



Supplement to 10/17/11 MPWMD Board Packet

Attached are copies of letters received between September 13, 2011 and October 10, 2011. These letters are also listed in the October 17, 2011 Board packet under item 14, Letters Received.

Author	Addressee	Date	Topic
Todd Norgaard & Roger Dolan	MPWMD Board	10/10/2011	Monterey Regional Water Project
Dick Heuer	MPWMD Board	10/21/2011	Developing a Comprehensive Plan
Dick Heuer	MPWMD Board	9/20/2011	Reconsider New Los Padres Dam Project
Roland Martin	MPWMD Board	9/19/2011	Reconsider New Los Padres Dam Project
Marc Beique	MPWMD Board	9/19/2011	Commentary to MPWMD Concerning the New Los Padres Dam Project
Larry Silver	MPWMD Board	9/19/2011	Regulatory Water Production Targets for WY 2012 (California American)
Charles Page	MPWMD Board	9/19/2011	Water Supply Project Planning

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Carmel Valley Association
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Since 1949

October 10, 2011

Monterey Peninsula Water Management District
Board of Directors
5 Harris Court
Monterey, CA 93942-0085

Dear Board of Directors,

At this past week's meeting of the Carmel Valley Association's Water Committee, we reflected on the information gleaned from the excellent presentation by CPUC Analyst Max Gomberg at the meeting arranged by Jason Burnett. It was evident to us that a clear end of the Regional Project (RP) is needed along with the passing of the responsibility for management and oversight of the project to a peninsula-based agency to execute the project. The County has said that the Agreements are void, and CalAm has said that its partners are in default. CPUC has remained silent, as far as we know. We would like to see the MPWMD take the lead in managing this transition.

We believe that the CPUC should rescind its decision to approve the Agreements that came out of the confidential negotiation process. We also believe that the peninsula cities need to be pressed to either get on board with a JPA that has MPWMD as the lead agency for managing the project, or endorse MPWMD as the responsible agency.

We have been told that the principal reason the CPUC endorsed the Agreements, even in spite of their obvious unfairness, was the support that the RP got from the local politicians. From our tracking of the ex parte lobbying of CPUC Commissioner Bohn and possibly others, it appeared that County Supervisors and Mr. Collins were highly influential in driving the decision. Therefore, we believe that you should make a strong effort to obtain the openly expressed support of the local State legislators, the peninsula mayors, the County Supervisors (if possible) for the responsibility of developing the needed water. After gaining as much support as possible, please ask the CPUC to rescind their approval of the Agreements so that peninsula-based work can begin on the water supply project.

"To preserve, protect and defend the natural beauty and resources of Carmel Valley and the County of Monterey"

Along with that request, CPUC should be told that as soon as a workable peninsula-based governance arrangement can be developed, you will be returning to ask for approval of funding for essential expenses such as the development of the facilities plan and EIR, as well as community outreach expenses.

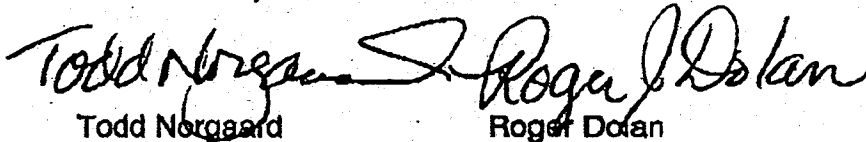
We favor some level of involvement of the city council members with the project. We think that by working together, the cities will eventually learn of the capability that MPWMD has and will become supporters of the chosen project.

As you know, CPUC was the client for the project that developed and then later approved the RP. The decision to shut MPWMD out of the EIR development was almost certainly not CPUC's idea, but they went along with it, to the disservice of the ratepayers. We are not suggesting that you confront CPUC with its Poly Sci 101 blunder. CPUC should, however, be told that MPWMD has quietly and at a modest level of expenditure, been working on local desal and ASR supplies to develop a contingency plan as required under the County regulations and that you are in the best position to take on the project.

Distractions from the RP's Partners and others (such as CalAm's most recent attempt to revive the RP) must be avoided. Instead their ideas should be evaluated in an evenhanded analysis done under your supervision.

Getting on with the project requires the formal recognition of the responsible team. Every day that this is delayed is a day lost for building the project.

Carmel Valley Association Water Committee



Todd Norgaard

Roger Dolan

Cc: Peninsula Cities; County of Monterey

Arlene Tavani

From: Dick Heuer <richardsh@att.net>
Sent: Wednesday, September 21, 2011 9:54 PM
To: Arlene Tavani
Subject: Developing a Comprehensive Plan

RECEIVED

SEP 22 2011

MPWMD

For General Manager Stoldt and Chairman Brower

In my presentation to the Board on September 19, I spoke of the need for a specific plan that spells out your goal, how this goal will be achieved, a timeline, and costs. I was pleased by your Exhibit 14, because it set a goal and presented your five projects as part of a plan to achieve this goal, rather than as simply a bunch of individual projects. This is a nice step forward.

The next step I would be interested in seeing is identification of the uncertainties and obstacles to achieving these projects. That is what determines whether this is a realistic plan or a fantasy. For example, when I asked Darby about prospects for additional water from aquifer storage in Seaside, he said it is "questionable," as it depends upon the outcome of other issues related to the Seaside Basin. When I asked him about the likelihood of being able to use treated water to recharge the Salinas Basin, he told me that "rights to the treated wastewater are held by MCWRA, MCSD, and MRWPCA and are a contested issue." This prompted me to dismiss this as a likely source of water for MPWMD. These projects have been talked about for a long time but with no concrete results except the first phase of Seaside aquifer storage. When reporting how we stand with respect to compliance with the CDO, these uncertainties need to be explicitly recognized. For longer term planning, you also need a realistic evaluation of how much water all five of these projects combined can actually supply.

As I understand your calculations, these five projects if completed successfully would more than fill the 2017 supply gap of 5,741 AF but fall short of filling the 2021 supply gap of 8,236 AF. This raises several questions for contingency planning. (1) If your goal is largely achieved, AND the Regional Desal Project or some comparable large desal project is built, there will be significantly more water than is needed. Can Cal-Am be required to use your cheaper water rather than the more expensive desal water? I suspect not -- that's just one more bad thing about the big desal project. (2) If the Regional Desal Project collapses, will your district assume responsibility for providing the bulk of the new water that will be needed, or will you support the formation of a new, large, interagency desal project that provides most of the water to meet CDO requirements? (3) Or will you support a new dam that gives MPWMD total control over the Peninsula water supply?

I hope this provides some useful food for thought.

.P.S. I work in the McGraw-Hill building less than 10 minutes from the district office. If either of you would like to get together for lunch sometime to talk about the history of the district in the 1980s and 90s -- or about where you are headed now -- please give me a call at 583-2808.

Warm regards,
Dick Heuer

Read at 9/19/2011 Board Meeting
Oral Communications.
Submitted text on 9/20/11

Good Evening,

My name is Dick Heuer. I served on this board for 13 years before giving up on my effort to solve our water problem. I assume that you have read the two columns I wrote recently in the Herald arguing that it may be possible to get NOAA approval to build a New Los Padres Dam, and you should not ignore that possibility.

I'm not going to repeat what I said in those columns. Instead, I'm going to focus on specific action I would take if I were still on this board. As I understand it, the NOAA person you are dealing with is somewhat of an extremist. I've been told that she believes that all dams are bad. All existing dams should be removed. And she thinks that everyone of importance agrees with her. Personally, I view that as encouraging rather than discouraging. It means she is so extreme that if you go over her head to deal with more senior personnel you may be able to get her decisions reversed. I believe NOAA does have at least some senior managers who recognize that it is sometimes necessary and appropriate to reach a compromise between the interest of the steelhead trout and the public interest. That compromise is what I outlined in one of my columns.

I served 3 terms as chairman of this board. If I were chairman again, I'd go to Washington together with my General Manager to interview lobbyists who are experienced in dealing with NOAA's Marine Fisheries Service. And I'd HIRE the one who has the best contacts in NOAA, who can best educate me on relevant NOAA processes, and inform me of relevant decisions NOAA has made in other similar cases. This is important not only to gain a better estimate of the feasibility of building a new dam. You may need this just to be effective in protecting the existing Los Padre Dam. As I understand it, your local NOAA contact is talking about requiring you to tear that down, and she has in the past gotten most of what she asked for.

I understand that some of you are opposed to putting a new dam back on your agenda for serious consideration. I ask you, what's YOUR plan. I hear a lot of talk about a lot of different projects that may or may not be able to provide us with some more water. But I have not heard of any specific plan that spells out, this is our goal, this is how we're going to achieve this goal. Here's our timeline and an estimate of what it will cost. It would not be very difficult to develop such a plan for a new dam, as so much research has already been done on it.

The Regional Desal Project was such a plan, but a few dishonest people manipulated your district out of having any say about the financing of that plan, even though 90% of the cost would be paid for by your constituents, who are expecting you to protect their interests. That was shameful. Hopefully, that project will collapse, and then it will be your responsibility to develop a new water supply project for your constituents. Until you've developed such a plan, you have a due diligence responsibility to investigate and compare all serious alternatives. That includes a serious effort to assess the feasibility of getting approval for a new dam.

Thank you for the opportunity to speak here tonight. If anyone has any questions, I'd be happy to answer them....

Submitted at 9/19/11 Board Meeting
Roland Martin - Oral Communications

water delivery system

Comments from the delivery end of the hose - ?

I am a ratepayer and I think ratepayers are getting bored.

One of many reasons - the Monterey Peninsula Water Management District - instead of providing transparency and leadership ~~to~~, understandable to the public, is contributing to public confusion.

Example: The District Board on 8/15 reversed a decision made July 18 to form a committee to study the Water Plus proposal that it purchase Cal-Am. I was in attendance July 18. No statement was issued regarding the reversal - more time is being wasted.

The President of the Carmel River Steelhead Association said - "this was an excellent example of a government agency being responsive to its constituents" I see it as a decision made behind closed doors - an excellent example of a government agency treating its most numerous constituent like mushrooms.

Another example: Dick Heuer, with excellent bona fides, has proposed "Reconsidering the dam" - as argumentative as this may be it has very substantive reasons to be given a fair hearing. Two of these reasons are: 1) If we had started a dam in the 1980s - we would today have 24,000 acre ft. of water waiting for our use - its value would range from \$96 million at 4,000 acre ft. to \$180 million @ 15,000 acre ft - these are estimates for dead deliveries.

2) Mr. Heuer can make a persuasive argument that a dam today would cost less than half the cost of a dead facility - and it would pay for itself. The District's only answer seems to be it is too late to change horses in mid stream - if I may flog the water correlation times up.

Steve Stahl - New Manager

Thank you

Submitted at
9/19/11 Board meeting
Item: oral communication

Marc Beique

1209 Harrison St., Monterey, CA 93940 Tel (831) 373-0922 E-mail: marc@beique.com

September 19, 2011

**COMMENTARY TO MPWMD
CONCERNING THE NEW LOS PADRES DAM PROJECT**

WHY AN IMPROVED RESERVOIR IS THE BEST WATER SUPPLY SOLUTION:

1. **It is the most ecological solution.** A new reservoir is far and away the environmentally superior alternative. A new reservoir does not have a never-ending carbon footprint. In these days of \$100 oil, all of which is imported to this water district, we must find ways to reduce, reuse and recycle our energy needs—just like our water. Ecological Points:
 - a. A new reservoir will be filled by natural flow from rain falling from the sky, at absolutely no cost to us. Other than the cost of concrete to build the reservoir, there is no net energy input or carbon footprint.
 - b. In contrast, about 2kWhr of power are needed to produce 1 cubic meter of water¹. A new 10,000 acre-foot desal plant will use 24.66 mWhr of power annually, at a cost of \$2,700,000 at a proposed rate of \$0.11 per kWhr. This is equivalent to about 14,000 tons of carbon dioxide dumped into the atmosphere every year—FOREVER. This is equal to about 3,330 new cars on the road, or the addition of 2,120 households to our area—EVERY YEAR.²
 - c. It should be apparent to you that the real promoter of growth, and its negative environmental consequences, is any water supply project that is energy dependent. Only a new reservoir will limit this unnecessary increase in energy use.
2. **A new reservoir is the only solution that helps protect the fish.** Of all the water supply systems reviewed and analyzed by MPWMD, a new reservoir can provide flow to the Carmel River in dry years, helping to stabilize the steelhead migration patterns. No other water supply solution can provide water in these quantities.
3. **It is the most cost effective.** The \$400 million price tag stated for a new desalination plant does not include finance costs. When these are included, the price of the project will at least double (at 5.3% interest) and may well be two and one-half times the cost, \$1,000,000,000 (One Billion Dollars), at a market rate of 7.5%. All this must be paid through Cal-Am's water bills. This means that desalination will increase our water bills by not less than \$50 per month, per bill, for at least 30 years. And we will still have to pay for the water we use. This is a non-starter in today's economy.
 - a. You may say that the RDP desalination plant is not your project. Please remember that all of MPWMD's current water supply solutions are ultimately desal-dependent.
4. **It provides adequate amounts of water.** Unlike the small scale projects now proposed by MPWMD (including ASR, reclaimed water and ultimately, desalination plants) the new reservoir actually solves our water supply solution to the extent that we currently use water. It is the right size.

**FOR THESE REASONS, IT IS TIME TO ENTER INTO NEGOTIATIONS WITH NOAA
AND SWRCB TO PUT THE VIABLE NEW LOS PADRES DAM PROJECT BACK ON THE
TABLE—COMPLETED EIR AND ALL. THANK YOU.**

¹ Sources: <http://www.desline.com/articoli/5721.pdf>, and <http://www.theoil drum.com/node/5155>.

² Sources: <http://www.epa.gov/cleanenergy/energy-resources/calculator.html> and
http://www.clemetrobar.org/uploadedFiles/CMBA_Site_Home/Committees/Green_Initiative/CMBA%20Green%20Initiative%20Carbon%20Footprint%20Calculator.pdf.

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SEP 15 2011

MPWMD

STATEMENT OF SIERRA CLUB RE: REGULATORY WATER
PRODUCTION TARGETS FOR WY 2012 (CALIFORNIA-AMERICAN)

Presented,
9/19/11 Board
Meeting.
Item 2

In 1995 the State Water Resources Board issued Order 95-10 which determined that Cal Am was diverting about 7700 AFY from the Carmel River alluvium without any claim of right because it had failed to file an application with the Board for an appropriation permit. The 1995 order required an immediate 20% cutback in production from the River and required conjunctive management of the water resources of the Monterey Peninsula--the River, the River alluvium, and the Seaside Groundwater Basin--in a manner to minimize pumping from the alluvium during low flow periods in the River. In Board Order 2002-02 the SWRCB required Cal-Am to pump from the alluvium as far downstream as possible to maximize flow in the River for benefit of the threatened population of steelhead in the River.

However, since 1995 growth in the Peninsula has occurred, along with increased demand, but alternative supplies were not obtained. Between 2002 and 2009 the adult steelhead population dwindled until in 2009 only a few hundred steelhead adults were counted below San Clemente Dam. In 2009 the SWRCB issued a Cease and Desist Order that imposed further constraints on Cal-Ams water production pending obtaining a replacement water supply that would eliminate the need for Cal-Ams 7700 afy of illegal diversions that were harming the public trust resources of the River.

One essential aspect of the CDO, in our view, is the State Board's finding that Cal-Am "should be prohibited from increasing its diversions from the River to offset the loss in production from the groundwater basin" arising from the 10% triennial reductions in production from the Basin required under the Adjudication. CDO at 40. The first 10% reduction was ordered in 2009 (417 AFY) and the second triennial reduction is expected to be in effect for WY 2012. (512 AFY) (Since Cal-Am has not found replacement water for its diversions from the Seaside Basin.)

We have reviewed the Districts Resolution ----- and accompanying charts relating to Regulatory Water Production Targets for 2012, and cannot find there any notation that Cal Am cannot shift its cumulative production loss from the Seaside Basin (attributable to the 2009 and 2012 10% reductions) to the Carmel River (so long as its production from the Carmel River remains below the maximum required by the Board--as set out in the 2012 Targets).

Sierra Club requests the District, for water budgeting purposes, to subtract the amount of the 2009 triennial reduction (417 AFY) and the amount of the anticipated 2012 triennial reduction (512 AFY) from the production maximum for the Carmel River, in accord with the State Board's intent. Thus the production maximum from the River would be 10,308 – 929 AFY (9379 AFY) from the Carmel River, distributed on a monthly basis. This should be shown in Table XV-1 and recited in the Proposed Resolution 2011-12.

The burden would be on Cal-Am to demonstrate, pursuant to District Rules 103-104, that any exceedances of the monthly average were not attributable to increased demand but were attributable to other factors that warranted an exceedance (pump breakdown, etc.). Cal-Am could offset the 929 AFY reduction in production from the Seaside Basin through water conservation achieved through retrofitting, reduction of water use for outdoor irrigation, main replacement, and/or demand management (as projected by the District).

Sierra Club requests that Table XV-1 (Regulatory Water Production Targets for California – American Water Systems from Sources Within the Monterey Peninsula Water Resource System) be modified to show Regulatory Water Production Targets for the Carmel River separately, and that the annual total production target for the Carmel River be decreased by the amount of the mandated 10% reductions in annual production from the Seaside Basin for WY 2009 and (anticipated for) 2012. It requests also that Resolution 2011-2012 be modified to recite that it adjusts the 2012 production targets for the River to account for the mandatory triennial reductions in Cal-Am Seaside Basin production.

Read into record 9/19/
Item: Oral Communication

Arlene Tavani

From: Pagewrite@aol.com
Sent: Monday, September 19, 2011 1:06 PM
To: Arlene Tavani
Subject: Message to Robert Brower from Charlie Page

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SEP 19 2011

MPWMD

Robert Brower
Chair Monterey Peninsula Water Management District

From Charlie Page

Robert, I understand that there is an important meeting tonight. Unfortunately I cannot be there

I hope you will read this brief message to the gathering.

During my years of involvement in local government. I tried to find practical, low cost solutions to problems. For example. When I was elected to the Monterey City Council in 1975 I realized that the City owned a large number of commercial properties but did not have a property management department. I was able to convince the Council of the necessity of such a department. It made an amazing difference for the city and its income from these VERY valuable resources.

The chaos of the desal issue should be of great concern to all citizens and water users.

The recent two installment piece by Richard Heuer should be seriously considered and hopefully implemented by the community! Otherwise we will have economic and water chaos for years.

Thank you for considering this piece.

Charles Page

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