I encourage the CPUC to act expeditiously in its process and encourage the many stakeholders to continue to pursue a process of inclusion, dialogue, and flexibility in protecting and maximizing our precious water resources.

Thank you for your consideration of my support.

Sincerely,



WILLIAM W. MONNING  
Assemblymember, 27<sup>th</sup> A.D.

WWM:bw

- cc: Marina Coast Water District
- Monterey County Water Resources Agency
- California American Water Company
- Monterey Peninsula Water Management District
- Congressmember Sam Farr
- Supervisor Lou Calcagno
- Supervisor Fernando Armenta
- Supervisor Jane Parker
- Supervisor Dave Potter
- Supervisor Simon Salinas
- Mayor Sue McCloud, City of Carmel
- Mayor Chuck Della Sala, City of Monterey
- Mayor Carmelita Garcia, City of Pacific Grove
- Mayor Ralph Rubio, City of Seaside
- Mayor Dave Pendergrass, City of Sand City
- Mayor Jerry B. Edelen, City of Del Rey Oaks
- Mayor Bruce Delgado, City of Marina
- Surfrider Foundation
- Public Trust Alliance
- Citizens for Public Water

# Stanford University

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JUL - 9 2010

Walter A. Harrison  
Department of Applied Physics  
(650) 723-4224  
FAX: (650)725-2189

GLAM/Applied Physics  
McCullough Bldg. 321  
Stanford, CA 94305-4045  
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MPWMD

July 6, 2010

Mr. Darby Fuerst  
Monterey Peninsula Water Management District  
5 Harris Court  
Monterey, CA 93940

Dear Mr. Fuerst,

I was reading the study for your desalination projects and it seems to me that you have an opportunity to try another approach which might turn out to be very more efficient than anything on the table. It uses deep-water pressures to run the inverse osmosis, and might be called a sea well. A spherical vessel with semipermeable windows is submerged. An air hose to the surface keeps the pressure inside at surface pressure and at some 827 feet the outside pressure exceeds the 27 bar required for inverse osmosis and fresh water flows into the vessel, at a rate proportional to the depth below the threshold depth. All that is needed is to pump it to the surface, with a pump powered by a line from the surface. The energy required is the 0.75 KWH per cubic meter of water required for separation times the pump efficiency. The rates could be figured ahead of time, but some experimentation would be required to see if for example windshield wipers on the windows were a good idea. It easily scales for vessel size or number of vessels hanging from cables on one ship.

Such a project could be undertaken instead of the Seawater Desalinization Vessel, which seemed a little speculative in the first place. It might even be undertaken by the same company as planned the

shallow-water project. It would seem that the trench off of Moss Landing would be ideal for providing the needed depth near the shore. For their plan, they were thinking of 10 or twenty million gallons per day; the former is 14 million cubic meters per year. Their estimated operating cost was 16 million dollars per year. They didn't itemize, but for the others the major cost seemed to be energy. This comes to \$0.85 per cubic meter of fresh water. At \$0.10 per kilowatt hour the sea well comes to \$0.075 per cubic meter. That factor of ten seems well worth pursuing. It has the further advantages that it doesn't do the less-efficient inverse osmosis of concentrated solutions and there is no brine to be disposed of.

There exists a fifty-year-old patent for this process. [I know about it since I tried, through Stanford, to patent it five years ago and they found the earlier patent.] I would be happy to email you a copy of the patent if you would like to see it, and do not have it. I have no stake in this, but would be happy to help if I can. We feel attached to the Monterey area.

Sincerely yours,



Walter A. Harrison  
Professor Emeritus



July 12, 2010

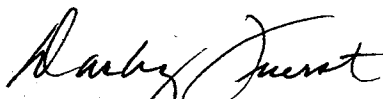
Walter A. Harrison  
GLAM/Applied Physics  
McCullough Bldg. 321  
Stanford, CA 94305-4045

**Subject: Sea Well Desalination Technology**

Dear Mr. Harrison:

Thank you for the July 6, 2010, letter suggesting "sea well" technology as an alternative to a seawater desalination vessel for production of desalinated water for the Monterey Peninsula. I have forwarded your letter to Andy Bell, Engineering Division Manager, and asked him to respond. He has been involved with technical review of the seawater desalination vessel alternative and other water supply proposals presented in the EIR on the Coastal Water Project. I appreciate your concern, and willingness to assist with development of a solution to the water supply situation on the Monterey Peninsula.

Sincerely,



Darby Fuerst  
General Manager

pc: MPWMD Board of Directors  
Andy Bell

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July 7, 2010

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JUL - 9-2010

MPWMD

Ms. Stephanie Pintar  
Monterey Peninsula Water  
Management District  
P.O. Box 85  
Monterey, CA 93942-0085

**OUR FILE:** SAUCITO LAND COMPANY - Fire/LLA  
**YOUR FILE:** 459-473 Alvarado Street and 470 Tyler  
Street, Monterey, Which Real Property  
Is More Particularly Described as  
Lot B Containing 16,562 Square Feet,  
More or Less, in Certificate of  
Compliance No. 09-04 Issued by the  
City of Monterey on August 26, 2009,  
and as Lot C Containing 7,078 Square  
Feet, in Certificate of Compliance  
No. 09-05 Issued by the City of  
Monterey on August 26, 2009

Dear Stephanie:

Our clients are shocked by your letter of June 23, 2010, in the above-entitled matter. The District's definition of "Water Credit" (Rule 11 at page 11-50) and its Rule 25.5J (at page 25.5-6) provide for the issuance of a "Water Credit" under the circumstances of this matter.

The District's definitions make it clear that a "Water Credit" differs from a Water Use Credit in that it is not characterized by a Permanent Abandonment of Use, but "may be the result of a temporary cessation of use." That is exactly the circumstance in the present case. There is no abandonment which, in legal terms, means the surrender, relinquishment, disclaimer or cession of property rights and requires an intention to abandon.

Ms. Stephanie Pintar  
July 7, 2010  
Page 2

Not only is there no intention to abandon, there is no "permanent removal" of the use as required by District Rule 11 (at page 11-30). The fact that the structures were involuntarily destroyed by a fire from causes beyond our clients' control does not constitute a "Permanent Abandonment of Use." These structures had been in place for over 100 years. The involuntary destruction of these structures is nothing more than a "temporary cessation of use" (Rule 11 at page 11-50) caused by forces beyond our clients' control. Our clients are actively pursuing the rebuilding of structures on these properties as is evidenced by, among other things, their successful pursuit of lot line adjustments with the City of Monterey to enhance the alignment of the building sites. Clearly, the cessation of use is involuntary and temporary.

Accordingly, on behalf of our clients, we request that you arrange a meeting for our clients and the undersigned to meet with district staff and counsel (David Laredo), or, if you are unwilling to do so, that our letters of April 7, 2010, our letter that was mailed on May 14, 2010 (which letter was inadvertently dated April 7, 2010), our letter of June 11, 2010, and this letter be deemed an application for the issuance of Water Credits (2.480 acre-feet annually to Lot B and .900 acre-feet annually to Lot C) as described in said correspondence and that such application be set for hearing before the Board of Directors of the District.

Your attention to this matter will be most appreciated.

Very truly yours,



Donald G. Hubbard

DGH:dj  
CADJSAUCITOPINTAR-DGH-LTR-7-1-10-1.wpd

cc: Saucito Land Company



July 12, 2010

Donald G. Hubbard  
400 Camino Aguajito  
Monterey, CA 93940

**Subject: Saucito Land Company/459-473 Alvarado Street and 470 Tyler Street, Monterey**

Dear Mr. Hubbard:

Thank you for the July 7, 2010, letter requesting a meeting with your clients regarding the proposed project in Monterey referenced above, and the definitions of "water credit" and "water use credit." Stephanie Pintar will contact you to schedule a meeting date so that we may resolve your concerns.

Sincerely,

A handwritten signature in cursive script that reads "Darby Fuerst".

Darby Fuerst  
General Manager

pc: MPWMD Board of Directors  
Stephanie Pintar

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