



# Supplement to 9/21/2015 MPWMD Board Packet

Attached are copies of letters received between August 11, 2015 and September 14, 2015 . These letters are also listed in the September 21, 2015 Board packet under Letters Received.

Author	Addressee	Date	Topic
Eric Sabolsice	David Stoldt	9/8/15	City of Monterey MPWMD Local Water Project Grant Application for Monterey Regional Water Recovery Study
Andrew Bell	MPWMD Board	9/2/15	Recommendations and Comments Regarding Rates Proposed by California American Water in A.15-07-019
Christina DeMaria	MPWMD Board	9/1/15	Request Appeal of Water Waste Violation
Nancy & Larry Foy	MPWMD Board	9/1/15	Vegetation Removal in Carmel River
Andy Bell	MPWMD Board	8/21/15	Recommendation Regarding Monterey Peninsula Water Supply Project; Recommendation Regarding Rates Proposed in A.15-07-019
Simón Salinas	David Stoldt	8/19/15	City of Monterey MPWMD Local Water Project Grant Application for Monterey Regional Water Recovery Study

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511 Forest Lodge Rd. Suite 100  
Pacific Grove, CA 93950

P 831.646.3291

F 831.375.4367

September 8, 2015

*Recvd.  
SEP 11 2015*

David J. Stoldt  
General Manager  
Local Project Application  
Monterey Peninsula Water Management District  
PO Box 85  
Monterey, CA 93942-0085

RE: City of Monterey MPWMD Local Water Project Grant Application for Monterey  
Regional Water Recovery Study

Dear Mr. Stoldt:

This letter is written in support of the City of Monterey's application for grant funding to conduct a Monterey Regional Water Recovery Study to examine the feasibility of creating a Peninsula-wide water recovery and reclamation system and possibilities for sources, including finding uses of storm water flows to reduce ocean pollution. This study is the first step toward implementing capital improvements to accomplish the task of providing a reliable local source of water and will positively impact the cities of Pacific Grove, Monterey, and Seaside, Presidio of Monterey, Naval Post Graduate School, Monterey Peninsula Regional Parks District, Monterey County, and the PCA.

We strongly support this application and request that you do the same.

Sincerely,

Eric Sabolsice  
Director of Operations  
Coastal Division

3079 Hermitage Road  
Pebble Beach, CA 93953

September 2, 2015

**California Public Utilities Commission:**

**The Commissioners  
and  
Administrative Law Judge Gary Weatherford**

via:

CPUC Public Advisor  
505 Van Ness Avenue, Room 2103  
San Francisco, CA 94102

**SUBJECT: Recommendations and Comments Regarding Rates Proposed by California American Water in A.15-07-019**

Dear Commissioners:

I wish to comment on California American Water's (Cal-Am) Application 15-07-019 (Application).

### **Rates Proposed in A.15-07-019**

**Recommendations:** In order for Cal-Am to recover costs in a more reasonable manner, I suggest that the Public Utilities Commission first determine what amount of costs not recouped due to conservation is reasonable for Cal-Am to recover. This is an extremely important first step. Water conservation was demanded not only by the State Water Resources Control Board via its 2009 Cease and Desist Order against Cal-Am (Order WR 2009-0060) but also statewide by order of the Governor of California due to the ongoing drought. Prudence should be used in balancing the mandates of conservation and the obedience of Cal-Am customers against the bottom line of Cal-Am. Then, I recommend that the proposed service charge and commodity rate increases be instituted in a more equitable way. One manner of doing so would be to propose the same percentage increases for all service charges and commodity rates, for all classes of customers. I also recommend that the current rules regarding the number of water use units allowed a residential customer in each tier based on number of occupants, lot size, etc., should be sustained.

### **Background**

The drastic increase in the service charge proposed for residential users unfairly places the burden of additional costs on users who are conserving water and are therefore billed in the lower tiers. For Single Family Residential Users with a 5/8" meter, Table 8 of the July 8, 2015

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Direct Testimony of Sherrene P. Chew shows a current charge of \$9.67/month + a proposed increase of \$6.86 = \$16.53/month total, an increase of 70.94%. Table 1 of Ms. Chew's Direct Testimony indicates that charges for residential meter rates are proposed to increase from 70.94% for a 5/8" meter to 350% for 6" and 8" meters. Having the percentage increase of the service charge be so much greater than the commodity charge increase causes the total monthly cost to customers in lower use categories to increase precipitously, particularly when compared with those customers who use more water.

In addition, proposing rates that would result in average increases for residential users of between 21.84% and 28.97% while average non-residential rates would decrease by 14.38% is an affront to the majority of users in the Monterey Peninsula areas. *[Source of percentage increases: "Notice of California American Water's Request To Increase Water Rates and Change the Emergency Conservation and Rationing Plan (A.15-07-019)," mailed to Cal-Am customers and received by me on July 27, 2015]* This discrepancy is not adequately explained in the Application.

The Notice cited in the previous paragraph states that the proposed changes to the rate design are intended to encourage more efficient water use. Having the service charge increase by between 71% and 350% while the commodity rates are proposed to be increased by 33.7% (as indicated in Table 4 of Ms. Chew's Direct Testimony) would mean that those using less water would pay a higher percentage increase than those using more. This, in effect, would unfairly punish those using less water.

### **Cal-Am Incorrectly Claims the Current Rate Design Is Overly Complex and Bills Are Difficult To Understand**

**Recommendations:** The application process itself is complex enough without adding complexities introduced by Cal-Am. In order to make it possible for the public and anyone else other than Cal-Am, I suggest the following:

1. Have Cal-Am prepare and provide tables clearly showing the following information:
  - a. Current and proposed service charge for each category of water user (Single-Family Residential, Multi-Family Residential, Low Income Customers, and Non-Residential), by meter size, for each of the two seawater desalination project production capacities shown in the current application (dollars per month).
  - b. Current and proposed water commodity costs for each category of water user, for each tier (dollars per 100 cubic feet and/or dollars per 100 gallons).
  - c. Current and proposed units of water use proposed to be charged at each tier for each category of water user. For Single-Family Residential users, a listing of factors such as household size (number of occupants), lot size and numbers of

**livestock, and how these factors affect the number of units allowed a customer for each tier, should be provided. I believe the current rules should be sustained. The above information will allow customers and others to make independent calculations of the costs that would result from Cal-Am's proposals. It will also allow customers and others to check Cal-Am's calculations.**

- 2. Direct Cal-Am to switch back to a water unit measure of 100 cubic feet, in place of the current 10 cubic feet.**
- 3. Have Cal-Am correct all references to water use based on "cfs" to "cf." Thus, "cfs," "10 cfs," "tens of cfs", and "\$/tens of cfs" should be changed to "cf", "100 cf" or "CCF", "100s of cf", and "\$/CCF", respectively. Perhaps also have Cal-Am spell out "cubic feet" for clarity.**
- 4. Have Cal-Am clearly state and use a consistent factor for converting from cubic feet to gallons and vice-versa (7.50 gallons per cubic foot, 7.48 gallons per cubic foot, or a more accurate factor if Cal-Am desires). This factor should be shown on each table that contains water use and/or commodity charges in terms of both gallons and cubic feet.**
- 5. Direct Cal-Am to restore to its customer bills a bar graph showing monthly use for the most recent 13 months. Such a graph was shown on Cal-Am bills prior to about December 2013.**

### **Background**

Cal-Am states in its Application that "[t]he [current] rate design is far too complex, which makes bills difficult to understand and causes customer concern and outcry" (Application, page 4, first full paragraph). The current rate design and bills are not complex and difficult to understand for the majority of Cal-Am customers. Cal-Am's Monterey Peninsula area residents are well-informed of the current rate structure. They understand the current rate structure and the reasons for it and are well accustomed to it, even though many believe the costs are too high.

One major factor that makes Cal-Am's Application difficult to understand is that the rates being proposed are difficult to locate. Having the various proposals shown in a format that is accessible and understandable would be a significant improvement.

Whatever complexities exist on Cal-Am bills are not related to the current rate design. Instead, they are self-imposed by Cal-Am. For instance, in all of my bills prior to my bill dated February 16, 2010 for the period January 8 to February 8, 2010, the unit of water consumption shown was 100 cubic feet. Starting with that bill, the unit of water consumption was changed to 10 cubic feet. This change caused unnecessary "complexity." Customers were accustomed to the 100-cubic-foot measure. If Cal-Am wants to have a more detailed measure of water use, they should use a decimal point, so that water use can be reported to the nearest tenth of a 100-cubic-foot (CCF) accuracy (0.1 CCF = 10 cubic feet). The 100-cubic-foot measure is the standard measure employed by water utilities in the United States. I can find no other water utility in the world that uses a 10-cubic-foot measure.

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A more recent significant change in Cal-Am bills occurred with my bill dated November 15, 2013 for service from October 9 to November 7, 2013. Prior bills provided a bar graph showing the most recent 13 months of "Water Usage Consumption." This graph allowed me to see the variations in my consumption amounts. Starting with my November 15, 2013 bill, water use for only the same billing period in the prior year is provided. Thus, if I wish to see my pattern of use, I must refer to each monthly bill to find the water use amount. The bar graph that was formerly provided was a handy and useful feature.

Other sources of complexity instituted by Cal-Am appear in its Application. In several places in the Direct Testimony of Jeffrey T. Linam and the Direct Testimony of Sherrene P. Chew, consumption quantities are shown in terms of "cfs", "10 cfs," "tens of cfs" and "\$/tens of cfs". *[These appear in Attachment 1 to the Direct Testimony of Jeffrey T. Linam and in Tables 4, 5, 6, and 7 in the Direct Testimony of Sherrene P. Chew.]* I believe what is meant is cubic feet or ten cubic feet: "cf", "10 cf", "tens of cf" and "\$/tens of cf." "Cfs" is an acronym commonly used in water science and industry to indicate "cubic feet per second," a measure of flow rate, not volume.

In addition, when converting from cubic feet to gallons, Cal-Am appears to use different conversion factors in various places in its Application and in information mailed to customers. The calculations appear to be based on a conversions varying from of 7.48 gallons per cubic foot 7.50 gallons per cubic foot. And in at least one place in the Application the calculation is clearly inaccurate: In Table 4 of the Direct Testimony of Sherrene P. Chew, for Tier 3, the conversion for a current rate of \$1.6768 per ten cubic feet (not "tens of cfs"!) should probably yield a rate of \$2.2417 per CGL (100 gallons), not \$2.4217 per CGL.

Thank you for your attention.

Sincerely,



Andrew M. Bell

cc: ✓ Board of Directors  
 Monterey Peninsula Water Management District  
 P.O. Box 85  
 Monterey, CA 93942-0085

Carmel Woman's Club  
P.O. Box 2674  
Carmel, CA 93921

RECEIVED  
SEP 14 2015  
MPWMD

Monterey Peninsula Water Management District  
5 Harris Court  
Monterey, CA 93940

September 1, 2015

To the District Board,

We respectfully request to appeal the flagrant Water Waste violation imposed on the Carmel Woman's Club. We work very hard to be good neighbors within our community and take water conservation very seriously.

Unfortunately several of the emitters within our irrigation system malfunctioned allowing water to spray onto the hardscape and run into the street. The amount of water lost was fairly small as demonstrated by our water bill. Once the problem was brought to our attention we corrected it immediately. We are dedicated to water conservation during this drought.

We are a non-profit organization whose primary purpose is to provide charitable benefit to our community. We raise money through membership and fundraising. We provide the use of our club house to other non-profits, award scholarships to women returning to college, and provide grants to non-profits which help children and the elderly. We run our club on a small budget and paying this additional fine would be a hardship for us.

Thank you for your consideration.

Sincerely,



Christina DeMaria, Treasurer  
Carmel Woman's Club

Re: 08172015002

September 1, 2015

Water Management District of the Monterey Peninsula  
5 Harris Court, Bldg. G  
Monterey, CA. 93940


Dear Board President and Directors:

As a resident of Carmel Valley, Hacienda Carmel to be exact, I am pleased to learn from our association manager, Robert Hedberg that you have agreed to begin work on the invasive vegetation along overgrown areas of the Carmel River, and the sandbars that have built up along the river. This issue is of great concern to me personally, and many of our residents. We experienced the 100 year flood in 1995 and only hope that this does not occur again.

This senior community of three (300) condominiums lost the use of 240 condominiums for many months after the last flood because of flood damage caused by the Carmel River. Your prompt attention into this matter is most important. We have done our due diligence and are putting you on notice that a real problem exists in the Carmel River with an abundance of vegetation that you have allowed to exist for several years. Since your agency has the authority to do work in the Carmel River we are putting you on notice of the potential damage that could happen to our property.

Thank you in advance for taking this issue seriously and performing your duties. We can only pray for rain, but hopefully, not a flood situation.

Regards,

  
Nancy and Larry Foy  
182 Hacienda Carmel  
Carmel, CA 93923

cc: Robert Hedberg, Carmel Community Association General Manager  
Hacienda Carmel Board of Directors  
Farmers Insurance - Monterey



AUG 21 2015

MPWSP

3079 Hermitage Road  
Pebble Beach, CA 93953

August 21, 2015

Board of Directors  
California American Water  
1033 B Avenue, Suite 200  
Coronado, CA 92118**SUBJECT: Recommendation Regarding Monterey Peninsula Water Supply Project;  
Recommendation Regarding Rates Proposed in A.15-07-019**

Dear President MacLean and Board Members Lynch, Murray, Norton, Vallejo, and Zarazua:

I wish to add my comments below to those made during the August 19, 2015 forum you hosted at Chautauqua Hall in Pacific Grove, California.

**Recommendation Regarding Monterey Peninsula Water Supply Project**

Given that there are a number of uncertainties with the success of the Monterey Peninsula Water Supply Project (MPWSP), I suggest you do more to assure a back-up plan in case of failure, most importantly a failure of the slant well intake. Failure of the proposed subsurface intake system could be due to a failure of the intake facilities themselves, excessive groundwater drawdowns near the intake facilities, low salinity intake water, a successful legal challenge by Salinas Valley groundwater users, or other reason.

One clear way of reducing the risk of pursuing a single project is to **formally meet with the proponents of one or both of the seawater desalination projects now being pursued in Moss Landing, DeepWater Desal and The People's Moss Landing Water Desalination Project. If Cal-Am were to gain an understanding of these projects, it would allow a smoother transition to an alternative to its seawater desal project Cal-Am is currently pursuing in the Marina area, were the MPWSP not to succeed.** Of course, either of the Moss Landing projects would require ownership and operation by a public entity, in compliance with Monterey County regulations, and Cal-Am would then be a customer, not an owner, of the project.

**Recommendation Regarding Rates Proposed in A.15-07-019**

The drastic increase in the service charge for residential users (example for 5/8" meter as shown in Table 8 of the July 8, 2015 Direct Testimony of Sherrene P. Chew: current charge of \$9.67/month + proposed increase of \$6.86 = \$16.53/month total, an increase of 70.94%) unfairly places the burden of additional costs on users who are currently in the lower tiers and those who are conserving water.

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In addition, proposing rates that would result in average increases for residential users of between 21.84% and 28.97% while average non-residential rates would decrease by 14.38% is an affront to the majority of users in the Monterey Peninsula areas.

**In order to recover costs in a more reasonable manner, I suggest that you realign your proposed service charge and commodity rate increases in a more equitable way. One manner of doing so would be to propose the same percentage increases for all service charges and commodity rates, for all classes of customers.**

Thank you for your attention.

Sincerely,



Andrew M. Bell

cc: ✓ Board of Directors  
Monterey Peninsula Water Management District  
P.O. Box 85  
Monterey, CA 93942-0085

# MONTEREY COUNTY



## BOARD OF SUPERVISORS

FERNANDO ARMENTA, *District 1*

JOHN M. PHILLIPS, *District 2*

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DAVE POTTER, *District 5*

August 19, 2015

David J. Stoldt  
General Manager  
Local Project Application  
Monterey Peninsula Water Management District  
PO Box 85  
Monterey, CA 93942-0085

RECEIVED

AUG 25 2015

MPWMD

RE: City of Monterey MPWMD Local Water Project Grant Application for Monterey Regional Water Recovery Study

Dear Mr. Stoldt:

This letter is written in support of the City of Monterey's application for grant funding to conduct a Monterey Regional Water Recovery Study to examine the feasibility of creating a Peninsula-wide water recovery and reclamation system and possibilities for sources, including finding uses of storm water flows to reduce ocean pollution. This study is the first step toward implementing capital improvements to accomplish the task of providing a reliable local source of water and will positively impact the cities of Pacific Grove, Monterey, and Seaside, Presidio of Monterey, Naval Post Graduate School, Monterey Peninsula Regional Parks District, Monterey County, and the PCA.

We strongly support this application and request that you do the same.

Sincerely,

Simón Salinas  
Chair, Board of Supervisors

Cc Monterey County Board of Supervisors  
Lew C. Bauman, CAO, Monterey County  
Nicholas E. Chiulos, Assistant CAO, Monterey County  
Carl Holm, Acting Director Resources Management Agency, Monterey County  
Robert Murdoch, RMA-Public Works Director, Monterey County  
Charles J. McKee, County Counsel, Monterey County  
David Chardavoyne, General Manager, Monterey County Water Resources Agency  
Clerk of the Board, Monterey County