

Supplement to 4/15/13 MPWMD Board Packet

Attached are copies of letters received between March 12, 2013 and April 8, 2013. These letters are also listed in the April 15, 2013 Board packet under item 14, Letters Received.

| Author | Addressee | Date | Topic |
|------------------|--------------|-----------|---|
| Paul Hart | MPWMD Board | 4/8/2013 | People's Moss Landing Desalination Project Negotiation of Agreement with "Plan B" Alternative |
| Carmelita Garcia | MPWMD | 4/4/2013 | Response to Matrix, People's Moss Landing Desalination Project |
| Keith Israel | David Stoldt | 4/2/2013 | Thanks for Participation on March 18, 2013 Panel Discussion |
| Jody Hansen | MPWMD Board | 4/1/2013 | Consideration of 2013-14 One-Year and Three-Year Goals |
| Kim DiBenedetto | MPWMD Board | 4/1/2013 | Potential Initiatives for 1-Year and 3-Year Goals |
| Eric Sabolsice | David Stoldt | 3/22/2013 | San Clemente Dam Removal Project and Carmel River Reroute |
| Paul Hart | MPWMD Board | 3/18/2013 | People's Moss Landing Desalination Project |
| Fred Meurer | MPWMD Board | 3/15/2013 | Consider Second Reading and Adoption of Ordinance No. 155 – Modifying the Definition of Redevelopment Project Site and Amending Rule 25.5-D |

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PASO ROBLES OFFICE
744 PINE STREET
PASO ROBLES, CA 93446
PH: (805) 226-0170
*PLEASE SUBMIT ALL
CORRESPONDENCE & FAXES
TO THE SALINAS OFFICE

JOHNSON, MONCRIEF & HART

A PROFESSIONAL CORPORATION

SALINAS OFFICE
16 W. GABILAN STREET
SALINAS, CALIFORNIA 93901
PO BOX 1323
SALINAS, CA 93902-1323
PH: (831) 759-0900
FX: (831) 759-0902
www.jobnson.Moncrief.com

April 8, 2013

AARON P. JOHNSON
PAUL W. MONCRIEF
L. PAUL HART
DENNIS J. LEWIS
KOREN R. MCWILLIAMS
J. KENNETH GORMAN
DAVID W. BALCH

APR - 8 2013

MPWMD

File No. 6377.004

VIA EMAIL AND FIRST CLASS MAIL

Mayor Dave Pendergrass, Chair David Stoldt, General Manager Monterey Peninsula Water Management District 5 Harris Court, Building G Monterey, CA 93940

Re:

People's Moss Landing Desalination Project Negotiation of Agreement with "Plan B" Alternative

Dear Board Members,

At your March 18, 2013 regular board meeting, you authorized your staff to begin negotiations with Deep Water Desal, whereby MPWMD would participate with Deep Water as a contingency plan in the event that the Cal Am Desalination Plant failed or was delayed. On behalf of the People's Moss Landing Desalination Project, I hereby request that you also authorize your staff to negotiate with the People's Project. I believe your constituents will be best served by simultaneous negotiations with both projects. Accordingly, I specifically request that you add this issue to the agenda for your April 15, 2013 Board Meeting.

First, as has previously been communicated, the People's Project and Moss Landing Commercial Park, LLC (MLCP), do not desire or request the financial participation of MPWMD. MLCP has sufficient capital and financing capacity to fully complete the design, review and permitting process without relying upon public funds. By contrast, Deep Water Desal has no independent financing and would be reliant upon the \$500,000+ of ratepayer funds that MPWMD has suggested would be a component of any final agreement with Deep Water. Based upon this fact alone, I believe that your constituents will insist that you meaningfully negotiate with MLCP. Ratepayer expense is an incredibly important component of this process.

Second, as I expressed at your last meeting, the People's Project strongly believes that the "Scoring Matrix" presented to you by MPWMD staff was objectively inaccurate and

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subjectively skewed. As a result, this board relied upon inaccurate information when it selected Deep Water Desal as the preferred "Plan B Alternative". I have attached a revised Matrix which identifies critical errors in the presumptions and findings incorporated into the MPWMD "Scoring Matrix". I have also revised the score to reflect these inaccuracies. The Revised Scoring illustrates that the People's Project is clearly superior to the Deep Water proposal.

The Revised Scoring is consistent with the findings of both the JPA's initial determination and with the findings of SPI, an independent consultant for the JPA, both of which concluded that the People's Project is superior to Deep Water Desal.

However, at this time, the People's Project is not asking that you reach a final determination. Rather the People's Project is merely asking that you simultaneously negotiate potential contract terms with both MLCP and Deep Water. This method seems to make sense given the fact that substantial public funds are at stake and given the fact that MPWMD and its subcommittee initially elected to negotiate exclusively with Deep Water within less than 1 week after the Staff Scoring Matrix was presented.

To some, the board's current decision to select the higher-priced option (Deep Water), based upon less than one week's consideration, and based upon a Scoring Matrix that is inconsistent with prior scoring determinations of third-party experts could be considered imprudent. Such findings could be exacerbated by the fact that Deep Water Desal admittedly: (i) has no assets; (ii) has no income; (iii) has no desalination facilities; (iv) has no lease for any location that could support a desalination plant; (v) has no easements or rights for seawater intake or discharge and (vi) has no contract with the Moss Landing Power Plant, which Deep Water admits is essential for its entire conceptual plan. These are not subjective assertions by a competing project; these are the facts as stated by Deep Water.

Please take the time to negotiate with both applicants. Ask whether Deep Water is willing to proceed without public funding. Ask Deep Water to immediately put money in trust to fund the design, environmental review and permitting process. Take the time to correct the inaccurate factual underpinnings of MPWMD's scoring matrix.

These actions will show the public that you are, in fact, careful stewards of the public's funds.

The People's Project strongly believes that, if these steps are taken, this Board will agree that its project is not only more likely to result in water production but it is also the only "Plan B Alternative" that can bear the entire financial risk, rather than placing the financial risk upon your constituents.

For your review, I have attached the following exhibits to this letter:

EXHIBIT 1: Revised Scoring Matrix

EXHIBIT 2: PML Project Time Line with Team Organization and Roles

EXHIBIT 3: Overview Map of the Premises

EXHIBIT 4: Detailed Map of the Premises

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EXHIBIT 5: General Process Flow Diagram

EXHIBIT 6: Information on Intake

EXHIBIT 7: Sectional View

EXHIBIT 8: Information from Moss Landing Marine Laboratories

Thank you for your time and consideration of this proposal. As always, MLCP is more than willing to respond to additional questions, requests for clarification or concerns.

Very truly yours,

Paul Hart

Attach.

| | | Stoldt Proposal | roposal | Hampson Proposal | Proposa) | PML Proposal | oposal | | | |
|--|----------|------------------------|---------------------------------------|-------------------------|------------------|---------------|------------------|--|---|--|
| Review categories and scoring criteria | Category | Deep Water Desat | People's Moss | Deep Water Detail | People's Moss | Deep Water | Peoplo's Moss | Stoldt Notes | Hampson Notes | PML Contrients |
| 1. Oceanization information and Financial Strength | | | | | | 1 | | | d de militar de la companya de la c | |
| Type of organization (e.g. corporation, partnership, including joint venture teams and subcontractors) and how long (this been in existence. | ω | N | L | 2 | | 2 | w l | PAGE awarship has longer thirtory, but hisn't PAGE and DIVID are LLC. Internet reserch or accomplished much; DIVID is coney held. Neither Janding Commercial Partice flower that the has significant cevenue expability. The second of a leveral of resigned on 10/5/10." There were no replicement. Part of DIVID Page and page 10 p | PARL and DWD are LLC. Internet search on Moss Lunding Commercial Park index that the California **Agenther Garke of Brows that the California **Agenther Garke of Brown on 10/5/10.** There has been no septimes the Indian **Land on 10/5/10.** There has been more partners in LLC w/ Dennis ring as Agent for Service. | DWD has no creamer as patch on Moss PALL has bonger Altory—in existence for 10 years. DWD started in water detail in April 2011. DWD has no revenue expability and it and its onlines to hit is application. PALL has algorithms travenue California Agent for service of Process Team of a Horring revenue from that learn. We could include a horse and commentation recirements. We could include a has a sponsor of the revenue. We fined with sevenue from that learn. We could include a has a spon for service of process. Processing of services in LC wy Dermis ing as Agent for more allowed that a new agent for service of process the service. Service. |
| Capital structure - Financial resources organization intents to dedicate to the project in the next 18 months. | ω | . 2 | | w | ۰. | w | w | DVID <u>1028115 to have ittenest access to</u> espitely Due diligence reveil it much uncertainty about future ewnership and financing of Moss Landing Commiscial Park. | PAIL: \$500K for EIR + \$300X dailyn; DV/D: \$5 million (+ or -) for legal, permits, tech itudes, prelim design. | DIVID does <u>not</u> have stronger access to expited than PML. There is no endence that DIVIO is prepared to commit more financial resources to the project than PML w/nn the next 18 months. PML also offered, on a lease basis, a free lease until the project begins generating revenue. |
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| c. Cost sharing patheciship with the District. | υ. | tu. | هــــ | w | 2 | 3 | ω | DVO appears to commit approximately \$4 million; PML \$700,000; | Parks defer aquilibran costs, DVDD will reliar in ownership of Inske plegine to defa sentership says SVRO building. JPA swms pleatings to and from SVRO building to outfall at MISP reging waters (note: three pipelines required in Dolan Road): | PMIL will fully fund ~ Ø from VMAD/Public. PMIL is also paying their own consultants. See Section 2 of DWD proposal that DWD has no present source of income. DWD indicated they could provide set of financial statements, unaudited, and we want them to provide this. We need to clarify this idea that DWD is willing to commit \$4M. Additionally, the goal is to have MPVMAD own/operate the project. We propose a 100% public ownership. |

oposal Raview Scoring Sheet Alternative Desalination Facility

| | third-par | and their | 2. Team | o. Addik annual re changes, | | | | |
|-------|--|---|----------------------------|--|--|----------|----------|------------------|
| SCORE | tild pirty patidpants. | b. Proposal indentifies kny fearn members, confractors, sub-confractors, and their qualifications and experience. | Team ability and strengths | o. Audieat Internatis Estements provided for the past two years, including annual reports, income statements, balance sheets, and assements of changes. | Roview categories and scoring criteria | | | |
| 10 | , | σ | 12 | w | Max Score | Category | | - |
| 7 | t.e | 4 | ľ | - | Desai | Water | 200 | Stoldt Proposal |
| 5 | ^ | ω | 4 | 14 | landing | Moss | Pennia's | oposal |
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| 6 | w 0. 7 0 7 0 7 0 0 0 | 2 0 2 7 | F | | Landing | Moss | | possi |
| | With chies on contextual relationships, not till of Ika contexts provided; which have been executed or demonstrated. This J PMA bas partnership th is an area of further due diligence, Due diligence to date reveis! context under development (or political representation, energy, exclusivity agreement with Dynary, but energy, exclusivity agreement with Dynary, but exercised to the context of Intake tawa not seen commitment of Intake ta | PAIL 'team' appears diplointed. Hot all mambers DIVID has relevant expererented are actually part of team (no. Chapility plant); CEOAVREPA and DIVID project management team has industry WQ samplag. PAIL has reputation. WQ samplag. PAIL has membrane technology. (Middley), Ho SRIZE demonstrated either in | | ML provided for Moss Landing | Stoldt Notes | | | |
| | ray coposals provided by ray coposultant work. at includes design team, technical studies tertise. DVID did not | DIVID has relevant expecience in design of SURAD INFOCUENCY CAPEN and partificing expections of the monitorized properties and partificing expections of the monitorized properties of the monitorial technology and constitute disparalized in Michaely, No PAIL SURVO design experience of demonstrated either in proposal or on Michaely demonstrated either in proposal or on Michaely. | | PALL unaudited balance sheet; buildings and related extraordines and related at \$276 million; \$32.3 million in mortgage payable over one year. In mortgage payable over one year. OVUD - described, none provided, offer to provide. | Hampson Notes | | | |
| | (No contract provided by the submitted proposity bird of our 1rd pairty participants. PAL with zone participants, convicient work. DWO has partnership that includes design tarm, policial representation, technical studies consultant, financial reperture. (feet they're going to have these contracts, but they don't. provide copits of hird. | DIVID has relevant expectance in design of SWRO PAIL has SWRO glants) and Bern is the designed plants all over the world), demonstrated. DWD has realized freme for WQ simpling. PHL has relevant experience in membrans technology and consentrate disposal accommission technology and consentrate disposal regard to designation systems. The evaluators seem to have substantial histories and espatialism with membrans technology and consentrate disposal regard to designation systems. The evaluators seem to have assumed that most technical items will be addressed by Mickley & Associates. This is not the intention. | | PML provided financial sixtements; DWD did not provide statements. | PML Complets | | | |

| | SCOREI | d. Studie/data to support permit applications | Long-term (50 or more years) security and right to this water source demonstrated. Legil agreements in place (and provided) or expected to be in | b. Potentik water lights or environmental linguiton risk identified ov statement proefeet why there is limited or no linguiton risk with respect to water rights or environmental concerns. | s. Feed water some and physical infrastructure identified for delivering it to the treatment fadility. | 3 Course Mater Intake Strategy | Backous salagardas and cooling salagard | | |
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| | 7 | 0 | w | 2 | N | Fautorox | and ha | People's | Stoldt Proposal |
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| | 5 | 2 | н/а | N | 1 | 19590 | | | PML Proposal |
| The state of the s | 16 | .م | ۵ | ۵ | 4 | Summer | | People's | oposal |
| | | DVD has significant headstact in data collection for siting incive structure. | Both intake strakegies appear to meet long term secure source. | Big area of uncertainty; Opposition not yet Identified. | DVD needs contract for essenent; PML may have PML hashe in Moss tanding harbor may require intality mitneresented source as "tab surface significant pro-treatment for variable WQ (Fe intaker". Her chairligh, to the most perfect that the perfect | 3(0)(1)(1)(0) | Stolds Water | | |
| | | PML provided analysis of sit emissions for Construction, DWD stated that there is an Ongoing source water study. | inteke/outfall mwy be subject to continuing Jurisdiction of RWOCB. | Isolh PML and DWD relyon open see water heather identify potential milligation requirement for IRE impacts. PML submitted preliminary CEQA betailt. 2011 appoints if record of PML property by Landmark Really tales that the replacement cost of fedibles makes the "extraordinary assumption that decentamination for Jiel the ground Jiel water to on going through natural processes." Ho groundwater membroling data provided. | | Hampaul Hotes | Germany Motor | | |
| | | Our proposed in the tile his been studied by KIBARI over the list swirel years, MBARI has been studying the intake water at this location in at least the last 50 years, MBARI has 10 existing buoys at or near our intake location that are constantly studying water quality. Assertions that we have no data collection is false. DWD is also probably refying on MBARI's information as well. | We have an existing RIVOCE permit. We have an established water right with more than 20 yrs. of sawater Intaka in excess of 50M gallons per day. DWD has never had a permit. | No commental this time. | PAIL has an exhibing resement for upphy of source water jub/to does not. PAIL has an exhibing resement for upphy of source water jub/to does not. PAIL has an exhibing resement for upphy of source water inhab methods; DVMD proposal relies upon numerous uncommodest on the method proposal relies upon numerous uncommodest confligancials. Pail has existed the painting an easternest, controvidion of new 40 in, in take, as obtaining all necessary permits, and execution of an undetermined agreement with most starting through the controvidion of new 40 in the proposal of confligancials. We have consistently stated that the initials system with modifications will be state of the set to meet the federal and California emfortmental concerns and corresponding regulations. We have also consistently stated that the initials system with modifications will be state of the set to have also consistently represented the encerns of federal ter quilty on the well without the painting that the state of the part of the part of the unitarity of the unitarity will be understand that the state of the part testions. The ownership francisco of the evaluation scene to addressed adequately by per-treatment. The ownership francisco of the equility cannot be addressed adequately by per-treatment. The ownership francisco of the equility cannot be addressed adequately by per-treatment. The ownership francisco of the equility cannot be addressed adequately by per-treatment. | 1.116 (4.111) | exal formants | | |

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| Review categoiles and scoring citaria | Category Max Store | Deep Water Desal | People's Moss | Deep Water Desail | People's Moss | Dcep Water Desail | People's Moss | Stoldt Notes | Harrioson Notes | PMI Comments |
| Outfall Strategy Physical infrastructure identified or in place | v | 2 | ω . | - | 2 | - | ! ! | | - 1 1 | TAC Committee found us to have superfor outfall strategy. We have an existing outfall permit |
| e. Physical infrastructure identified or in pince | v | N | , w | - | , N | - | | PAK essking outfall appears to be fin more stgallfrank disrepsh than represented. Concern over ascommodstlan for MBARI 8" dismeter pless. | PAN, Inake and out in lin disrepair, SPI report shows ARR costs estimated at 53 million for both, but PAN, Feb. 15, 2013 submittal shows \$1 million w/o any substantial ton; JAMSE report describes malor reposts and potential for 24-inds steel pipe Insert; PAN, shows an additional 36-in inch outfall from the harbor-drawings show an abandoned 36-inch wood stave pipe with 50-ft, concrete plug along alignment of 51-inch pipe outfall until ocean. \$1-inch outfall departs for the pipe of the pipe and ends at-68 MILIV suppoor. 800 feet of thioner, two 8-inch MAN, tupps tinder 8-mill distange line. DWD proposal use of MLPP outfall or new outfall along abandoned fuel oil pipeline. | FAX (hake and outfill notificipality Sit report from State found us to have superfor outfull trategy. We have an austing outfull parint shown ARR costs estimated at \$3 million to? for a preductive use the state than obtaining a naw permit. PAX restoring process may be both, but PAX. The 1.5, 2013 authmits I hower \$1 core a preductive use the process that the process that the process that the process in the outful for 24 inch steel ploa inset; PAX shows an additional 55-in the outful from the harbor -drawings shown in DVID bas no physical infestitucture, easternests, permits, or contract for featility or locality or localit |
| b. Legal agreements in place or expected to be in place | \$ | ~ | w | - | ~ | - | ر د | DWD will rely on legal contract, of which no | PML has paliting putfall. DIVD pepotiating with | |
| related to the outfall | • | | | | • | • | | | rent nes sustang putant. DAVD regionating with State Lands for east minted that State Lands for east minted that could be used for outful IR MLPP outful not available. Use of Dynegy NLPP outful of DVD uncertain and may require information. | • |
| SCORE | 10 | 4 | 6 | 2 | 4 | 2 | 10 | | | |
| 2. AVAIRT INSTANTANT SECUR. 3. Preliminary delige of the pre-tresument, trestment, and storage (activities completed, film identified, contact in piece, diagram/drawings provided. | 4 | ~ | 2 | N | 1 | 2 | ω | We have relied on additional information from the PAII and DWD provided description of facilities for \$41 reports although \$41 indicated PAII, was not very robust. | | A schematic is in the works. |
| b. Plant configuration and performance schame identified; process flow disgram included. | ۵ | ω | ٨. | ь | | 2 | w | | PML provided a proposal by Detai America describing facilities for a 2mgd SWRO system on easting PML sile from oligarms or concept isyons. DWD provided ethernatic, but no overall concept isyout of intake, pipelines, SWRO facilities, dalivery | |
| SCORE: | 8 | 5 | 4 | ۵ | 2 | 4 | 6 | | | |
| 6. Site Control 3. Site described, ownership identified, legal agreements for use provided | ۵ | | 6 | 2 | ۵., | ٥ | ω (| DWD has moved preferred site 3 times in 3 times in 3 to both a 20-acre (p 5) and as a 25-acre (p 6), but no specific parcel identified. Existing buildings may provide benefit, but overall purchase pake appears too high. Concerns over actual environmental condition of site not addressed. | PAIL describes site, ownst site, agreements in place for intake and outfull; however, are there hersidous westes on site and has the owner made full directives about easing facilities? DIVO describes application to State Lands for offshore easement and agreement with Dinegy (not publicly available), but no other site-related agreements were furnished. | DVD does not even any property; it does not have any leases for property, there are no estaling easements or existing pipeline they own nothing and have no contracts. |
| SCORE | 8 | 4 | 6 | 2 | _ | 0 | | | | |

| | | | | - | l | - | - | - | | |
|--|--|---|----------------------------------|---|-------------------------|-------|-------------------------|-------|--------------------------|--|
| Mini power goure from gidd. PML has back-up Back-up generators shall be refuibbhed to meet standards. Also, solar enurgy shall be provided. generators, but it's not eight in they are functional. Boy/D signed agreement with Salinas to form utility for power purchase. | Main power source from gild. PML has back-up its garerators, but it's not lear they are functional. DV/D signed agreement with Salines to form utility for power purchase. | DNO pursuing innovative energy plan with Salinary PML mitrakenty identifies (RG as new owner of plant; Also, our due diligence suggests an "over the fence" | w | 0 | 5 4. | ω | <u></u> | 2 | 3 | a. Energy procurement stratogy Identified |
| | | | | L | - | | | | | 8. Energy |
| | | | 9 | 6 | s | 89 | 5 | 8 | SCORE: 12 | |
| OWD has already connected with the State Lands Commission regarding the CECA and PML defined City of Facilic Genera as a lead agency at this time. Since we are not reading ideal great money for this project. PML does not have a NEFA lead agency like the US Sureau of Reclamation ourseeing the entire project and therefore are not as constroined to make it a joint CECA of IEPA document. The CPUC/CAIAn DIR was not a NEFA document per 10, but was defigned to provide the federal regulators with the information they needed to true permits. Quit CECA document it being estigned to follow that model. The State Lands' Commission EIR on the DVID will likely follow that model as well. | DWD has head start with State tands Commission. Vio lead identified for PML State tands to be OCCUPANT OF THE CECAN lead for DWD, DWD in discussions with MBHMS for NEPA lead? (need to verify) | DWD has head start with State tands Commission. | 2 | ٥ | ٥ | 2 | P | 2 | ω. | e. Status or contract for lead CEOA/HEPA agencies |
| We have an expert who fully understands the process - Gine Kathuria. | PARL and DWD both rely on a simplified paperach to obtaining intake and discharge permits - neither boild in a time buffer for unexpected requirements. | DNO has demonstrated better grasp of permit requirements. | ~ | 1 | . ь | 1 | | ~ | ω | c. Strakegy provideed of obtaining permits |
| Hampson Hotes PAIL schnowledges this need. PAIL schnowledges thi | PAL Identified consultant for environmental study (SNB Environmental st | Stodit Notes PMI appears to misunderstend need for NEPA review and may have understend wook to be done for NEPIS discharge permit. Also meation of need for a CPUC CPCN appears erroneous. | People's Moss Landing 2 | | Paople's Moss Landing 3 | | People's Moss Landing 2 | | сандроу Мак боло 3 | Review categories and scoring citeria 7. Permitting 8. Required permits identified. 9. From identified for environmental studies, evidence of convect provided. |
| The second secon | | | PML Proposal | - | Hampson Proposal | Hampu | Steldt Proposal | Stold | | |

| | | Stoldt Proposal | roposal | Напірзоп | Hanipson Proposal | PML Proposal | oposal | | | |
|---|-----------------------|-------------------------|-----------------------------|------------------------|-----------------------------|-------------------------|-----------------------------|---|--|--|
| Review categories and sooring criteria | Category Max Store | Deep Water Desail | People's Moss Landing | Deep Water Desai | People's Moss Landing | Deep Water Desail | People's Moss Landing | Sloldt Notes | Hampson Rotes | PMI Commonls |
| t. Cons dennilee | ω | | ٨. | N | N | | w | | Both PAAL and DWO costs are shown in SPI report. PAAL has lowered cost for buying site. DWD has altered its proposed intake and site facilities locations several times, so | No comment. |
| c. Contracts in place or described | ω | • | , | ы | +- | t) | 2 | | PAM. claims "over the fence" power cost from Dynegy at \$0.08/pw-hr, but no agreement provided. DWD will enter into agreement with salinas to form villity to buy | No comment. |
| o Thirdenila. | 9 | 5 | 4 | 7 | 4 | 4 | 8 | | | |
| Third party contruction agreements required for building, agreements in place or expected to be | 3 | | - | ٥ | 2 | ۰ | w | | PML not reliant on 3rd party agreements; DWD is reliant on third parties for allo control, power, inste, outful! | |
| c. Project depends on CEC licensing at MJPP, Tisk to sources water, outful, site control described | w | 2 | 2 | ,, | 2 | 0 | ω | DNO strategy at MLPP appears to survive relicensing risk and/or one-trough-cooling | For PML, no tisks associated with dependency on MLPP, for DWD, some tisk associated with use of MLPP outfall. | PAIL has no rists — we aren't depending on anyone. OWD has significant rists. There are no stated agreements, but gots the same score as PAIL. |
| 10 Rullage Terras | 6 | 3 | (s | - | À | 0 | 6 | | | |
| Legal structure and business terms described for short-term (environmental studies, permits) | 2 | 2 | N | ٢ | <u>.</u> | | N | Costs enumerated for both projects. | PAIL proposes \$700 K contribution for EIR and design. DNO proposes about \$5 million contribution for studies, design, permit acquilitions. Rether prodeed documentation of sevenue or externant to show how contributions would be funded. | PML has already committed and is expense for \$700k for EIR. |
| b. Legal structure and business terms described for design-build and Od/M | ۵ | | | . 2 | 2 | 2 | . 2 | no desail. | PAM. to be D-B contrastor w/MPWMD purchasing property (for \$15 million?), DWD proposes either D-B as developer or with JPA w/competitive bid process for engineering and construction. | IPA littility assured to davelop project where IPA stated in their meetings they have no desire to own or operate dead plant. Water Districts Fublic owner shall own and operate the plant. |
| C. Earnings method and rate of reluin described | | | ~ | | | - | 2 | Not much detailed description of DWD recovery of it return; PML purchase price appears | Not much detailed description of DWD recovery of PAIL to be bought out. DWD to retain awnership return; PAIL purchase price appears of inside pipeline and facilities. | |
| 11. Urleation History SCORES | 6 | _ | 5 | Þ | | 4 | 8 | | | |
| a. Ho filegation within past five years | u | La . | | • | ٥ | 5 | | PML rasponse appears to conflict with 7/9/12 Pine PML did not disclose any filigation; a resich on the internet shows that Nader Agha was involved in more than 15 ct M inwaudits between 1998 and 2010, DVD did not disclose any litigation. | , | This earagory is improper. Moreover, the scoring for this eatagory was solely based on Nider Agin's personal linguition history, which has nothing to do with the technical/anvisonmental nature of the project. |
| SCORE | s | ۵ | - | и | ь | ۷ | - | | | |

Proposal Review Scoting Sheet Alternative Desellnetion fac

| TOTAL SCORES: | SCORE: | b. Does the proposif provide a plausible work schedule for D-B, initial start-up | a. Does the proposal provides plausible work schedule for environmental review and | 13. Schedule | SCORE: | b. Proposi frovides costs for 0-8, O&M | a. Proposal provides cests for environmental review and permitting. | 12, Costs | Review categories and scoring citeria | |
|---------------|--------|--|---|--------------|--------|--|---|-----------|---------------------------------------|------------------|
| 228 | 8 | | | | | N | 2 | | Category Max Score | |
| 68 | w | ٠ | N | | u | 4 | 2 | | Deep Water Desail | Stoldt |
| 54 | 2 | 14 | | | 2 | | . | | People's Moss Lending | Stoldt Proposal |
| 88 | ~ | - | j.a. | | | N | 2 | _ | Deep Water Desal | Hampson Proposal |
| 43 | 2 | | , | | 2 | م و | , ta | | Peopla's Moss Landing | lesodor |
| 50 | 2 | 1 | , | L | 4 | ~ | ~ | | Deep Water Desaf | PML Proposal |
| 99 | 6 | | N | | 4 | N | N | | Peoplo's Moss Landing | oposal |
| | | Nat requested; Not created. | Concern that PANL has not identified timeline for data collection for Intakes | | | externer will rely more on \$9! conjuling reports. | | | Stoldt Notes | |
| | | See SPI final report both proposals too optimistic. | See 57 final report both proposals loo optimitale. | | | PALL and DIVD e plimates are included in the SPI report, but do not includs tool 14 for | PALI shows \$500K for EIB and \$200K for design, no costs for parnithing. DVID shows \$1.6 million for studies for legal/EIR/permits \$1.5 million for studies and preliminary design. | | Hampson Notes | |
| | | | Our proposed intité site has been itudied by MBARI Over the latt reveril years. MBARI has been itudying the inake at this focation in the last 5-5 years. MBARI has 10 realing buoys near our location studying inflates. Assettions we have no olds collection is false. DND is probably relying on that research as well. | | | Reviewer will rely more on 591 consuling reports. PML and DWD estimates are included in the 591 [Estimate not requested. FML submitted costs for actual construction and design in fit cower. letter. letter. Self Report, but do not include costs for some state of the self-self-self-self-self-self-self-self- | PML show! \$500K for ER and \$200K for design, The cost was not asked for in the RFQ. However, we provided cost of project and water per acro no costs for permitting. DVM shows \$1.6 million foot modeled after \$11 formula for ease of companion. For legal/ER/permits, \$1.5 million for studies and periminary design. | | PAIL Comments | |

PML Project Time Line with Team Organization and Roles

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| | | Time Line (qu | Time Line (quarters from start) | | | 0 | Group/Individual Involved | dividua | il Invo | lved | | |
|--------------------|-------|-------------------------------|---------------------------------|----------|-----|-------|--|---------|---------|-------|-------|------------------------|
| | 2013 | 2014 | 2015 | 2016 | SMB | Watek | SMB Watek Watek TBD GK RODI DCC M&A | TBD | GX R | i Ido | V 220 | A&N |
| | 1 2 3 | 4 5 6 7 8 9 10 11 12 13 14 15 | 11 01 6 8 | 12 13 14 | 15 | | | | | _ | _ | |
| EIR Study | | | | | × | | | | | | | 8 |
| Preliminary Design | | | | | | × | | | | | | X |
| Pilot Tests | | | | | | | × | | | | | $\widehat{\mathbf{x}}$ |
| Intake Site Study | | 1000000 | | | | | | X | | | | $\widehat{\mathbf{x}}$ |
| Permitting | | | | | | | | | × | | | × |
| Final Design | | | | | | | × | | | | | 8 |
| Construction | | | | | | | | | _ | × | × | 8 |
| Startup | | | | | | | × | | | × | | 8 |

where:

SMB = SMB Environmental, Inc., Steve Brown, Principal

Watek = Watek Engineering Corporation, Ben Movahed, P.E.

TDB = to be determined

GK = Gina Kathuria, P.E.

RODI = RODI Systems Corp., Stan Lueck

DCC = Don Chapin Company, Don Chapin

M&A = Mickley & Associates, Mike Mickley, P.E., Ph.D.

Design

Environmental

Major Area

Intake site investigation

Permitting

Equipment, Construction Construction

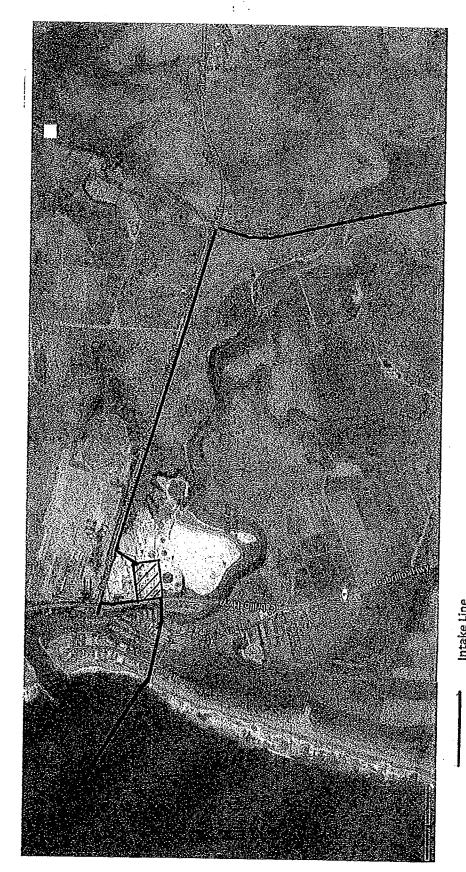
Technical Consultant, Permitting

Others involved:

Paul Hart, Attorney at Law

John Miller, Structural Engineer, JAMSE Engineering, Inc.

- Ed O'Neill, Attorney at Law
- George Schroeder, Attorney at Law (RETIRED)



Peoples Moss Landing Water Desal Project

Intake Line Discharge/Outfall Line Transmission Line PML Desalination Plant Site

17,955 Landing 2,108

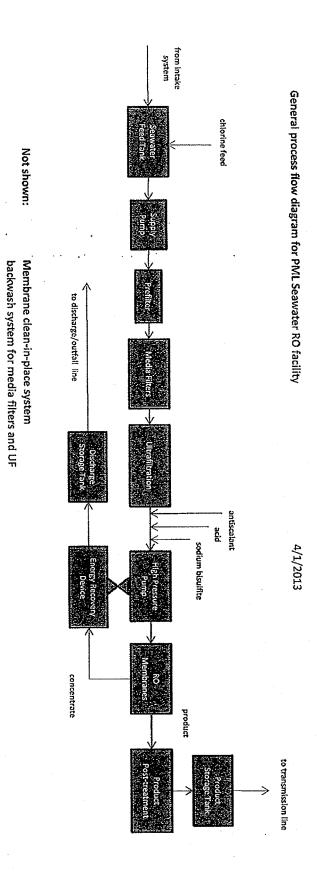
Peoples Moss Landing Water Desal Project

Existing Discharge/Outfall Line New Discharge/Outfall Line

PML Desalination Plant Site

New Transmission Line

Existing Intake Line New Intake Line



The Guidebook to

Membrane Desalination Technology

Reverse Osmosis, Nanofiltration and Hybrid Systems Process, Design, Applications and Economics

Mark Wilf

With chapters by Leon Awerbuch, Craig Bartels, Mike Mickley, Graeme Pearce, and Nikolay Voutchkov

Balaban Des

Balaban Desalination Publications

grow. The problem of bio-growth due to some light transmission is quite common for unpainted FRP piping or water storage tanks made of plastic materials. If the feed water supply system consists of a number of wells, used as a combined source of feed water, it is important to evaluate compatibility of their mixture in respect of potential solids precipitation. According to what was described above about the nature of anaerobic water, water from an anaerobic source cannot be mixed together with water containing dissolved air due to presence of oxygen and possibility of hydrogen sulfide oxidation.

Seawater beach wells, sometimes used as a feed water source for seawater RO systems, are usually quite shallow. They can be built as a regular wells or Ranney wells or as a combination of both configurations (Fig. 8.4).

As is the case of brackish wells, seawater beach wells provide water with a low concentration of suspended solids. One of the major limitations of seawater wells is their limited output capacity, usually in the range of few thousand m³/day (few MGD). Because of the low recovery rate of seawater systems, e.g., 35–50%, beach wells can only support RO systems of a limited permeate capacity. Another problem with beach wells is in obtaining permits. The general public is quite sensitive about building any structure in the seashore area. At present, obtaining approvals for construction of a large number of beach wells necessary to support a large capacity desalination plant, can be a very difficult task.

As indicated in Fig. 8.1 the pretreatment for a well water based system is usually limited to pH adjustment and/or addition of a scale inhibitor together with cartridge filtration. For some feed water supply wells, which have a history

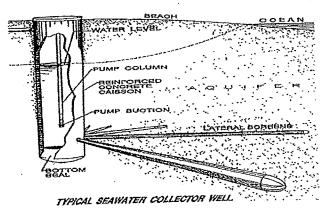


FIG. 8.4 Configuration of beach well (Courtesy of Collector Wells International).

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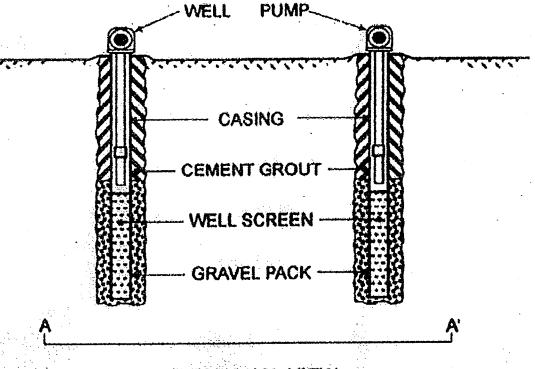
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SECTIONAL VIEW

from Missimer, Wright 1997

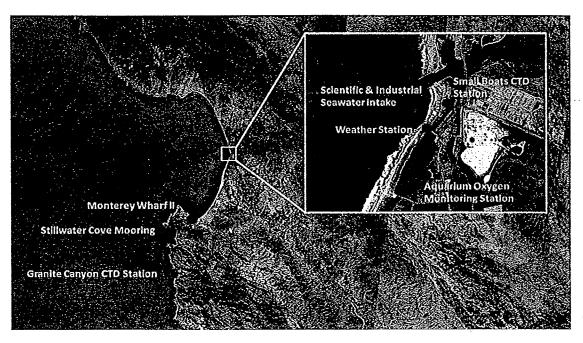
Moss Landing Marine Laboratories Public Data Portal



Through this site you can access oceanographic and meteorological data from Moss Landing Marine Laboratories (MLML).

To access MLML's Underway Data Aquisition System (UDAS) data archive, click heres.

Click on a station name to view current and historical data.



Data Disclaimer: Moss Landing Marine Laboratories (MLML) provides this data "as is", with no warranty, expressed or implied, of the data quality or consistency.

It is provided without support and without obligation on the part of MLML to assist in its use, correction, modification, or enhancement.

For use in publication, authors should obtain written permission from the director of MLML, and acknowledge MLML as the data source in those publications.

image: google

Moss Landing Marine Laboratories UDAS Data Archive





This archive displays and serves data from any one of three individual UDAS(Underway Data Acquisition) systems. For all systems, surface water is pumped through a fluorometer while the vessel's position is recorded using GPS. The time zone for all data is Pacific Standard Time.

Aboard the R/V Point Sur the following instruments are part of the UDAS system.

- 1) SBE 3S Oceanographic Temperature Sensor instrument info
- 2) SBE 21 Thermosalinograph instrument info
- 3) Turner Designs 10AU-500 Fluorometer instrument info
- 4) Wet Labs C-Star 25cm Transmissometer instrument info

Aboard the R/V John H. Martin the following instruments are part of the UDAS system.

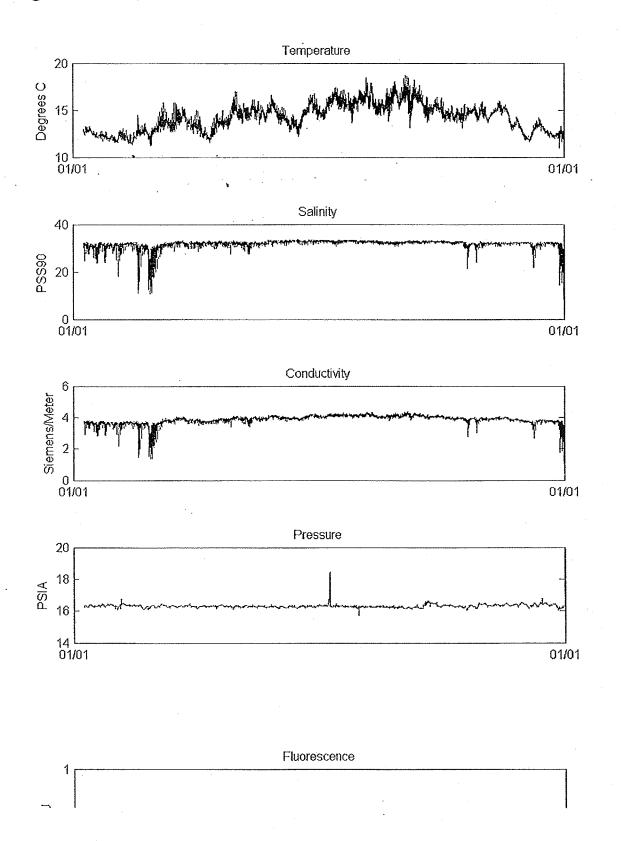
- 1) SBE 21 Thermosalinograph instrument info
- 2) Scufa Fluorometer instrument info

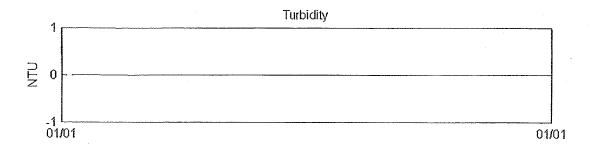
The third UDAS system represented here is portable and is used on any of the smaller vessels for near shore measurements. The portable system includes the following instruments

- 1) SBE 38 Digital Oceanographic Thermometer instrument info
- 2) SBE 45 Thermosalinograph instrument info
- 3) Scufa Fluorometer instrument info
- 4) Wet Labs C-Star 10cm Transmissometer instrument info
- 5) Satlantic V3 Nitrate Sensor instrument info

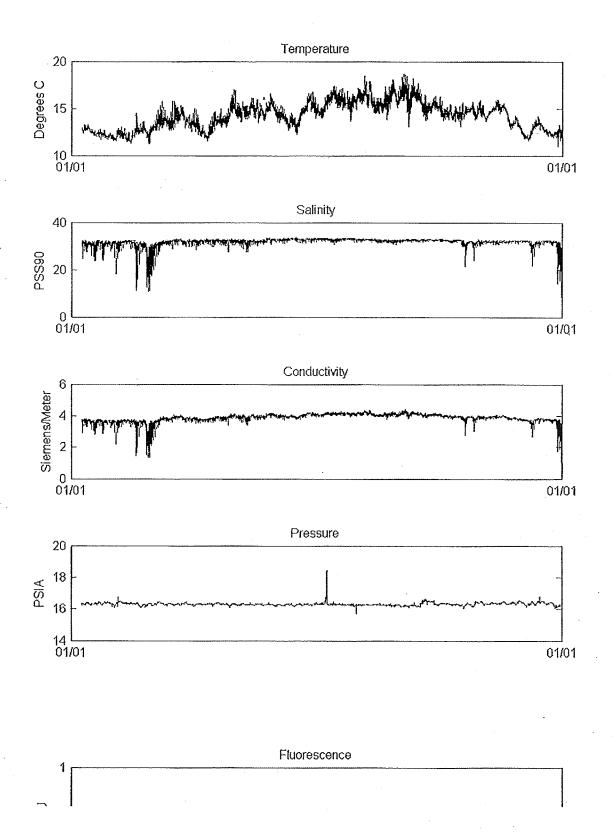
Follow this link to access the data sorted by vessel and date DATA LINK

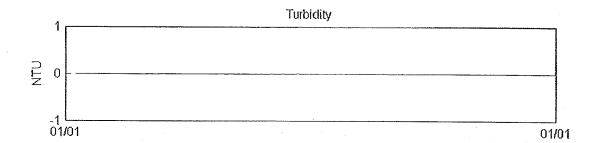
Moss Landing Marine Labs Small Boats CTD Station Historical Data Plot Starting Date:Jan. 09, 2004 Ending Date:Jan. 01, 2005



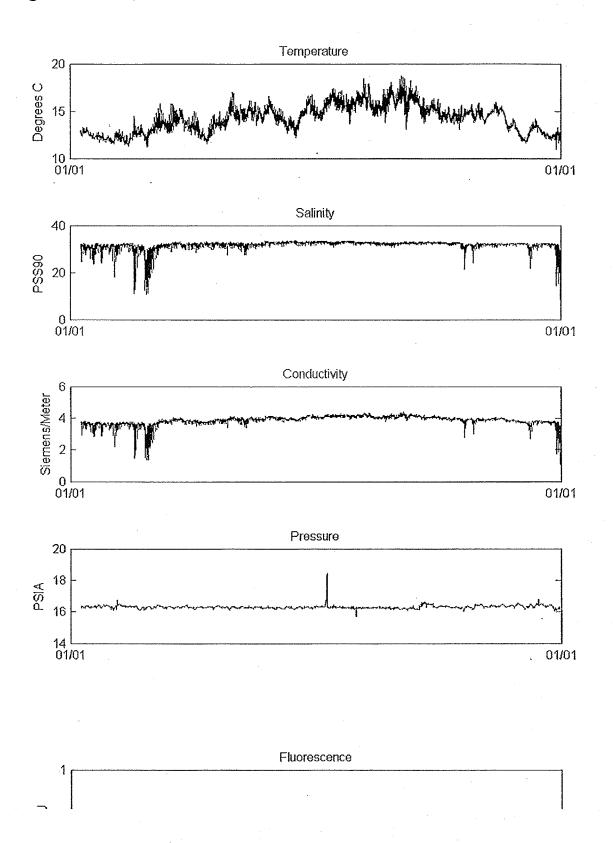


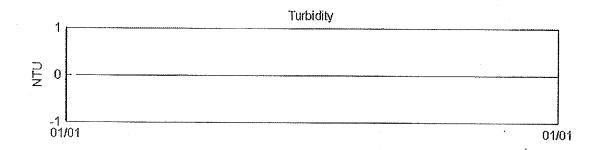
Moss Landing Marine Labs Small Boats CTD Station Historical Data Plot Starting Date:Jan. 01, 2005 Ending Date:Jan. 01, 2006



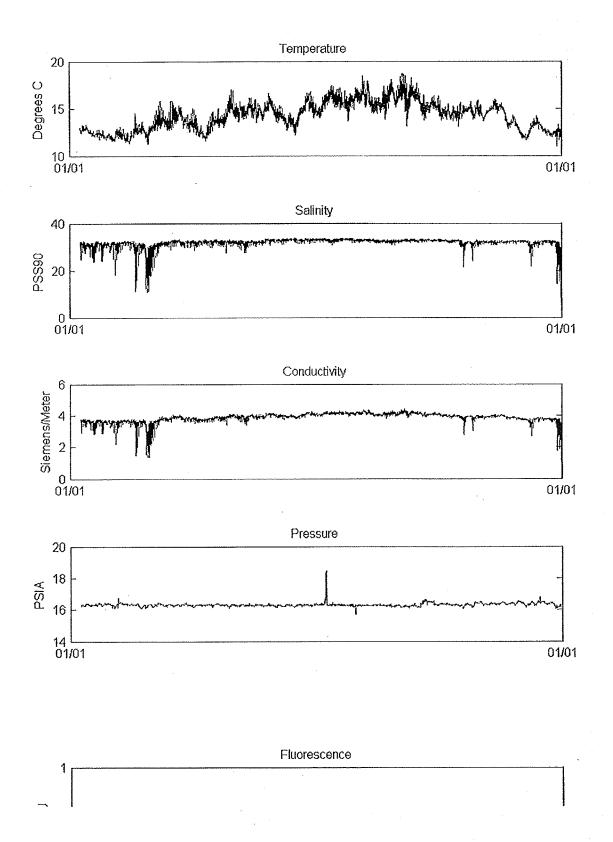


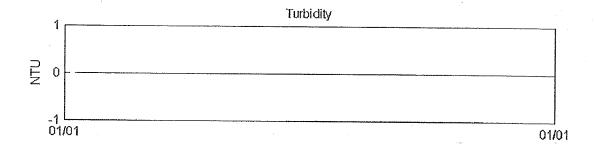
Moss Landing Marine Labs Small Boats CTD Station Historical Data Plot Starting Date:Jan. 01, 2006 Ending Date:Jan. 01, 2007



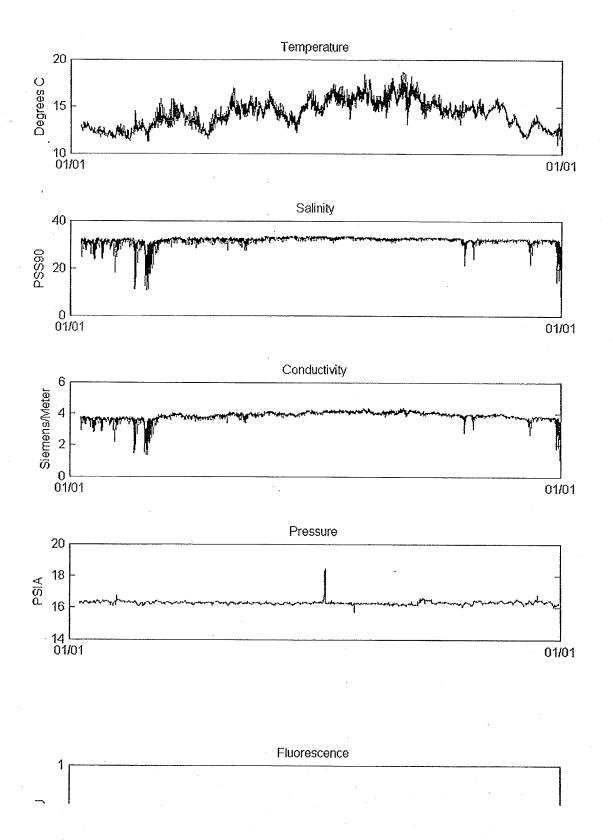


Moss Landing Marine Labs Small Boats CTD Station Historical Data Plot Starting Date:Jan. 01, 2007 Ending Date:Jan. 01, 2008

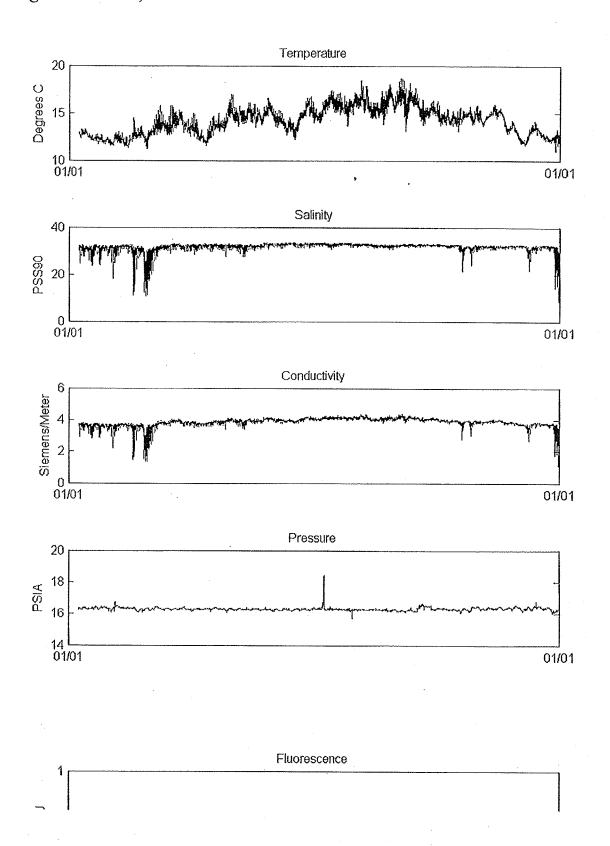




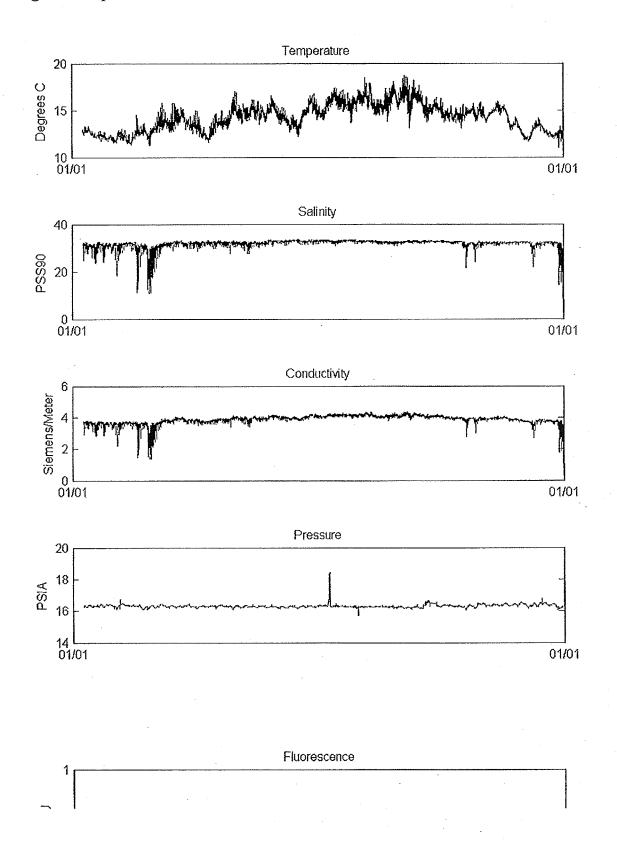
Moss Landing Marine Labs Small Boats CTD Station Historical Data Plot Starting Date:Jan. 01, 2008 Ending Date:Jan. 01, 2009



Moss Landing Marine Labs Small Boats CTD Station Historical Data Plot Starting Date:Jan. 01, 2009 Ending Date:Dec. 23, 2009

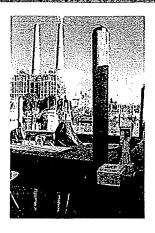


Moss Landing Marine Labs Small Boats CTD Station Historical Data Plot Starting Date:Jan. 05, 2010 Ending Date:Sep. 15, 2010



Moss Landing Marine Laboratories Water Quality Monitoring Stations

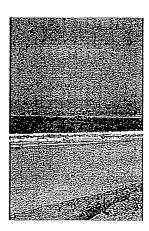




Small Boat Dock Montitoring Station Latitude:36.8068°N Longitude:121.7878°W

Instrumentation Package: Seabird SBE26 calibrated 12/03/08

Instrument removed 10/19/10, Historical data available here.



Seawater System Monitoring Station Latitude:36.8025°N Longitude:121.7915°W

Temperature Sensor: Weed Instrument 5A00A1

Dissolved Oxygen Sensor: Oxyguard 840

Sample Date: 03-Apr-2013

Sample Time: 07:41:35 PST

Temperature: 9.7° C

Dissolved Oxygen: 140.6 µmole/L

Note: The Intake for the seawater system is at 20 meters depth

Water Conditions for the last 7 days

Moss Landing Marine Laboratories Scientific Seawater Intake Monitoring Station



| Instrumentation Package: | Last Calibrated: |
|--------------------------------|------------------|
| Seabird SBE19 CTD | 10/18/2012 |
| AADI Oxygen Optode 3835 | 8/13/2012 |
| C-Star Transmissometer (10 cm) | 2/29/2012 |
| WETStar Fluorometer | 3/6/2012 |
| Honeywell Durafet III (New) | 3/26/2013 |

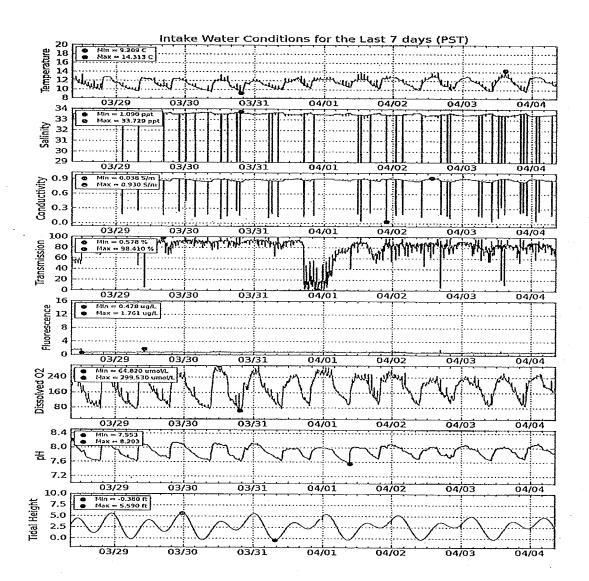
Latitude: 36.8025° N, Longitude: 121.7915° W (image: google)

| Historical Text | Monthly NetCDF | Maintenance |
|-----------------|----------------|-------------|
| Data | <u>Files</u> | <u>Log</u> |



Sample Date (GMT): 04/04/2013 Sample Time (GMT): 16:26:12 Sample Time (PST): 08:26:12 Temperature: 11.084 °C Conductivity: 0.877 S/m Salinity: 33.515 ppt Fluorescence: 0.85 µg/L 79.56 % Transmission: Optode Temperature: 11.19 °C Optode Dissolved Oxygen: 158.55 µmol/L 57.01 % Optode Saturation: 7.840 pH probe:

Note: The intake for the seawater system is at 17 meters depth.



Moss Landing Marine Laboratories Scientific Seawater Intake Monitoring Station



These NetCDF files are in NetCDF4 HDF5 format. If you are new to this format you can use HDFview to open them. This software is available for download (Windows/Mac/Linux/Solaris) on the HDF group website at: www.hdfgroup.org/hdf-jaya-html/hdfview/

If you need assistance feel free to contact the CeNCOOS Information Manager at jpatterson@mbari.org

2013

MLML201301.nc

2012

MLML201212.nc MLML201211.nc MLML201210.nc MLML201209.nc MLML201207.nc MLML201207.nc MLML201205.nc MLML201204.nc MLML201203.nc MLML201203.nc MLML201203.nc MLML201203.nc MLML201201.nc

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2010

MLML201012.nc MLML201011.nc MLML201010.nc MLM1.201009.nc

Moss Landing Marine Laboratories Aquarium Oxygen Monitoring Station



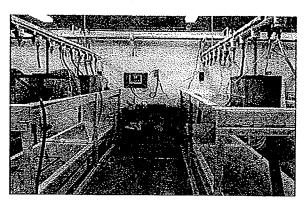
Instrumentation Package:

Last Calibrated: Decimal Coordinates: OxyGuard Atlantic

10/10/2010

36.7942° N; 121.7874° W

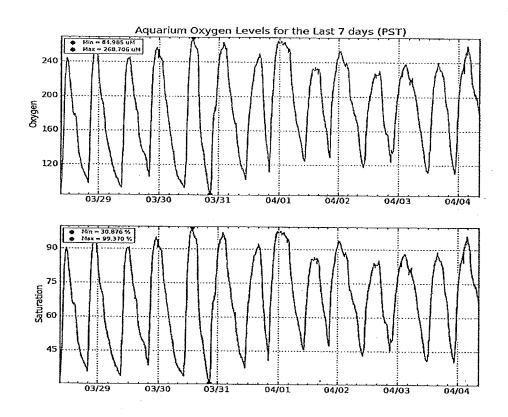
To access historical data for this site (since 11/15/10), click here,







| Sample Date: | 04/04/2013 |
|--------------------|--------------|
| Sample Time (PST): | 08:26:01 |
| Dissolved Oxygen: | 181.1 μmol/L |
| Saturation: | 66.7 % |



Arlene Tavani

From:

Nader Agha <naderagha@sbcglobal.net>

Sent:

Thursday, April 04, 2013 2:45 PM

To:

Arlene Tavani

Subject:

RESPONSE TO MARTRIX

APR - 4 2013

Dear Ms. Travani:

MPWMD

We will be submitting our response (electronic) to the matrix tomorrow Friday, April 5th by end of business. This response is to the matrix that was compiled by district staff and presented at the March 18, 2013 full board meeting.

At this time we are requesting our response be placed on the earliest possible agenda for presentation, discussion and board action re: reconsideration of the selected alternative.

Please contact me if you have any questions. Thank you.

Carmelita Garcia

Business Manager

O: (831) 646-9030

F: (831) 372-2021

Monterey Office

449 Alvarado Street Monterey, CA 93940

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ease consider the environment before printing this e-mail.



Monterey Regional Water Pollution Control Agency

"Dedicated to meeting the wastewater and reclamation needs of our member agencies, while protecting the environment."

Administration Office:

5 Harris Court, Bldg. D, Monterey, CA 93940-5756 (831) 372-3367 or 422-1001, FAX: (831) 372-6178

Website: www.mrwpca.org

RECEIVED

APR - 3 2013

Dave Stoldt General Manager Monterey Peninsula Water Management District 5 Harris Ct. Bldg G Monterey, CA 93940

MPWMD

Dear Dave:

April 2, 2013

On behalf of the WateReuse Association and Monterey Regional Water Pollution Control Agency (MRWPCA), I want to thank you for being part of the panel discussion on Monterey Water Solutions at the California WateReuse Annual Conference on March 18.

Your superb discussion on "Aquifer Storage and Recovery" resulted in a number of positive comments from the attendees.

Again, many thanks for the time you made available to our WateReuse Community. We look forward to continue working with you and MPWMD in support of a local water supply solution, especially one that includes the use of advance treated wastewater in addition to ASR.

With much appreciation,

Keith Israel General Manager



2013 BOARD OF DIRECTORS

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California State University at Monterey Bay

SHAWN ADAMS

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MONTELLET SIGN.

JOY ANDERSON ALZHEIMER'S ASSOCIATION,

MARIPOSA INN & SUITES

Katy Castagna

United Way Monterey County

LAURA A. DAVIS

LAW OFFICES OF LAURA A. DAVIS

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MONTEREY CREDIT UNION

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Monterey Peninsula. Hospice of the Central Coast

JODY HANSEN

MPCC PRESIDENT/CEO

30 RAGSDALE DRIVE, STE. 200 MONTEREY, CA 93940 PH (831) 648-5350 FAX (831) 649-3502 WWW.MPCC.COM Submitted at 4/1/13
Board meeting 49
Item 8

April 1, 2013

The Honorable David Pendergrass Mayor, City of City of Sand City Chair of the Board Monterey Peninsula Water Management District 5 Harris Court Monterey, CA 93940

Re: Strategic Planning Workshop

Item 8. Consideration of 2013-14 One-Year and Three-Year Goals (#3) Work with Community to Protect Investment in Water Credits And "Smart" Development - **SUPPORT**

Dear Mr. Chair and MPWMD Board Members:

The Monterey Peninsula Chamber of Commerce, a nonprofit business association with 800 members, strongly supports initiatives to protect water credits until the CDO is lifted.

We are particularly concerned that the Monterey Peninsula Water Management District makes every effort to extend water credits that are expected to expire during the CDO period. One critical example is the need to extend residential water credits for low flow fixtures when they become mandatory. Without such extension, residential remodels that involve water will be put on hold indefinitely. That would affect many construction jobs that are still in recovery mode since the Great Recession.

Thank you for your consideration and support of these measures, which support a strong local economy.

faure

Sincerely,

Iody Hansen

President and CEO

Submitted at 4/1/13
Board Meeting
Item 9

ITEM 8

MPWMD April 1, 2013 Strategic Planning Workshop Potential Initiatives for 1-Year and 3-Year Goals

On behalf of the Monterey County Association of REALTORS®, I would like to thank the District Board for providing this opportunity to weigh in on this important Strategic Planning Workshop. With our current water availability challenges, continued focus on viable solutions is more than necessary.

Of great interest to our membership is Initiative # 3. It is critical to our industry and the local economy that the extension of retrofit credits for residential be in place until such time that our long term water solution is realized.

As you probably know, many of the housing units on the market today require some level of remodeling. Many buyers purchase properties today with the understanding that a remodel is part of that home purchase investment. Bathroom and kitchen remodels are often the targets of such renovations. Municipal coffers receive permitting revenue, local contractors, their subs and numerous other associated businesses benefit. Our local economy is sustained and ultimately, greater water efficiencies are realized with the completed project.

The elimination of these credits will have tangible negative impacts on the real estate market and the local economy.

We respectfully request that you support this important initiative. Thank you for your consideration.

Xim O'Benedetto 4/1/13 Kim DiBenedetto



RECEIVED

MAR 25 2013

MPWMD

March 22, 2013

David Stoldt General Manager Monterey Peninsula Water Management District 5 Harris Court, Bldg G Monterey, CA 93942-0085

RE: San Clemente Dam Removal Project and Carmel River Reroute

Dear Mr. Stoldt,

As you are aware, California American Water and its partners are moving ever closer to mobilizing and commencing work on this long awaited historic dam removal project. While important tasks remain that precede construction, we are confident these items will be addressed within the anticipated schedule.

During construction, proper communication between our organizations will be critical to ensuring the safety of our employees, contractors, and the general public. To that end, I would suggest we meet within the next couple of weeks to discuss how to best facilitate this communication, designate key points of contact, and develop a plan that allows all necessary activities up and down stream to continue in a safe and efficient manner. I offer this invitation to you and those on your team who will require access to the project site.

Please contact me at (831) 646-3291 should you have any questions and to select a date that works best.

Sincerely,

Eric Sabolsice

Director of Operations, Coastal Division

cc: Catherine Bowie, Manager External Affairs Roger Hulbert, Operations Manager PASO ROBLES OFFICE
744 PINE STREET
PASO ROBLES, CA 93446
PH: (805) 226-0170
*PLEASE SUBMIT ALL
CORRESPONDENCE & FAXES
TO THE SALINAS OFFICE

JOHNSON, MONCRIEF & HART

A PROFESSIONAL CORPORATION

SALINAS OFFICE
16 W. GABILAN STREET
SALINAS, CALIFORNIA 93901
PO BOX 1323
SALINAS, CA 93902-1323
PH: (831) 759-0900
FX: (831) 759-0902
www.lobusonMoncrief.com

AARON P. JOHNSON
PAUL W. MONCRIEF
L. PAUL HART
DENNIS J. LEWIS
KOREN R. MCWILLIAMS
J. KENNETH GORMAN
DAVID W. BALCH

RECEIVED

MAR 18 2013

MPWMD

March 18, 2013

File No. 6377.004

VIA EMAIL & U. S. MAIL

Mr. David J. Stoldt General Manager MPWMD 5 Harris Court, Building G Post Office Box 85 Monterey, CA 93942-0085 dstoldt@mpwmd.dst.ca.us Board Members of MPWMD 5 Harris Court, Building G Post Office Box 85 Monterey, CA 93942-0085 arlene@mpwmd.net

RE: Peoples Moss Landing Desalination Project

Dear Mr. Stoldt & Members of the Board:

I am legal counsel for the Peoples Moss Landing Desalination Project. In that capacity, I write to request, and insist, that the Board refrain from taking action on item #17 of tonight's agenda:

Consider Negotiating a Cost Sharing Relationship with DeepWater Desal to Advance a Desalination Alternative to the Cal-Am Proposal

Action: The Board will decide if staff should negotiate with DeepWater Desal to establish a cost sharing relationship for the environmental and permitting work necessary to advance a desalination alternative to Cal-Am's Monterey Peninsula Water Supply Project

Requested Action:

Rather, PML requests that the Board refer this matter back to the Water Supply Planning Committee with the following instructions:



- Provide PML and DWD a reasonable opportunity (of at least 3 weeks) to provide factual response and comment on the Evaluation Matrices and proposed recommendation;
- 2) Provide the Public a reasonable opportunity to provide factual response and comment upon the Evaluation Matrices and proposed recommendation;
- 3) Recalculate the Evaluation Matrices based upon proper factual information as well as Objective and Lawful Criteria. Strive to eliminate subjective considerations and presumptions from consideration in the scoring process;
- 4) Exclude from participation in the scoring, information gathering and decision-making process any persons with actual or perceived bias and conflicts of interests as to any applicant; and
- 5) Properly agendize consideration of the matter as an action item on the Water Supply Planning Committee before making any recommendation to the Board.

Reasons To Send Back to The Water Supply Planning Committee:

1) The currently proposed process creates a perception of intent to quell participation, response and comment of PML and the Public

Last Monday, March 11, 2013, the Water Supply Planning Committee met. The Committee's Agenda for March 11, 2013 listed as an item for discussion only, receipt of a "Progress Report on Investigation into Desalination Contingency Plan". On that date, the General Manager and the District Engineer presented the initial public disclosure of an "Evaluation Matrices" comparing and ranking the relative strengths and weaknesses of the PML project and the DWD project. These matrices were also presented to the Water Supply Planning Committee.

Unfortunately, rather than "discussing" the Matrices and providing the opportunity for response, clarification and input from the applicants and the public, the Committee purported to convert the item to an "action" item. The Committee immediately held a vote and recommended that this Board select DWD as the preferred Contingency Plan Alternative. The Committee further recommended that MPWMD exclusively negotiate with DWD for the purpose of providing DWD with up to \$500,000 of public funds to fund an EIR.



The matter is now scheduled as an "action" item on tonight's Board agenda.

In combination, 1) voting on a scoring matrix the same day it was presented; 2) providing no opportunity for applicants or the public to address inaccuracies or unsubstantiated subjective conclusions in the matrix; 3) conversion of a discussion item to an action item; and 4) scheduling the matter for a vote of the full Board one week later; could well be seen as an effort to frustrate the collection of accurate factual information and to frustrate input from the public and the applicants. Even if this is not the MPWMD's intent, this perception could present several problems for the District. It could also significantly erode any public confidence in the selection process.

2) Numerous facts relied upon in preparing the Matrix report by the GM & Engineer are inaccurate and Numerous subjective presumptions are unfairly incorporated into the scoring process.

Given a reasonable opportunity, PML intends to provide a full list of its specific objections to the facts and conclusions reached in the District's scoring Matrix. The factual errors and subjective inaccuracies are substantial. PML asserts that correction of the errors will result in PML receiving a substantially higher score than DWD on the Matrix.

As one example, within the first category of the Matrix, entitled "Organizational Information and Financial Strength", Mr. Stoldt gave DWD 8 points and PML 4 points. Mr. Larry Hampson gave DWD 8 points and PML 5 points.

In reaching this conclusion, Mr. Stoldt acknowledges that DWD provided no financial statements, that it has a short history, that it does not have a significant revenue capability. Mr. Stoldt does not identify any assets of DWD. Nor does Stoldt provide any factual support for his conclusion that DWD has greater access to capital. In other words, there is simply no basis for concluding that DWD has any assets or available borrowing capability. Stoldt then presumes that DWD is committing to provide \$4,000,000 in cost sharing with the District. This presumption is not based upon any binding promise by DWD, rather it is merely based upon the fact that DWD listed that amount as its cost estimate for environmental planning, legal, technical studies and preliminary design.

By contrast, PML did provide financial statements. PML shows a much longer history of existence. PML shows tens of millions of dollars in equity. PML shows a substantial and lengthy stream of annual income. PML holds title to substantial assets.



Frankly, any unbiased observer would conclude that PML is more well capitalized, has greater income, is longer established and is stronger financially than DWD. Any conclusion to the contrary is not based upon the facts presented.

Numerous other components of the Matrix are equally flawed. Equity and responsible decision-making with regard to public funds require that such inaccuracies be remedied prior to the Board reaching a final determination.

3) The factors contained in the Matrix report submitted to the subcommittee are improper and, in some instances, unlawful.

It is also worrisome that the Matrix considers and scores factors that are statutorily and Constitutionally impermissible, including the topic "Litigation History".

In evaluating this factor, Mr. Hamspon gives DWD 5 points and PML 0 points. The rationale for this disparity is that an internet search of Mr. Nader Agha purportedly disclosed 15 civil lawsuits between 1998 and 2010.

Consideration of this matter is legally impermissible for an array of reasons.

The U.S. Const. amend. I. provides in part: Congress shall make no law abridging the right of the people peaceably to assemble, and to petition the government for a redress of grievances. Despite the explicit reference to Congress, the First Amendment, including specifically the right to petition, is "incorporated" against the states by virtue of the Fourteenth Amendment. Cases construing the California analog frequently rely on federal court interpretations of the First Amendment. The right to petition encompasses the right to file a private lawsuit, by which one litigant prays for the exercise of judicial power against another. These rights, to assemble peaceably and to petition for a redress of grievances, are among the most precious of the liberties safeguarded by the Bill of Rights.

Any attempt to disadvantage an applicant based upon its exercise of its past exercise of its constitutionally protected rights is highly likely to be deemed unlawful.

Moreover, even if it were not unlawful, the factor is not helpful. By analogy, if a government entity were selecting a software supplier and considering between Microsoft and Bob's Software Wholesale (fictitious name for recently formed unproven software company), it would probably not be appropriate to select Bob in based upon a finding that Microsoft had simply been involved in too many litigation cases.



Simply stated, this criteria should be eliminated from the Matrix.

4) The exists an actual, or perceived, bias and conflict of interest among the decision makers

PML has additional concerns regarding perceived bias and conflict of some of the MPWMD representatives.

Two members of the board have previously been involved in litigation with Nader Agha, where Mr. Agha prevailed. Mr. Agha fears that these legal conflicts may perpetuate a bias against PML. This perception is perpetuated by the scoring of the "Litigation History" item stated above.

PML is also concerned that Mr. Laredo is serving as legal counsel for MPWMD with regard to this matter, and presumably providing input on this decision. Simultaneously, Mr. Laredo is serving as legal counsel for the City of Pacific Grove in conjunction with negotiating and performing the terms of the agreement between PG and Mr. Agha to develop and build the PML project. Although Mr. Laredo originally recused himself from representation due to a conflict of interest, Mr. Laredo has resumed joint representation of both public entities over Mr. Agha's express objection. This dual capacity representation presents a clear and present conflict of interest. It also presents a situation where confidential and secret information of the PML project may be subject to improper disclosure. As such, PML must insist that Mr. Laredo no longer participate in any MPWMD discussions or action with regard to this issue.

Conclusion:

It is extremely important that this MPWMD decision be based upon accurate factual information, that the decision be an open process, that the applicants and the public have a full opportunity to provide information and comment. The applicants and the public need to feel as though the process has been thorough, accurate and free of bias.

This can only be accomplished by allowing input, reviewing and modifying the Evaluation Matrix.

For this reason, PML respectfully requests that this matter be sent back to the Water Supply Planning Committee, with all necessary instructions.



Sincerely,

JOHNSON, MONCRIEF & HART, PC

Paul Hart

PH/sld





FILLEVED

MAR 1 5 2013

March 15, 2013

MPWMD

MBYOT: CHUCK DELLA SALA

Councilmembers: LIBBY DOWNEY ALAN HAFFA NANCY SELPRIDGE PRANK SOLLECITO Monterey Peninsula Water Management District 5 Harris Court, Bldg G, Monterey, CA Monterey, CA 93940

City Manager: PRED MHI IRER

RE: Monterey Peninsula Water Management District Meeting March 18, 2013

Consider Second Reading and Adoption of Ordinance No. 155 — Modifying the Definition of Redevelopment Project Site and Amending Rule 25.5-D

Dear Chair Pendergrass and Directors,

The City of Monterey encourages the Monterey Peninsula Water Management District to approve the proposed Ordinance 155. As you know, the proposed ordinance amends the District's definition of Redevelopment Project to recognize the effect of Assembly Bill x1 26 (AB 26) to abolish redevelopment agencies. The ordinance also amends MPWMD Rule 25.5-D to allow two extensions of Water Use Credit at former Redevelopment Projects when the credit was documented prior to February 1, 2012 (i.e., prior to AB 26).

Cities have been dramatically impacted by the abolishment of redevelopment agencies. As communities struggle to recover from this change in law, the proposed ordinance provides a legislative framework to move forward. First, the proposed change recognizes the change in State law. Second, the proposal continues to extend water credits on sites that have been hit particularly hard during the economic downturn which was further exacerbated by the dissolution of redevelopment.

In Monterey, we are encouraged by the opportunity to move forward on these parcels.

Sincerely,

Fred Meurer City Manager