



Water Matters

Fall 2012

New Water Supply Charge takes hold

In support of advancing low-cost publicly-owned water supply projects, property owners throughout the District began to see the new Water Supply Charge on their Assessor's bill in October. The new fee will be dedicated to the Groundwater Replenishment project, the Aquifer Storage and Recovery project, and is laying the foundation for public participation in the proposed desalination project.

Groundwater Replenishment or GWR is a project the District is pursuing jointly with the Monterey Regional Water Pollution Control Agency. GWR creates a new source of water through the advanced treatment of wastewater, injection into the groundwater basin, and later recovery for potable uses. This source is less expensive than desalination, has much lower carbon footprint, reduces the required size of a desalination plant and its brine discharge, and reduces wastewater discharge to Monterey Bay – a "win-win" for everyone. The District has budgeted \$2.5 million for GWR over the next two years.

Aquifer Storage and Recovery or ASR allows the diversion of water from the Carmel River during the wet winter months, storage in the groundwater basin, and recovery in the dry summer months. The District has already invested \$4.5 million in its ASR facility, but requires another \$1.5 million to finish the job in the next two years.

The District has also proposed public participation in the desalination project, whether it is Cal-Am's proposed facility or one of the competing

concepts. The use of low-cost public funds will significantly reduce the cost to ratepayers. In order to be an effective public partner, the District will need to demonstrate a stable and secure history of collecting the new Water Supply Charge.

At 3,500 acre-feet for GWR and 1,300 acre-feet for ASR, the public projects comprise almost half of the proposed water supply solution. Desalination is expected to provide 5,500 acre-feet per year. An acre-foot is 326,000 gallons – enough to supply 4 to 5 average homes per year. Yet, the public projects are also the least expensive: The District's ASR facility produces water that is just over \$1,500 per AF, GWR is approximately \$2,500 per AF, and the proposed desalination plant will be \$4,000 per AF according to Cal-Am's reports. Hence, the new Water Supply Charge is an important component of keeping the cost of water low.

The GWR and ASR projects also help diversify the risk in meeting the Peninsula's water needs. Without this funding, the GWR project would be deferred and the District's ASR project would become shuttered and a more expensive sale or lease to Cal-Am would be explored. In their place, a larger desalination project would be brought forward. But desalination has many challenges such as groundwater rights, environmental permitting, and future energy costs. A diversified approach is the Peninsula's best chance for getting some project under way before the State imposed deadline of December 2016.

District offers assistance to customers dealing with spiked water bills

Over the past several months there has been increased media coverage on unexpectedly high bills and complaints from California American Water (Cal Am) customers. The increased coverage has resulted in heightened public concern and confusion over the issue. While the Water District does not have regulatory oversight on Cal Am rates, it is offering the following information to assist those affected customers resolve the issue.

Any Cal Am customer who receives an unexpectedly high water bill and can't account for the usage should immediately contact Cal Am customer service. A local customer service representative can be reached by calling 831-646-3205.

Cal Am's Water Wise House Call program can assist those customers with identifying any potential leaks that could have resulted

in the high bill. Any identified leaks should be repaired, at which point the customer may ask for an adjusted bill.

If a satisfactory resolution cannot be achieved with Cal Am, customers have the option of filing a complaint with the California Public Utilities Commission (CPUC). There are two types of CPUC complaints – informal and formal.

An informal complaint may be filed in writing or by telephone. The disputed bill amount may be deposited with the Commission to prevent discontinuance of service. Commission staff will review the complaint and issue an informal opinion, which may be appealed to the Consumer Affairs Branch Manager. To contact the CPUC with an informal complaint:

Call – 800-649-7570
Visit – www.cpuc.ca.gov

Write – Consumer Affairs Branch
California Public Utilities Commission
505 Van Ness Avenue, Room 2250
San Francisco, CA 94102

Formal complaints may be filed by mail or electronically through the CPUC website. Through the formal complaint procedure, the Commission can order corrective action, including bill adjustments. Formal complaints do become public record. To contact the CPUC with a formal complaint:

Call – 866-849-8390
Visit – www.cpuc.ca.gov
Write – The Public Advisor-CPUC
505 Van Ness Avenue, Room 2103
San Francisco, CA 94102

The Water District has CPUC instructions and complaint forms available in its office.

Changes to water efficiency standards

Requirements for water efficient toilets/urinals and other water using devices for all non-residential water users were adopted in 2009. The Board is currently considering a one year extension of the implementation date, to December 31, 2013, along with several other new requirements in Ordinance No. 151. The ordinance is expected to be effective December 31, 2012.

In addition to extending the retrofit deadline, the ordinance also:

- Implements High Efficiency Toilets (HET) (1.28 gpf) and Urinals (<=0.5 gpf) as the MPWMD standard
- Exempts existing Ultra Low Flush (1.6 gpf) toilets from retrofit requirement (Rule 143)
- Adds a Water Credit for Ultra High Efficiency Toilets (0.8 gpf)
- Continues the current Water Credit for HET until December 31, 2013
- Requires high efficiency water-using appliances in new construction
- Reduces the showerhead flow rate for non-residential uses to 2.0 gpm
- Clarifies flow rates for faucets in non-residential uses

Public hearings on the ordinance will take place on November 19, 2012 at the regular Board meeting. The draft ordinance is available on the Water District's website at www.mpwmd.net/ord151. Questions can be directed to Stephanie Pintar at spintar@mpwmd.net or 831-658-5630.

Clarification on Cal Am's MPWMD Surcharge

Since 1983, the MPWMD had collected a User Fee from Cal Am customers and other water system customers. Historically, this funded the District's Aquifer Storage and Recovery and other water supply development activities, as well as its Mitigation Program – actions required by law and regulatory action to counteract the negative impacts on the river due to Cal Am pumping. During the last year the Water District was able to collect the User Fee it was set as an 8.325% surcharge on Cal Am customer bills.

In June 2009, the California Public Utilities Commission (CPUC) ruling prohibited Cal Am from collecting the User Fee for the Water District despite MPWMD's legal authority as a government authority to assess such a fee. As a part of the solution, Cal Am has agreed to fund at least \$1.6 million of the annual mitigation program costs through 2014. Cal Am is funding its portion of the mitigation program costs through the MPWMD surcharge currently listed on their customers bills. The current surcharge is set at 15.37% through March 2013, at which point it is scheduled to be reduced to 6.03%. This is a Cal Am surcharge to fund mitigation, and is different from the Water District's new water supply charge.

Water Use Credits to be reinstated

Water Use Credits that have been adversely affected by the State Water Resources Control Board Cease and Desist Order (CDO) will be reestablished in the future. The Water District adopted Ordinance No. 154 in September 2012 as a way to terminate lawsuits challenging the CDO. In doing so, the Board adopted a policy to reinstate expired Water Use Credits at the conclusion of the CDO. Reinstated credit will be available for the same amount of time as remained when it was affected by the CDO. Water Use Credit is valid for five years and can be extended once. Water Use Credit that was documented up to ten years before the CDO, as well as credit that was established after the CDO, will be reinstated pursuant to District Rule 25.5.



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