



# Supplement to 2/17/16 MPWMD Board Packet

Attached are copies of letters received between January 21, 2016 and February 2, 2016. Also attached is a letter distributed by General Manager Stoldt. These letters are listed in the February 17, 2016 Board packet under Letters Received and Distributed.

| Author                                       | Addressee        | Date    | Topic   |
|--|------------------|---------|---|
| Letter Distributed by General Manager Stoldt |                  |         |   |
| David J. Stoldt                              | Dianne Feinstein | 2/3/16  | Support for the Drought Relief Act  |
| Letters Received                             |                  |         |   |
| Andrew M. Bell                               | CPUC             | 1/27/16 | Recommendations and Comments Regarding Rates Proposed by California American water in A.15-07-019         |
| Luke Coletti                                 | MPWMD Board      | 1/27/16 | Jan. 27, 2016 MPWMD Board Meeting, Item 13 - Consider Second Reading and Adoption of Ordinance No. 168    |
| Jacqueline Zischke                           | MPWMD Board      | 1/27/16 | First Reading of Ordinance No. 169 for the 2016 Monterey Peninsula Water Conservation and Rationing Plan  |
| Jacqueline Zischke                           | MPWMD Board      | 1/27/16 | First Reading of Ordinance No. 169 for the 2016 Monterey Peninsula Water Conservation and Rationing Plan  |
| Tim O'Halloran, PE                           | Stephanie Locke  | 1/25/16 | MPWMD January 27, 2016 Agenda Item #14, Consider First Reading of Ordinance No. 169                       |
| Felicia Marcos                               | CPUC             | 1/22/16 | Letter of Support for Pure Water Monterey, Application No. 12-04-019                                      |
| Peter Thaler                                 | Mike McCullough  | 1/21/16 | Application for Water Quality Certification for the Pure Water Monterey Groundwater Replenishment Project |

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February 3, 2016

The Honorable Dianne Feinstein  
 United States Senate  
 331 Hart Senate Office Building  
 Washington, D.C. 20515

**Subject: Support for the Drought Relief Act**

Dear Senator Feinstein:

On behalf of the Monterey Peninsula Water Management District, a partner in the Pure Water Monterey advanced water purification project, I am writing to express the District's strong support for your drought relief legislation. The District thanks you for your efforts to provide meaningful solutions to all California's diverse water users and strongly supports the opportunities for federal assistance found in your proposed drought relief legislation.

New federally-backed tools are desperately needed to help local agencies advance critically important water supply projects, including water reuse and recycling projects like Pure Water Monterey, that can create more drought resilient water supply across the West. Specifically, the District enthusiastically supports the provisions of your legislation that seek to: (1) authorize the Reclamation Infrastructure Financing and Innovation Act (RIFIA), a new, innovative, federally-backed, low-interest, long-term loan program through the Bureau of Reclamation; (2) expand the WaterSMART program to allow the Bureau of Reclamation to use this highly successful program to provide a more robust level of competitive cost-shared partnerships for a wide range of water supply and water management projects, including small-scale storage, conveyance, and integrated regional water management and recycling; and (3) reform of the Bureau of Reclamation's Title XVI water recycling and reuse program to allow unauthorized Title XVI projects to compete for construction assistance under the program.

The Pure Water Monterey Project is the first to recycle agricultural irrigation water, storm water, and agricultural processing water in addition to domestic wastewater. We are hopeful that the project can be a flagship project demonstrating the benefits of your proposed bill.

In combination, these new tools will significantly accelerate non-federal investments in much needed water supply infrastructure in California and the West. We support your proposed legislation and believe it represents an important step forward. Thank you for your leadership in developing legislation that will allow local government to partner with federal agencies for funding assistance for sustainable water supplies.

Sincerely yours,

A handwritten signature in blue ink that reads "David J. Stoldt".

David J. Stoldt  
 General Manager

cc: Congressman Sam Farr  
 Ken Rooney  
 John Watts  
 Monterey Regional Water Pollution Control Agency

3079 Hermitage Road  
Pebble Beach, CA 93953

RECEIVED January 27, 2016

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MPWMD

California Public Utilities Commission  
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  
Public Participation Hearing, Seaside, California**

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 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.

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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. *[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 to evaluate the proposals, 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. Compel Cal-Am to explain changes in information it provides to customers. In this proceeding, in several places current and proposed costs stated for typical customers are different in the notice of the application sent by Cal-am to customers in July 2015 and the notice of this Public Participation Hearing sent by Cal-Am to customers in January 2016.

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3. **Direct Cal-Am to switch back to a water unit measure of 100 cubic feet, in place of the current 10 cubic feet.**
4. **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.**
5. **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.**

### **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.

The notice I received from Cal-Am announcing this Public Participation Hearing in many places shows different values than those shown in the Application. For example, in the Customer Impact section, the table shows the current Total Bill for Single Family customers is \$45.49, versus \$50.27 shown in the notice of the Application I received from Cal-Am on July 27, 2015. Similarly, the notice for the current hearing shows the proposed Total Bill for Non-Residential customers is \$95.03, versus \$100.47 shown in the Application notice I received from Cal-Am on July 27, 2015. I attended the workshop conducted by Cal-Am on January 14, 2016 in Monterey. Many of the values presented at the workshop also were different from those appearing in Cal-Am's application. I searched the proceeding document website for this application and was unable to find any submission by Cal-Am showing these changes. If these differences are not errors, explanation should be made to the public as to the reasons for the differences. The information provided by Cal-Am to its customers makes it difficult or impossible for customers to know what it being proposed. Again, Cal-Am appears to be the party making the rate design "far too complex" and customer bills "difficult to understand."

Other sources of complexity instituted by Cal-Am appear in the Application itself. 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,*

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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.

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.

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

**Arlene Tavani**

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**From:** Luke Coletti <ljc@groknet.net>  
**Sent:** Wednesday, January 27, 2016 1:14 PM  
**To:** Lewis4water@gmail.com; wthayer@thayerconstruction.com; water@mollyevans.org; jcbarchfaia@att.net; sandcitymyr@aol.com; district5@co.monterey.ca.us; rbrower136@gmail.com; Dave Stoldt; David Laredo; Arlene Tavani  
**Cc:** ddadamo@waterboards.ca.gov; felicia.marcus@waterboards.ca.gov; frances.spivy-weber@waterboards.ca.gov; smoore@waterboards.ca.gov; tdoduc@waterboards.ca.gov; thoward@waterboards.ca.gov; Barbara.Evoy@waterboards.ca.gov; Darrin.Polhemus@waterboards.ca.gov; O'Hagan, John@Waterboards; Marianna.Aue@waterboards.ca.gov; robert.maclean@amwater.com; Eric.Sabolsice@amwater.com; Richard.Svindland@amwater.com; larrysilver@earthlink.net; Brian LeNeve; O'Neill, Brian@Coastal  
**Subject:** Jan 27, 2016 MPWMD Board Meeting, Item13 - CONSIDER SECOND READING AND ADOPTION OF ORDINANCE NO. 168 -- AMENDING RULE 11, AND ADDING RULE 23.9 TO ESTABLISH A WATER ENTITLEMENT FOR THE CITY OF PACIFIC GROVE  
**Attachments:** rs2015\_0070.pdf

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JAN 27 2016

MPWMD Board Members,

MPWMD

SWRCB Resolution 2015-0070:

At their Nov 17, 2015 meeting the SWRCB implemented a condition to the funding of the Pacific Grove Local Water project that affirms both Section 19.2 and Condition 2 of the Cal-Am Cease and Desist Order WRO 2009-0060 (see Whereas 12 and Condition 4b in SWRCB Resolution 2015-0070 - attached PDF).

Whereas 12 reads as follows: Section 19.2 of State Water Board Order WR 2009-0060 states that cities on the Monterey Peninsula that receive water from Cal-Am must first apply any new water developed to offsetting diversions from the Carmel River prior to using the water for growth.

Condition 4b reads as follows: The City shall apply recycled water produced by the Project to service of existing uses and shall use the ensuing demand reductions to offset deliveries from Cal-Am until such time as the City receives consent from the State Water Board's Executive Director to apply the Project's recycled water and associated demand reductions to new service connections or to increased use at existing service addresses resulting from a change in zoning or use.

It appears to me that MPWMD staff doesn't believe this condition applies to the District. Also, there is absolutely no mention of 2015-0070 Condition 4b in the proposed text for MPWMD Ordinance 168. Instead, the District appears to be "thumping their nose" at the SWRCB by omitting Condition 4b from MPWMD Ordinance 168 and also by gifting yourself an entitlement of 9 afy that apparently can be allocated/used without complying with SWRCB desires, detailed in SWRCB Res: 2015-0070. Agenda reports for both the first and second readings of MPWMD Ordinance 168 are provided below:

<http://www.mpwmd.dst.ca.us/asd/board/boardpacket/2015/20151214/19/Item19.htm>

<http://mpwmd.dst.ca.us/asd/board/boardpacket/2016/20160127/13/Item-13.htm>

CEQA:

In the Jan 17 agenda report MPWMD staff has added additional instructions that mention the "The District Board action must comply with CEQA". However, the Supplemental EIR for the Pacific Grove Local Water Project (that claims to have examined the environmental impacts of re-using the "saved" potable water freed up by the project) did not in fact analyze any of the impacts of re-using the portion of water that the district is gifting itself. I provide below my SEIR comment (E7) and the City's response (found on SEIR p. 2-35 - link below):

Coletti SEIR Comment E7: "Page S-1 states the SDEIR does not analyze potential environmental effects from the 35 AFY of water retained by MPWMD as it is not part of the City entitlement. While it is not part of the City entitlement, there are effects on the environment from gifting MPWMD water and those impacts are also a result of the project. The Final EIR must evaluate those cumulative impacts".

City Response: "Comment noted. However, any analysis of the potential impacts from use of the 35 AFY by the MPWMD would be highly speculative and therefore not required under CEQA Section 15145. In addition, use of entitlements by MPWMD would require subsequent analysis for their approval at the time any such use of all or a portion of the 35 AFY was contemplated".

<http://www.cityofpacificgrove.org/sites/default/files/general-documents/local-water-project/final-seir20150909compress.pdf>

Why are the potential environmental effects and impacts of the MPWMD entitlement (re-use) any more speculative than Pacific Grove's entitlement (re-use)? Citing CEQA Section 15145 (link below) seems like an extremely capricious means of dodging the impacts of the MPWMD entitlement. Therefore, I am formally requesting that the board make specific findings regarding how and why it is not necessary to evaluate the potential environmental impacts of the 9 afy entitlement you are gifting yourself.

<http://www.pclfoundation.org/publications/ceqaguidelines/Article-10.html#sec15145>

Finally, let me state that I believe any entitlement post WRO 95-10 and certainly post WRO 2009-0060 is, at best, problematic. I oppose the inclusion of any past use of unlawful water (diverted by Cal-Am) for the purpose of determining a MPWMD "entitlement". Is anyone really "entitled" to profit from something that was taken/used unlawfully? I certainly don't believe so. Also, how will carrying these entitlements into the future provide the much proclaimed conservation benefits (water and energy) that this state funded project was specifically meant to provide? I intend to advocate this position as part of the upcoming Cal-Am CDO extension hearings at the SWRCB, where the question of MPWMD entitlements (especially this one) will surely be discussed.

[http://www.waterboards.ca.gov/waterrights/water\\_issues/projects/california\\_american\\_water\\_company/index.shtml](http://www.waterboards.ca.gov/waterrights/water_issues/projects/california_american_water_company/index.shtml)

Please include this e-mail \*and\* the attached PDF into the public record.

Thank you for your consideration,

Luke Coletti  
Pacific Grove



**STATE WATER RESOURCES CONTROL BOARD  
RESOLUTION NO. 2015-0070**

**APPROVING WATER RECYCLING FUNDING PROGRAM (WRFP) AND CLEAN WATER  
STATE REVOLVING FUND (CWSRF) FINANCING FOR THE CITY OF PACIFIC GROVE  
LOCAL WATER PROJECT (PROJECT)**

**WHEREAS:**

1. The State Water Resources Control Board (State Water Board), on February 17, 2015, amended the "*Policy for Implementing the Clean Water State Revolving Fund*" (Policy);
2. The City of Pacific Grove (City) applied for a CWSRF Loan and WRFP Grant for a total of \$7.7 million for the construction of a new satellite recycled water treatment plant;
3. The Project is listed on the Project List;
4. The City of Pacific Grove (City) is the lead agency under the California Environmental Quality Act (CEQA), and has prepared an Environmental Impact Report (EIR) for the Project;
5. Adequate public participation was provided through the CEQA review process. The EIR was circulated through the State Clearinghouse (SCH) (No. 2014021058) from September 16, 2014 through October 30, 2014 for public review and commenting;
6. The City certified the EIR, adopted a Mitigation Monitoring and Reporting Program (MMRP), and approved the Project on November 19, 2014;
7. The City filed a Notice of Determination (NOD) for the EIR with the Monterey County Clerk and Governor's Office of Planning and Research (OPR) on November 20, 2014 and November 24, 2014, respectively;
8. The City prepared a Supplemental EIR for the Project and distributed it to the public and circulated it through SCH for review from July 8, 2015 through August 6, 2015;
9. The City adopted the Supplemental EIR and approved the project on October 7, 2015 and filed an NOD with the Monterey County Clerk and OPR on October 8, 2015 and October 9, 2015, respectively;
10. State Water Board initiated consultation with the State Historic Preservation Officer (SHPO) on February 4, 2015. On March 11, 2015, the SHPO responded with a conditional concurrence. SHPO concurred with a finding of "No Adverse Effects to Historic Properties" with the condition that a qualified archaeological monitor and a Native American monitor be present for all ground-disturbing activities in the Project area;
11. The City's environmental documents provided an adequate disclosure of the environmental relationships of all water quality aspects of the Project. Mitigation measures and design measures incorporated into the Project will avoid or substantially reduce other potentially significant environmental impacts. The Project will not result in any significant adverse water quality impacts; and

12. Section 19.2 of State Water Board Order WR 2009-0060 states that cities on the Monterey Peninsula that receive water from Cal-Am must first apply any new water developed to offsetting diversions from the Carmel River prior to using the water for growth.

THEREFORE BE IT RESOLVED THAT:

The State Water Board:

1. Approves up to \$5,285,000 CWSRF construction financing and \$2,415,000 for Prop 13 Water Recycling Funding Program grant for the City's Project.
2. Condition this approval, as determined by the environmental review, with the following:
  - a. The City shall comply with the applicable mitigation measures of the November 2014 MMRP;
  - b. Per the March 11, 2015 concurrence letter from Carol Roland-Nawi of the SHPO to Madeleine Flandreau of the State Water Board, the City shall ensure that qualified archeological and Native American monitors are present during all earth-moving and ground disturbing activities in the Project area;
  - c. The City shall obtain a Coastal Development Permit from the California Coastal Commission, submit a copy to the State Water Board and comply with all required measures therein;
3. Condition this approval, as determined by the City's credit review, with the following:
  - a. The City shall pledge revenues of the Sewer Enterprise Fund for repayment of the proposed CWSRF financing agreement. This pledged revenue fund (source) shall be subject to lien and pledge as security for the Obligation;
  - b. The proposed financing agreement shall be issued on parity with the Capital One Public Funding LLC Wastewater Loan Agreement dated April 1, 2013. Parity debt requires debt service coverage of 1.20 times the total annual debt service;
  - c. The City shall establish rates and charges sufficient to generate net revenues of the Sewer Enterprise Fund equal to at least 1.20 times the total annual debt service;
  - d. The City shall establish a restricted reserve fund, held in the Sewer Enterprise Fund, equal to one year's debt service prior to the construction completion date of the project. The restricted reserve fund shall be maintained for the full term of the Finance Agreement and shall be subject to lien and pledge as security for the Obligation; and
  - e. The City shall submit a revised Pledged Revenue Fund/Source Resolution pledging the Net Revenues of the Sewer Enterprise Fund and the Sewer Enterprise Fund prior to a financing agreement being executed.

4. Condition this approval, as determined by the City's technical review, with the following:

- a. The City must submit a Waste Discharge Permit approved by the Central Coastal Regional Water Quality Control Board with the Final Budget Approval package. The financing agreement will not be finalized and no funds will be disbursed for construction until the adopted Waste Discharge Permit is submitted to the Division of Financial Assistance.
- b. The City shall apply recycled water produced by the Project to service of existing uses and shall use the ensuing demand reductions to offset deliveries from Cal-Am until such time as the City receives consent from the State Water Board's Executive Director to apply the Project's recycled water and associated demand reductions to new service connections or to increased use at existing service addresses resulting from a change in zoning or use.

### CERTIFICATION


The undersigned Clerk to the Board does hereby certify that the foregoing is a full, true, and correct copy of a resolution duly and regularly adopted at a meeting of the State Water Resources Control Board held on November 17, 2015.

AYE:           Chair Felicia Marcus  
                   Vice Chair Frances Spivy-Weber  
                   Board Member Tam M. Doduc  
                   Board Member Steven Moore  
                   Board Member Dorene D'Adamo

NAY:           None

ABSENT:       None

ABSTAIN:      None

  
 \_\_\_\_\_  
 Jeanine Townsend  
 Clerk to the Board

**Jacqueline M. Zischke, Attorney at Law**

A Professional Corporation  
PO Box 1115  
Salinas, California 93902

RECEIVED

JAN 27 2016

MPWMD

P: 831/761-8714  
F: 1-888-385-9198  
[jzischkelaw@charter.net](mailto:jzischkelaw@charter.net)

January 27, 2016

(Delivery via Email: [s.locke@mpwmd.net](mailto:s.locke@mpwmd.net) and [dstoldt@mpwmd.net](mailto:dstoldt@mpwmd.net))

Monterey Peninsula Water Management District and its  
Board of Directors  
David J. Stoldt, General Manager  
Stephanie Locke  
5 Harris Court, Building 6  
Monterey, California 93942

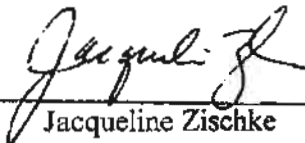
Re: First Reading of Ordinance No. 169 for the 2016 Monterey Peninsula Water Conservation and Rationing Plan

Dear Chair Byrne and Board of Directors, Mr. Stoldt and Ms. Locke:

In reference to the above referenced agenda item being considered by the District Board tonite, on behalf of Malpaso Water Company, LLC we appreciate District staff's efforts in responding to Malpaso Water Company, LLC's request for revisions to ensure that the Proposed Ordinance No. 169 is consistent with District Ordinance No. 165 related to the water entitlement for Malpaso Water Company.

We see that a number of corrections have been made by District staff, and some clarifications may be necessary prior to the District Board's second reading. We look forward to continuing our work with District staff on this matter.

Sincerely,



Jacqueline Zischke

**Jacqueline M. Zischke, Attorney at Law**

**RECEIVED**

A Professional Corporation  
PO Box 1115  
Salinas, California 93902

**JAN 27 2016**

**MPWMD**

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[jzischkelaw@charter.net](mailto:jzischkelaw@charter.net)

January 27, 2016

(Delivery via Email: [s.locke@mpwmd.net](mailto:s.locke@mpwmd.net) and [dstoldt@mpwmd.net](mailto:dstoldt@mpwmd.net))

Monterey Peninsula Water Management District and its  
Board of Directors  
David J. Stoldt, General Manager  
Stephanie Locke  
5 Harris Court, Building 6  
Monterey, California 93942

Re: First Reading of Ordinance No. 169 for the 2016 Monterey Peninsula Water Conservation and Rationing Plan

Dear Chair Byrne and Board of Directors, Mr. Stoldt and Ms. Locke:

In reference to the above referenced agenda item being considered by the District Board tonite, on behalf of Canada Woods Water Company, LLC we appreciate District staff's efforts in responding to Canada Woods Water Company, LLC's request for revisions to Proposed Ordinance No. 169 to avoid confusion as to Water Distribution System(s) affected under the various stages and requirements under the proposed Water Conservation and Rationing Plan.

We see that a number of corrections have been made by District staff, and some clarifications may be necessary prior to the District Board's second reading. We look forward to continuing our work with District staff on this matter.

Sincerely,

  
Jacqueline Zischke


**RESOURCE MANAGEMENT SERVICE**

440 Harcourt Avenue  
Seaside, CA 93955

Telephone (831) 899-6825  
FAX (831) 899-6311

January 25, 2016

Stephanie Locke  
Monterey Peninsula Water Management District  
P.O. Box 85  
Monterey, CA 93942  
Via Email: [s.locke@mpwmd.net](mailto:s.locke@mpwmd.net)

**RECEIVED**

**JAN 27 2016**

**MPWMD**

**Subject: MPWMD January 27, 2016 Agenda Item #14, Consider First Reading of Ordinance No. 169, An Ordinance of the Board of Directors of the Monterey Peninsula Water Management District Repealing Regulation XV, The Expanded Water Conservation and Standby Rationing Plan, and Replacing it with Regulation XV, The Monterey Peninsula Water Conservation and Rationing Plan**

I have reviewed Item #14, outlined above, for the January 27, 2016 meeting of the MPWMD Board and submit the following comments:

1. It is very confusing to have two sections used to define terms. Could Section Four, "Amendment of Rule 11, Definitions" and Section Twelve, "Rule 167 – Definitions Used in Regulation XV" be combined?
2. The term "Non-California American Water Company Distribution Systems" and all permutations (e.g. Non Cal-Am, Non-Cal-Am) should be defined in either Section 4 or 12, "Definitions."
3. The term "Carryover Storage Needs for the Next Water Year" should be defined in either Section 4 or 12, "Definitions."
4. On Page 15, there is a table called "Example of Table XV-4, Physical Storage Target for the Monterey Peninsula Water Resource System for the Remainder of WY 2015 and all WY 2016." Please explain how the "Carryover Storage Needs for the Next Water Year" value for Non-CalAm was determined?
5. On Page 15, Footnote #3 to the table called "Example of Table XV-4, Physical Storage Target for the Monterey Peninsula Water Resource System for the Remainder of WY 2015 and all WY 2016" states "... the production limit specified for non Cal-Am Users from the Monterey Peninsula Water Resource System set in the District's Water Allocation Program (Ordinance No. 87.)" However, I was unable to find any references to the Adjudication in Ordinance 87, "An Urgency Ordinance of the Monterey Peninsula Water Management District Establishing a Community Benefit Allocation for the Planned Expansion to the Community Hospital of the

Letter to Stephanie Locke  
MPWMD January 27, 2016 Agenda Item #14, Consider First Reading of Ordinance No. 169

Monterey Peninsula." Please clarify how the production limit for Non-CalAm Users, such as Seaside Municipal Water System would be determined.

6. What are the actions required by Stage 2, "Water Conservation: Voluntary Reduction in Use" for Non-CalAm producers, such as the Seaside Municipal Water System?
7. What are the actions required by Stage 2, "Water Conservation: Voluntary Reduction in Use" for Non-CalAm customers?

The City of Seaside looks forward to working with the Monterey Peninsula Water Management District in updating the Water Conservation and Rationing Plan. Please contact the undersigned or Rick Riedl at 831-899-6884 to discuss any questions or comments.

Sincerely,



Tim O'Halloran, PE  
City Engineer / Public Works Services Manager

Copy: Rick Riedl, Senior Civil Engineer  
Scott Ottmar, Assistant Civil Engineer



EDMUND G. BROWN JR.  
GOVERNOR

MATTHEW RODRIGUEZ  
SECRETARY FOR  
ENVIRONMENTAL PROTECTION

## State Water Resources Control Board

January 22, 2016

Commissioner Catherine J.K. Sandoval  
California Public Utilities Commission  
505 Van Ness Avenue  
San Francisco, CA 94102-3298

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JAN 26 2016

MPWMD

Via U.S. Postal Service and Email: [catherine.sandoval@cpuc.ca.gov](mailto:catherine.sandoval@cpuc.ca.gov)

Subject: Letter of Support for Pure Water Monterey, Application No. 12-04-019 (filed April 23, 2013)

Dear Commissioner Sandoval:

The State Water Resources Control Board (State Water Board) is both very concerned about and interested in a sustainable water supply for the Monterey Peninsula to eliminate existing unlawful pumping from the Carmel River consistent with the State Water Board's Cease and Desist Order (CDO), State Water Board Order WR 2009-0060. I understand that several public agencies and Cal-Am have chosen to support water recycling (Pure Water Monterey) as part of the portfolio of water supplies under consideration by the California Public Utilities Commission.

On November 30, 2015, the State Water Board approved a wastewater change petition for the City of Salinas, that allows up to 4.67 million gallons per day (5,235 acre-feet per year) of wastewater to be recycled and applied to two potential uses, one of which is municipal use in the Cal-Am service area. This water must be used to offset deliveries of unlawful diversions from the Carmel River by Cal-Am, unless the Executive Director of the State Water Board grants permission to use the water for new uses in the service area. Additionally, it is my understanding that the project will use wastewater that would not be subject to State Water Board water right permitting requirements, because it is currently discharged directly to the ocean.

Allowing this water to be used in the Cal-Am service area by adding this portion of Pure Water Monterey to the area's water portfolio makes sense because it would provide a lawful alternative to illegal diversions from the Carmel River on a timeline anticipated to be faster than that anticipated for the proposed desalination plant. State Water Board Order WR 2009-0060 requires that Cal-Am cease unlawful diversions at the end of December 2016. Cal-Am has requested an extension of this deadline until December 31, 2020 that is currently under consideration by the State Water Board. Any potential extension of the deadline, however, will not solve the issue of continued impacts to the Carmel River.

Approval of this portion of Pure Water Monterey adds to the region's development of a diverse water portfolio. The current drought emergency has underscored the pitfalls of relying on too

FELICIA MARCUS, CHAIR | THOMAS HOWARD, EXECUTIVE DIRECTOR

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January 22, 2016

few sources of water supply in many communities across the state. The project is in alignment with the State Water Board's Recycled Water Policy, which encourages the maximum substitution of recycled water for potable water by 2030.

Water rights for other portions of the Pure Water Monterey Project are currently under review at the State Water Board, and I can therefore not comment on them. The portion of Pure Water Monterey Project approved by the State Water Board, however, advances state mandates and policy objectives. If successful, it also demonstrates how multiple agencies can work together to develop a water supply project that provides benefits to multiple stakeholders and enhances environmental considerations.

I appreciate the opportunity to comment on the proceedings.

Sincerely,



Felicia Marcus  
Chair

cc. Administrative Law Judge Gary Weatherford.  
California Public Utilities Commission  
505 Van Ness Avenue  
San Francisco, CA 94102-3298  
Via U.S. Postal Service and Email: [gw2@cpuc.ca.gov](mailto:gw2@cpuc.ca.gov)

Monterey Peninsula Regional Water Authority  
Attn: President Jason Burnett  
735 Pacific Street  
Monterey, CA 93940  
Via U.S. Postal Service and Email: [jason.burnett@gmail.com](mailto:jason.burnett@gmail.com)

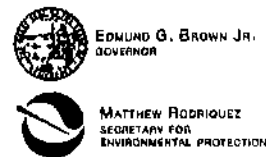
Monterey Peninsula Water Management District  
Attn: David Stoldt, General Manager  
5 Harris Court, Building G, P.O. Box 85  
Monterey, CA 93942

Monterey Regional Water Pollution Control Agency  
Attn: Paul Sciuto, General Manager  
5 Harris Court, Bldg D  
Monterey, CA 93940

California American Water Company  
Attn: President Robert MacLean  
1033 B Ave Ste 200  
Coronado, CA 92118

January 22, 2016

Office of Ratepayer Advocates  
Attn: Linda Serizawa, Deputy Director  
505 Van Ness Avenue  
San Francisco, CA 94102




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**State Water Resources Control Board**

JAN 21 2016

Mike McCullough  
 Government Affairs Administrator  
 Monterey Regional Water Pollution Control Agency  
 5 Harris Court, Building D  
 Monterey, CA 93940-5756

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MPWMD

APPLICATION FOR WATER QUALITY CERTIFICATION FOR THE PURE WATER  
 MONTEREY GROUNDWATER REPLENISHMENT PROJECT, WATER RIGHT  
 APPLICATIONS NO. 32263A AND 32263B; MONTEREY COUNTY

Dear Mike McCullough:

On December 22, 2015, the State Water Resources Control Board (State Water Board) received Monterey Regional Water Pollution Control Agency's (Agency) application for water quality certification (certification) for the Pure Water Monterey Groundwater Replenishment Project (Project) pursuant to section 401 of the Clean Water Act (CWA). This letter serves as notification that the Project application for certification is complete and pending before the State Water Board in accordance with section 3835, title 23, of the California Code of Regulations.

The Project will require issuance of a nationwide permit by the U.S. Army Corps of Engineers (ACOE) under section 404 of the CWA. Section 401 of the federal CWA (33 U.S.C. § 1341) requires any applicant for a federal license or permit, which may result in any discharge to navigable waters, to obtain certification from the state that the discharge will comply with the applicable water quality standards.

A complete application for certification must include a description of any steps that have been or will be taken to avoid, minimize, or compensate for loss of or significant adverse impacts to beneficial uses of water. (Cal. Code Regs., tit. 23, §3856(h)(6)). The Agency's application for certification is complete in accordance with the filing requirements (Cal. Code Regs., tit. 23, § 3856). The State Water Board may request additional information to clarify, amplify, correct, or otherwise supplement the contents of the application. Supplemental information may include evidence of compliance with the Water Quality Control Plan for the Central Coast Basin (Basin Plan) (Cal. Code Regs., tit. 23, § 3836).

Issuance of a certification is a discretionary action that requires the State Water Board to comply with the California Environmental Quality Act (CEQA). Although a final CEQA document is not required for a complete application for certification, CEQA requirements must be satisfied before the State Water Board can issue certification. In this case, the State Water Board is a responsible agency for the purpose of compliance with CEQA. The Agency certified an Environmental Impact Report on October 8, 2015.

ELIJAH MARRIUS, CHAIR | THOMAS HOWARD, EXECUTIVE DIRECTOR

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Mr. Mike McCullough

- 2 -

If you have any questions regarding this letter, please contact me at (916) 916-341-5321 or by email at [parker.thaler@waterboards.ca.gov](mailto:parker.thaler@waterboards.ca.gov).

State Water Resources Control Board  
 Division of Water Rights  
 Water Quality Certification Program  
 Attn: Parker Thaler  
 P.O. Box 2000  
 Sacramento, CA 95812-2000

Sincerely,



Parker Thaler  
 Environmental Scientist  
 Water Quality Certification Program

cc: Alison Imamura  
 Denise Duffy & Associates, Inc.  
 947 Cass Street, Suite 5  
 Monterey, CA 93940

Lisa McCann  
 Executive Officer  
 Central Coast RWQCB  
 895 Aerovista Place, Suite 101  
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Shaunna Juarez  
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 Monterey County Water Resources Agency  
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 Larry Hampson

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Bob Holden  
 Principal Engineer/Project Manager  
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 5 Harris Ct., Bldg. D  
 Monterey, CA 93940