



Supplement to 3/21/16 MPWMD Board Packet

Attached are copies of letters received between February 3, 2016 through March 16, 2016. These letters are listed in the March 21, 2016 Board packet under Letters Received and Distributed.

Author	Addressee	Date	Topic
John M. Phillips	Catherine J. K. Sandoval	3/16/15	Pure Water Monterey Project
Brent Constantz, Ph.D.	MPWMD Board	3/8/15	Deep Water Desal LLC Status Report
William W. Monning	Catherine J. K. Sandoval	3/7/16	Pure Water Monterey Project
Dianne Feinstein	Catherine J. K. Sandoval	3/7/16	Pure Water Monterey Project
Clyde Roberson	CPUC Public Advisor	3/3/16	California American Water's Application 15-07-019 (Filed July 16, 2015)
David Potter	Catherine J. K. Sandoval	2/25/16	Pure Water Monterey Project
Michael Wegley, PE	David J Stoldt	2/10/16	Marina Coast Water District Urban Water Management Plan

U:\staff\Boardpacket\2016\20160321\LtrsRecd\LettersRecd.docx

MONTEREY COUNTY



Monterey County Board of Supervisors

John M. Phillips
Supervisor District 2

Josh Stratton
Aide to the Supervisor

Claudia J. Link
Aide to the Supervisor

P.O. Box 787
Castroville, CA 95012
831-755-5022
831-633-0201
District2@co.monterey.ca.us

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

Dear Commissioner Sandoval,

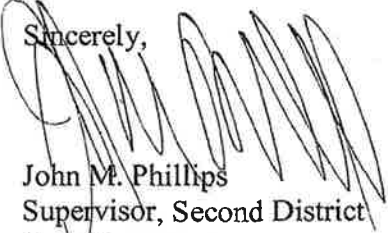
Monterey County and the entire state of California face a historic drought resulting from lack of rainfall and the draining of our rivers and lakes. In the face of this challenge, Pure Water Monterey is an innovative project which is a critical element to finding a solution to our water challenges.

I am writing in fervent support of the Pure Water Monterey project and to urge the California Public Utilities Commission to consider approval of the project.

The Pure Water Project is a key element towards Monterey County complying with the State Water Board's Recycled Water Policy to encourage the substitution of recycled water for potable water by 2030. We have a problem not only of water insufficiency, but also of capturing the water when we have it. This project will capture not just wastewater, but also agricultural produce wash water, storm water and used irrigation water to be converted into potable drinking water and irrigation water for our farmers.

This collaborative effort to capture, transport, process and deliver water from multiple sources, through multiple jurisdictions, is a model for other counties in the state to follow. I strongly offer my full support for the project and encourage you to support this innovative, efficient water recycling and purification project as well.

Sincerely,


John M. Phillips
Supervisor, Second District
County of Monterey



Date: March 8, 2016

Memo from: Brent Constantz, Ph.D.

Subject: DeepWater Desal LLC Status Report

DeepWater Desal LLC (DWD) is pleased provide the following update on our progress towards developing the Monterey Bay Regional Water Project, a desalination plant and datacenter complex in Moss Landing, California.

The Drought has made the public aware of how overdrafted the groundwater basins around Monterey Bay have caused lasting environmental harm to the species that rely on the springs and rivers that feed into the bay. This was, of course, the motivation that led the State Water Board to order CalAm to stop overdrafting the Carmel River in the first place. Reducing surface water withdrawals doesn't avoid the harm to fish if it is replaced with groundwater pumping. Groundwater provides the critical base flows needed during times of low flow so overdrafted groundwater basins contribute to damaging fish habitat. The State of California has now imposed regulations affecting groundwater sustainability which will have further restrictive impacts on the groundwater basins of our region. Conservation and new sustainable sources are being studied including desalination which is known and proven as a method around the world in providing a sustainable potable water supply.

DWD has invested approximately \$8.0 million in the project to date including approximately \$7 million from founders and our investors, as well as in-kind grant funding from the Monterey Peninsula Water Management District and in-kind funding from Dynegy's Moss Landing Power Plant. DWD has filed applications for permits from the California State Lands Commission (CSLC) and Monterey Bay National Marine Sanctuary. Those agencies will act as the lead agencies to prepare and certify a combined Environmental Impact Report and Environmental Impact Statement (EIR/EIS) to satisfy the requirements of the California Environmental Quality Act (CEQA) and the National Environmental Policy Act (NEPA). We have also met with Lieutenant Governor Gavin Newsom who chaired the California State Lands Commission and briefed him on the project and our application. The Chief of the California State Lands Commission announced at a scoping session that both the Governor and Lieutenant Governor are following the project. At a California State Water Board Hearing the project received written and verbal support from Senator Bill Monning, Assemblyman Luis Alejo and Salinas Mayor Joe Gunter.

Since the CSLC issued a Notice of Preparation to begin the EIR/EIS process in June 2015 we have been making great progress on studies and design of the project. In October 2015, it was announced that the lead agencies selected Dudek, a leading environmental consulting firm, to conduct the EIR/EIS process. Dudek is a California-focused environmental consulting firm with more than 300 planners, scientists, engineers, contractors, and technicians based in San Diego. Dudek has ten regional offices located throughout California and recently Dudek completed the EIR for the Carlsbad desalination project that started producing water December 14, 2015 in San Diego County. Following certification of the EIR/EIS, our timeline will be primary dependent

upon the granting of a Coastal Development Permit from the California Coastal Commission. The company has kept the Coastal Commission proactively informed about the project and key Coastal Commission representatives and both lead agencies have met together with us about the project to reduce the chances of delays related to the Coastal Commissions subsequent review process.

Recently we hired Kim Adamson, former General Manager of Soquel Creek Water District in June. Kim is our General Manager with direct responsibility to oversee all project activities as well as performing administrative duties for our growing company. Kim has added Melanie Schumacher, also previously of Soquel Creek Water District, as full time project engineer. Kim and Melanie are currently working on preliminary design work and permitting. They are currently managing consultants performing nearly twenty-five separate design and study efforts that are required for EIR/EIS completion, with more to come in the second quarter of this year. In addition to Melanie, we have also welcomed Martha Karr in a full time administrative role.

Power costs are a major component of desalination and data center operating expenses. While our design incorporates the latest in technology and the synergy from co-locating a desalination plant with a data center, we will be using over 175 megawatts (MW) of power. That allows us to use that bulk purchasing power to initiate and negotiate long-term contracts for electrical power. The reduction in costs per MW over currently available commercial rates from published PG&E rate tables will result in many millions in annual savings to our regional water project. We have received some very attractive offers for pricing on power, which allows us to advance our discussions with anchor data center clients.

On a broader basis, beyond Moss Landing, it is apparent that the synergy between desalination and data center cooling is broadly applicable around the world, where both data storage and potable water are needed, and a lower cost and environmental impact are benefits resulting from the co-location. Recent press covering attempts by the largest tech companies to locate data centers on barges and in submarines for access to large volumes of cold water for cooling, demonstrate the common realization that the ocean represents the best renewable source of cooling. Further, the location of data centers in respect to population centers to reduce data transmission latency overlaps with the needs of population centers for potable water located in close proximity.

Our project is generating international interest. DWD was invited to submit a two-page article by Climate Change - The New Economy, the principal publication of the COP-21 Paris conference in November featuring DWD's innovative project. DWD is also invited to present our project as a case study at back to back global conferences of the Association for Data Center Management Professionals, where the leading global data center and technology groups gather including Google, Facebook, etc. National Geographic magazine has also contacted DWD regarding a summer issue article focused on the unique innovation of combining desalination and data center facilities. DWD is truly appreciative of the global interest and recognition of our teams' efforts in earning the interest in our vision and leadership.

COMMITTEES
 CHAIR: LEGISLATIVE ETHICS
 BUDGET & FISCAL REVIEW
 BUDGET SUBCOMMITTEE 3
 ON HEALTH & HUMAN SERVICES
 HEALTH
 JUDICIARY
 NATURAL RESOURCES & WATER
 PUBLIC SAFETY

WEB
 SD17.SENATE.CA.GOV

California State Senate



WILLIAM W. MONNING
 MAJORITY LEADER
 SEVENTEENTH SENATE DISTRICT

CAPITOL OFFICE
 STATE CAPITOL, ROOM 313
 SACRAMENTO, CA 95814
 TEL (916) 651-4017

MONTEREY DISTRICT OFFICE
 99 PACIFIC STREET, SUITE 575-F
 MONTEREY, CA 93940
 TEL (831) 657-6315

SAN LUIS OBISPO DISTRICT OFFICE
 1026 PALM STREET, SUITE 201
 SAN LUIS OBISPO, CA 93401
 TEL (805) 549-3784

SANTA CRUZ DISTRICT OFFICE
 701 OCEAN STREET, SUITE 318-A
 SANTA CRUZ, CA 95060
 TEL (831) 425-0401

SANTA CLARA COUNTY SATELLITE OFFICE
 7800 ARROYO CIRCLE, SUITE A
 GILROY, CA 95020
 TEL (408) 847-6101

March 7, 2016

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

Dear Commissioner Sandoval:

This letter is to express my support for the Monterey Peninsula Water Management District's Pure Water Monterey (MPWMD) water recycling and purification project.

As you know, the Monterey Peninsula receives its water supply from surface and sub-surface water in the Carmel River, as well as water from the Seaside Groundwater Basin. In 2009, the State Water Resources Control Board issued a Cease and Desist Order to California American Water (Cal-Am) that prescribed a series of significant cutbacks to the Monterey Peninsula's access to water from the Carmel River.

The MPWMD and the Monterey Regional Water Pollution Control Agency have jointly developed Pure Water Monterey in order to deliver potable water to the Monterey Peninsula. This multi-region, multi-benefit project is supported by Cal-Am and will gather wastewater, agricultural produce wash water, storm water, and used irrigation water for regional re-use. The project is environmentally preferable to a larger desalination plant because of its smaller carbon footprint and its reduction in discharge in the National Marine Sanctuary.

Pure Water Monterey is an advanced water recycling and purification public project, and a critical component of the region's water portfolio. The project is a collaborative effort to develop an environmentally sustainable water supply in the Monterey region and I urge your support of the Monterey Peninsula Water Management District's Pure Water Monterey project.

Sincerely,

WILLIAM W. MONNING
 Senator, 17th District

WWM:nc

cc: Michael Picker, President
 California Public Utilities Commission



United States Senate

WASHINGTON, DC 20510-0504

<http://feinstein.senate.gov>

March 7, 2016

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

Dear Commissioner Sandoval:

I write in support of Pure Water Monterey, the innovative water recycling project developed by the Monterey Peninsula Water Management District (District) and the Monterey Regional Water Pollution Control Agency (Agency)

Pure Water Monterey uses a four step water recycling process to treat water before it is injected into the groundwater basin using injection wells. This unique project utilizes water sources such as produce wash run-off, storm water, and agricultural irrigation run-off in addition to traditional wastewater. California is facing a historic drought, and the extraordinary lack of water limits our options. The District and Agency endeavor to make sure no drop is wasted with this exciting project.

Projects like Pure Water Monterey will help improve water supplies for local communities both in the short- and long-terms. Pure Water Monterey will serve as a model for other communities throughout California and I am pleased to offer it my full support.

Thank you in advance for your time and attention. If you have any questions regarding this project, please contact Katie Gross in my San Francisco office at (415) 393-0707.

Sincerely,

A handwritten signature in black ink, appearing to read "Dianne Feinstein", written over a light blue horizontal line.

Dianne Feinstein
United States Senator

DF/kg



March 3, 2016

Mayor:
CLYDE ROBERSON

Councilmembers:
TIMOTHY BARRETT
LIBBY DOWNEY
ALAN HAFFA
ED SMITH

City Manager:
MICHAEL MCCARTHY

California Public Utilities Commission
Public Advisor's Office
505 Van Ness Avenue
San Francisco, CA 94102

RE: California American Water's Application 15-07-019 (Filed July 16, 2015)

Dear President Picker and Commissioners of the California Public Utilities Commission:

By unanimous vote of the City Council of the City of Monterey ("City"), the City hereby opposes Cal Am's application to modify its rate design, to change its water revenue adjustment mechanisms ("WRAM") and modified cost balancing account ("MCBA") surcharge collection, and to implement an annual consumption true-up mechanism ("sales reconciliation mechanism" or "SRM").

On March 1, 2016 the City conducted a public hearing regarding Cal Am's proposed changes. After receiving and considering public input from residents, the hospitality industry, and Cal Am, the Council deliberated and decisively objects to many aspects of Cal Am's proposal because it results in inequities to its ratepayers. The City firmly supports the detailed and comprehensive analysis and recommendation of the Office of Ratepayer Advocates (ORA) expressed in its report to the CPUC dated February 16, 2016.

The City agrees with ORA's recommendation that the CPUC should disallow \$17.39 million in WRAM balance, as this portion of the balance is reasonably attributable to Cal Am's lack of management oversight of the allotment system, and not by reduced consumption.

Consistent with ORA's recommendation, the City concurs that Cal-Am should be required to amortize \$17.39 million over five years rather than 20, and most importantly disallow charging ratepayers any interest.

The City also supports ORA's recommendation to require Cal-Am to make future WRAM balance recovery requests through the normal application process and not through the informal process of filing advice letters with the Commission. Furthermore, the City is concerned that the method of calculating costs between classes of ratepayers must be fair and transparent.

Thank you for your consideration of this informal comment letter. Should you have any questions, please do not hesitate to contact me at (831) 646-3760.

Sincerely,

Clyde Roberson
Mayor

c: Public.advisor@cpuc.ca.gov
CPUC Legal Division
State Senator Bill Monning
Assemblyman Mike Stone
Monterey Business Associations
Monterey Neighborhood Associations
Mayors of the Cities of Carmel by the Sea, Del Rey Oaks, Marina, Pacific Grove,
City of Sand, Seaside
Monterey Peninsula Water Management District
Monterey Peninsula Regional Water Authority
California American Water Company
Public Trust Alliance
Water Plus
Public Water Now
Coalition of Peninsula Businesses
Regulatory Liaisons, Inc.

MONTEREY COUNTY



Board of Supervisors

Supervisor Dave Potter
Monterey County, Fifth District Supervisor

Kathleen Lee, Chief of Staff
Jayne Mohammadi, Aide
Bryan Flores, Administrative Assistant

1200 Aguajito Rd., Suite 001
Monterey, CA 93940
(831) 647-7755
Fax: (831) 647-7695
Email: district5@co.monterey.ca.us

February 25, 2016

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

Re: Support Letter for Monterey Peninsula Water Management District (MPWMD)
Pure Water Monterey water recycling and purification project

Dear Commissioner Sandoval,

For decades, the County of Monterey has led the state in water conservation efforts for both residential and commercial uses. Given the worsening drought conditions in California, it is imperative that communities and public agencies continue to work together to create viable solutions to our current and historic water challenges and plan for the future. The Monterey Peninsula Water Management District Pure Water Monterey project would further bolster our efforts to successfully navigate through this difficult time, not only on the Monterey Peninsula but also in the Salinas Valley and throughout the County of Monterey.

Pure Water Monterey is an advanced water recycling and purification project to deliver potable water to the Peninsula and to gather and deliver irrigation water to the growers in North Monterey County. It is a multi-region, multi-benefit project. What makes it unique is that it gathers not just wastewater, but also agricultural produce wash water, storm water, and used irrigation water. The project is environmentally preferred to a larger desalination plant because of lower carbon footprint, reduced discharges to the Monterey Bay National Marine Sanctuary, and it helps to exacerbate some of the issues regarding discharges to the Salinas River. The project was referenced in Senator Feinstein's drought bill introduced earlier this month.

Planning for a sustainable, resilient water supply to meet the urban, agricultural and environmental needs of Monterey County will take consistent coordination, cooperation and focused planning and management. To this end, I strongly support the Monterey Peninsula Water Management District's Pure Water Monterey water recycling and purification project.

Sincerely,

Dave Potter
Supervisor, Fifth District
County of Monterey

THEY WERE NOT

THEY WERE NOT

THEY WERE NOT

THEY WERE NOT

THEY WERE NOT

THEY WERE NOT

THEY WERE NOT

THEY WERE NOT

THEY WERE NOT

THEY WERE NOT

THEY WERE NOT

THEY WERE NOT

THEY WERE NOT

THEY WERE NOT

THEY WERE NOT

THEY WERE NOT

THEY WERE NOT

THEY WERE NOT

THEY WERE NOT

THEY WERE NOT

THEY WERE NOT

THEY WERE NOT

THEY WERE NOT

THEY WERE NOT

THEY WERE NOT

THEY WERE NOT

THEY WERE NOT

THEY WERE NOT

THEY WERE NOT

THEY WERE NOT



MARINA COAST WATER DISTRICT

11 RESERVATION ROAD, MARINA, CA 93933-2099

Home Page: www.mcwd.org

TEL: (831) 384-6131 FAX: (831) 883-5995

DIRECTORS

HOWARD GUSTAFSON
President

THOMAS P. MOORE
Vice President

WILLIAM Y. LEE
JAN SHRINER

February 10, 2016

RECEIVED

FEB 17 2016

MPWMD

Mr. David J Stoldt, General Manager
Monterey Peninsula Water Management District
5 Harris Court, Bldg G
Monterey, CA 93940

Dear Mr. Stoldt:

The Marina Coast Water District (MCWD) is preparing an updated Urban Water Management Plan (UWMP) for submittal to the California Department of Water Resources, pursuant to the Urban Water Management Planning Act, as codified in the California Water Code Sections 10610-10656. The last UWMP was adopted in 2011.

The updated plan is currently being drafted. Your planning staff was previously contacted for review and input on the development and water demand projections for the planning period, which runs to the year 2035. Our anticipated schedule for public review and plan adoption is:

March 21, 2016	Publish public review draft of the UWMP
April 18, 2016	Conduct public hearing at the regularly scheduled MCWD Board meeting
April 21, 2016	Comment period closes
May 16, 2018	Adopt final UWMP at the regularly scheduled MCWD Board meeting

We will provide you a copy of the public review draft plan in March. We invite your input and comments on the UWMP. Please provide input to our consultant, Schaaf & Wheeler Consulting Civil Engineers, Attn: Andy Sterbenz, 3 Quail Run Circle, Suite 101, Salinas, CA, 93907. Andy may be contacted by phone at (831) 883-4848, or by e-mail at asterbenz@swsv.com. You may contact me by direct phone at (831) 883-5925, or e-mail mwegley@mcwd.org.

Sincerely,

Michael Wegley, PE
District Engineer

