

DRAFT



*Submitted by MPWMD
staff at 12/13/10
Board meeting.
Item 9*

December 14, 2010

Louis Calcagno, Chair
Monterey Regional Water Pollution Control Agency
5 Harris Court, Building D
Monterey, CA 93940

Subject: Support for Proposed Seaside Basin Groundwater Replenishment Project

Dear Chair Calcagno:

This letter is to express Monterey Peninsula Water Management District (MPWMD or District) support for further investigation of the proposed Seaside Basin Groundwater Replenishment Project. This letter is consistent with the District's November 2006 resolution expressing support for the proposed project (**Enclosure 1**) and the January 2009 Memorandum of Understanding between the Agency and District encouraging cooperation and effective use of public funds to develop water supply projects in the Monterey Peninsula area (**Enclosure 2**). The District's support is also consistent with the direction provided by the California Public Utilities Commission (CPUC) in its December 2010 decision approving Phase 1 of the Regional Water Supply Project, i.e., "we encourage parties to search for all possible water supplies that can reduce the need for desalinated water, as the additional components of the Regional Project, Phase 2 are studied and analyzed" (Decision 10-12-016, Findings of Fact No. 28, December 2, 2010).

Specifically, the District supports further studies to confirm the technical feasibility of the Groundwater Replenishment Project and additional outreach efforts to educate the public regarding the benefits of using advanced treated water for replenishing the Seaside Groundwater Basin and providing a long-term reliable water supply to the Monterey Peninsula area. District Directors and staff are available to meet with Agency Directors and staff to discuss specific areas of collaboration.

Sincerely,

Bob Brower, Chair

Enclosures

cc: MPWMD Board of Directors

U:\Darby\wp\Agencies\mrwpcal\grp_support_14dec2010.doc

RESOLUTION 2006-05

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE MONTEREY PENINSULA
WATER MANAGEMENT DISTRICT EXPRESSING SUPPORT FOR THE MONTEREY
REGIONAL WATER POLLUTION CONTROL AGENCY'S PROPOSED SEASIDE BASIN
GROUNDWATER REPLENISHMENT PROJECT**

WHEREAS, the Monterey Regional Water Pollution Control Agency has been evaluating the Seaside Basin Groundwater Replenishment Project since 2004 as a potential water supply for the Monterey Peninsula area.

WHEREAS, the Seaside Basin Groundwater Replenishment Project would serve as a means to facilitate conjunctive use of local water resources for the benefit of the environment and the community.

WHEREAS, a similar project in Orange County known as Water Factory 21 has operated successfully for many years, and a larger replacement project is nearing completion for serving both potable and subpotable needs of the region.

WHEREAS, a similar project in Los Angeles County operated by the Central Basin Municipal Water District and the West Basin Municipal Water District is providing water for subpotable uses in their service areas.

WHEREAS, several members of the MPWMD Board of Directors and staff have toured the Orange County and Los Angeles County recycled water projects and had the opportunity to see the projects and their benefits.

NOW, THEREFORE BE IT RESOLVED by the Board of Directors of the Monterey Peninsula Water Management District as follows.

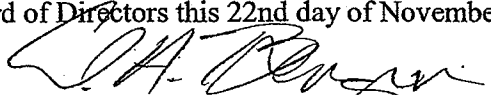
The Monterey Peninsula Water Management District expresses its support for the Monterey Regional Water Pollution Control Agency's Seaside Basin Groundwater Replenishment Project and its intent to cooperate in the evaluation and development of the project.

On motion by Director Pendergrass and seconded by Director Edwards, the foregoing Resolution is duly adopted this 20th day of November 2006 by the following votes:

AYES:	Directors Edwards, Foy, Knight, Lehman, Markey, Pendergrass and Potter
NAYS:	None
ABSENT:	None

I, David A. Berger, Secretary to the Board of Directors of the Monterey Peninsula Water Management District, hereby certify that the foregoing is a full, true and correct copy of the Resolution duly adopted on the 20th day of November 2006.

Witness my hand and seal of the Board of Directors this 22nd day of November 2006.



David A. Berger, Secretary to the Board

**MEMORANDUM OF AGREEMENT BETWEEN
THE MONTEREY REGIONAL WATER POLLUTION CONTROL AGENCY AND
THE MONTEREY PENINSULA WATER MANAGEMENT DISTRICT**

This Memorandum of Agreement is entered into between the Monterey Regional Water Pollution Control Agency (MRWPCA) and the Monterey Peninsula Water Management District (MPWMD). Its date for reference purposes shall be January 1, 2009.

RECITALS

This Memorandum of Agreement is entered into in light of the following facts:

- A. MPWMD holds and exercises water management responsibilities for the six incorporated Cities and unincorporated areas of the Monterey Peninsula pursuant to a special act of the California Legislature.
- B. MRWPCA owns and operates wastewater collection and a tertiary wastewater treatment plant, for the benefit of the eight incorporated Cities and portions of unincorporated areas in Northern Monterey County, pursuant to a joint exercise of power agreement.
- C. Both agencies are located wholly in Monterey County, have overlapping territory and exercise both similar and dissimilar powers with respect to their areas of respective responsibility.
- D. MPWMD has identified the need for additional sources of water for potable and sub-potable uses on the Monterey Peninsula. MPWMD has developed an Aquifer Storage Recovery (ASR) program to inject water from the Carmel Valley into the Seaside Groundwater Basin, and has an interest in expanding that program from additional sources of supply. MPWMD is also refining its Desalination Plan as an additional source of supply to offset Cal-Am production from the Carmel River.
- E. MRWPCA has excess quantities of treated wastewater that may be suitable for use within the MPWMD for direct or indirect use. MRWPCA has unused ocean outfall capacity and also owns and operates sites and facilities that may be used to develop additional sources of water for potable and sub-potable uses on the Monterey Peninsula.
- F. In 2006, the Board of Directors of the MPWMD adopted a Resolution of Support for the MRWPCA Groundwater Replenishment Project
- G. The California PUC is in the process of evaluating a variety of water supply options which could help resolve local regulatory water deficits. To avoid conflicts that might otherwise occur as a result of their mutual and overlapping jurisdiction, to encourage and facilitate cooperation with one another, to ensure resource management efforts are not inappropriately duplicated, and to ensure that public funds are used effectively, the parties enter into this Memorandum of Agreement.

AGREEMENT

COOPERATION AMONG AGENCIES

1. Cooperation. Both MRWPCA and MPWMD agree to cooperate in all matters in which a joint interest may exist, to the maximum extent feasible.
2. Agendas and Reports.
 - (a) MRWPCA and MPWMD shall provide to each other the agenda for each meeting of their respective boards of directors. In each case the agenda will be provided to the manager of the other agency as soon as it is available for public distribution, by e-mail or other means of prompt delivery.
 - (b) If the manager of either agency desires a copy of any report or other document prepared by the other agency for any of its public meetings, he or she may request the same by e-mail or telephone, and a copy will be promptly delivered.
 - (c) The manager of each agency will provide to the other copies of environmental documents and technical reports, whenever it appears that such documents will be of interest to such other agency.
3. Quarterly managers' meetings. The managers of the two agencies will meet on a quarterly basis, or more often as needed, to discuss matters of common interest to the agencies.
4. Joint meetings of governing bodies. The governing bodies of the two agencies may hold joint meetings as needed.

WATER PROJECTS

5. Agency consultation. Neither MRWPCA nor MPWMD shall undertake a water project in the territory of other agency without first advising and consulting with that agency in advance.
6. Project needs. At this time,
 - (a) MPWMD may need to dispose of brine, should it proceed with a desalination project; and
 - (b) MRWPCA needs additional funding to continue its efforts to complete testing, studies, and regulatory requirements necessary to implement its Groundwater Replenishment Project in the Seaside Water Basin.

REVENUE AND FINANCE

7. No effect on fiscal matters. This Memorandum of Agreement shall not impose any direct substantive or procedural requirement upon either agency with respect to revenue-raising or financing activities. However, subsequent actions may be mutually agreed upon and taken in the future that would have financial implications. This Memorandum of Agreement shall not affect

the ability of either party to collect or share in the collection of property tax revenues in accord with formulas as are now in effect or as may be hereafter established by law.

8. Further Agreement. The MPWMD and MRWPCA should develop and approve a further Joint Memorandum of Understanding by March 31, 2009 that would outline the key provisions that would be needed in a more detailed agreement to better accomplish the project needs of each party, as referenced above.

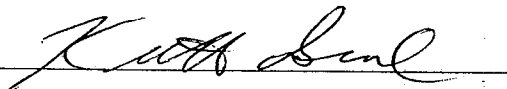
9. Funding plan. The MPWMD and MRWPCA shall also consider development of a funding assistance plan by March 31, 2009 that would help advance the MRWPCA Groundwater Replenishment Project.

GENERAL PROVISIONS

10. Term and cancellation. This Memorandum of Agreement shall remain in effect indefinitely, until modified or canceled by the parties, provided, however, that unless it is extended by mutual written agreement, this document shall have no force or effect after December 31, 2013. This Memorandum of Agreement may be canceled by one party after giving at least thirty days' written notice to the other party.

11. Dispute resolution. If any dispute arises between or among the parties concerning the interpretation or application of this Memorandum of Agreement, staff for the parties shall meet and confer regarding the dispute. If the matter is not resolved through meetings at the staff level, the governing bodies shall hold a joint meeting to resolve the matter. Thereafter, any remaining dispute shall first be submitted to advisory mediation, to be conducted by a mediator from the State Mediation and Consultation Service, or such other person as may be mutually agreed upon by the parties. Litigation may be initiated by a party only if such party has made a good faith effort, documented by correspondence with the other party, to resolve the dispute in the manner prescribed above.

12. No third-party beneficiaries. This Memorandum of Agreement is made solely between and among the parties hereto. No person shall be deemed to be a third-party beneficiary of the memorandum, and no person shall have a cause of action or standing to enforce this memorandum or to assert non-compliance with its terms, except a party hereto.

Signed by  Date 3/18/09

For the MONTEREY REGIONAL WATER POLLUTION CONTROL AGENCY

Signed by  Date 2/17/2009

For the MONTEREY PENINSULA WATER MANAGEMENT DISTRICT

Approved as to form:

Signed by Robert R. Walling

Date 3/25/09

Counsel for the MONTEREY REGIONAL WATER POLLUTION CONTROL AGENCY

Signed by [Signature]

Date 3/16/09

Counsel for the MONTEREY PENINSULA WATER MANAGEMENT DISTRICT

\\fileh2\udrive\Arlene\word\2009\Agreements_Contracts\MOAMRWPCA021209.doc