



Supplement to 10/17/16 MPWMD Board Packet

Attached are copies of letters received between September 8, 2016 and October 6, 2016. These letters are listed in the October 17, 2016 Board packet under Letters Received.

Author	Addressee	Date	Topic
Eric Sabolsice	Barbara Evoy cc: D Stoldt	9/27/16	SWRCB Order 2016-0016, Satisfaction of Milestone 1
Keith Van Der Maaten	David Stoldt	9/21/16	Groundwater Sustainability Agency
David L Hobbs	Anthony Cerasuolo cc: D Stoldt	9/21/16	Potable Water Wheeling Agreement, dated April 8, 2009
David L Hobbs	Eric Sabolsice cc: D Stoldt	9/14/16	Potable Water Wheeling Agreement, dated April 8, 2009
Michael Picker	Jeanne Byrne	9/7/16	February 2016 User Fee Decision Upon Remand by the California Supreme Court

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Eric J. Sabolsica
 Director, Operations
 Coastal Division
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 Pacific Grove, CA 93950
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September 27, 2016

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OCT 04 2016

VIA CERTIFIED MAIL & EMAIL

MPWMD

Barbara Evoy
 Deputy Director, Division of Water Rights
 State Water Resources Control Board
 P.O. Box 2000
 Sacramento, California 95812

Re: SWRCB Order 2016-0016, Satisfaction of Milestone 1

Dear Ms. Evoy,

California-American Water Company ("Cal Am") is pleased to report that the first milestone set forth in State Water Resources Control Board Order WR 2016-0016 has been satisfied.

As you know, for purposes of calculating any reduction to the Effective Diversion Limit for Carmel River water diversions by Cal Am, Order WR 2016-0016 set forth seven separate milestones with respective deadlines by which each milestone must be met. The first milestone, with a deadline of December 31, 2016, required the following to occur:

CPUC approval of (1) the Water Purchase Agreement for Cal-Am's purchase of Pure Water Monterey water, and of (2) construction of the Cal-Am components of the Pure Water Monterey conveyance facilities, including the Monterey Pipeline and pump station.

On September 22, 2016, the California Public Utilities Commission ("CPUC") issued Decision 16-09-021 (the "Decision") which, among other things, authorized Cal Am to enter into the revised Water Purchase Agreement for Pure Water Monterey Project (the "WPA") among Cal Am, the Monterey Regional Water Pollution Control Agency, and the Monterey Peninsula Water Management District. The WPA provides for the purchase by Cal Am of advanced treated recycled water derived from the Pure Water Monterey groundwater replenishment project to serve Cal Am's customers within its service area. The Decision also authorized construction and operation of the Monterey Pipeline and pump station that had been evaluated in the environmental impact report prepared for the Pure Water Monterey Groundwater Replenishment Project. Immediately following issuance of the Decision, on September 23, 2016, Cal Am executed the WPA.

Moreover, on September 21, 2016, Cal Am issued a Notice to Proceed to its contractor, Garney Pacific, Inc., for construction of the Monterey Pipeline. Thus, Cal Am is well positioned to meet the second milestone in Order WR 2016-0016, requiring the start of construction of the pump station and pipeline for the Pure Water Monterey project on or before September 30, 2017.

Please let us know if you have any questions.

Sincerely,



Eric Sabolsice
Director of Operations, Coastal Division
California-American Water Company

cc: Felicia Marcus, State Water Resources Control Board
Frances Spivy-Weber, State Water Resources Control Board
Tam Doduc, State Water Resources Control Board
Steven Moore, State Water Resources Control Board
Dorene D'Adamo, State Water Resources Control Board
Tom Howard, State Water Resources Control Board
John O'Hagan, State Water Resources Control Board
Marianna Aue, State Water Resources Control Board
David Stoldt, Monterey Peninsula Water Management District
Mayor Bill Kampe, Monterey Peninsula Regional Water Authority



MARINA COAST WATER DISTRICT

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September 21, 2016

Monterey Peninsula Water Management District
Mr. David Stoldt
5 Harris Court, Building G
Monterey, CA 93940

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SEP 23 2016

MPWMD

Re: Groundwater Sustainability Agency

Dear Mr. Stoldt;

After many months of research, study and discussion, the Marina Coast Water District (MCWD) Board of Directors on **September 6, 2016** conducted a public hearing on **whether** to form one or two Exclusive Groundwater Sustainability Agencies (GSAs) for the Seaside Area and Corral de Tierra Subbasins within our service area. At that hearing, the Board voted **unanimously** to proceed with the formation of a GSA for each of the afore mentioned areas. The Board did not form a third GSA for its service area within the 180/400 Foot Aquifer Subbasin, which has been designated by the State as a Critically Overdrafted Subbasin, but reserves the right to do so if necessary to protect MCWD's groundwater rights. Attached are the exhibit maps for the proposed MCWD GSA areas that were submitted to the Department of Water Resources.

I think it is important that you, as a regional leader and stakeholder, understand MCWD's motivations to pursue this path to avoid any misunderstanding.

The 2014 State Groundwater Management Act defines "basin" as subbasin or basin and the Department of Water Resources' staff have further explained that in multi-subbasin groundwater basins, SGMA GSA and Groundwater Sustainability Plan (GS Plan) requirements apply to each subbasin and not to the larger basin as a whole. It's fundamental to the implementation of SGMA that each subbasin be viewed as the individual building block for effective sustainable groundwater management. Under SGMA, each subbasin is required to have one or more GSAs and a GS Plan or coordinated GS Plans. While it's still early in this process and the eventual outcomes are unknown at this time, I can assure you that MCWD will approach the development of GS Plans for the respective GSA areas in a collaborative fashion with other GSAs serving the Salinas Valley Groundwater Basin (SVGB).

MCWD has a unique profile of customers. Our approximately 33,000 customers are almost exclusively residential users with a diverse socio-economic demographic profile. Formation of GSAs within the MCWD service areas ensures that our ratepayers have a voice in the management of their only water source. In a recent survey of our ratepayers, we learned of their strong desire for MCWD to focus on regional collaboration to secure future water supplies and to keep rates affordable. We view formation of GSAs very much in keeping with the desires of the ratepayers to whom we are ultimately accountable.

September 21, 2016

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MCWD has proven its commitment to collaboratively identify regional solutions to secure future water supplies for the Monterey Region. Examples include the recent completion of the Urban Water Management Plan; water facility master planning; implementing the Regional Urban Water Augmentation Plan (RUWAP); securing 1,427 acre-feet per year of advanced treated water (Pure Water Monterey) for the Ord Community; entering into an agreement with MRWPCA to design, finance, construct, own and operate the Pure Water Monterey transmission pipeline; entering into a three-party agreement with FORA and MRWPCA to identify 973 acre-feet of water to satisfy the vision established via the Fort Ord Base Reuse Plan. Implementation of SGMA will require that the GS Plan be consistent and complimentary with these efforts. Establishing GSAs as MCWD has proposed will also allow us the flexibility to pursue the most cost effective solutions.

For nearly 60 years, MCWD has effectively and responsibly managed its water supply and defended its rights while collaborating with organizations and leaders such as yourself. We have given the formation of GSAs a great deal of study and thought and do not take this policy decision lightly. If you have any questions or require any additional information, I am happy to meet at a mutually convenient time.

Sincerely,
MARINA COAST WATER DISTRICT



Keith Van Der Maaten,
General Manager

Attachments:

- Attachment 1: "Exhibit 5: MCWD GSA Map- Seaside Area Subbasin"
- Attachment 2: "Exhibit 3: MCWD GSA Map-Corral De Tierra Subbasin"

Attachment 1

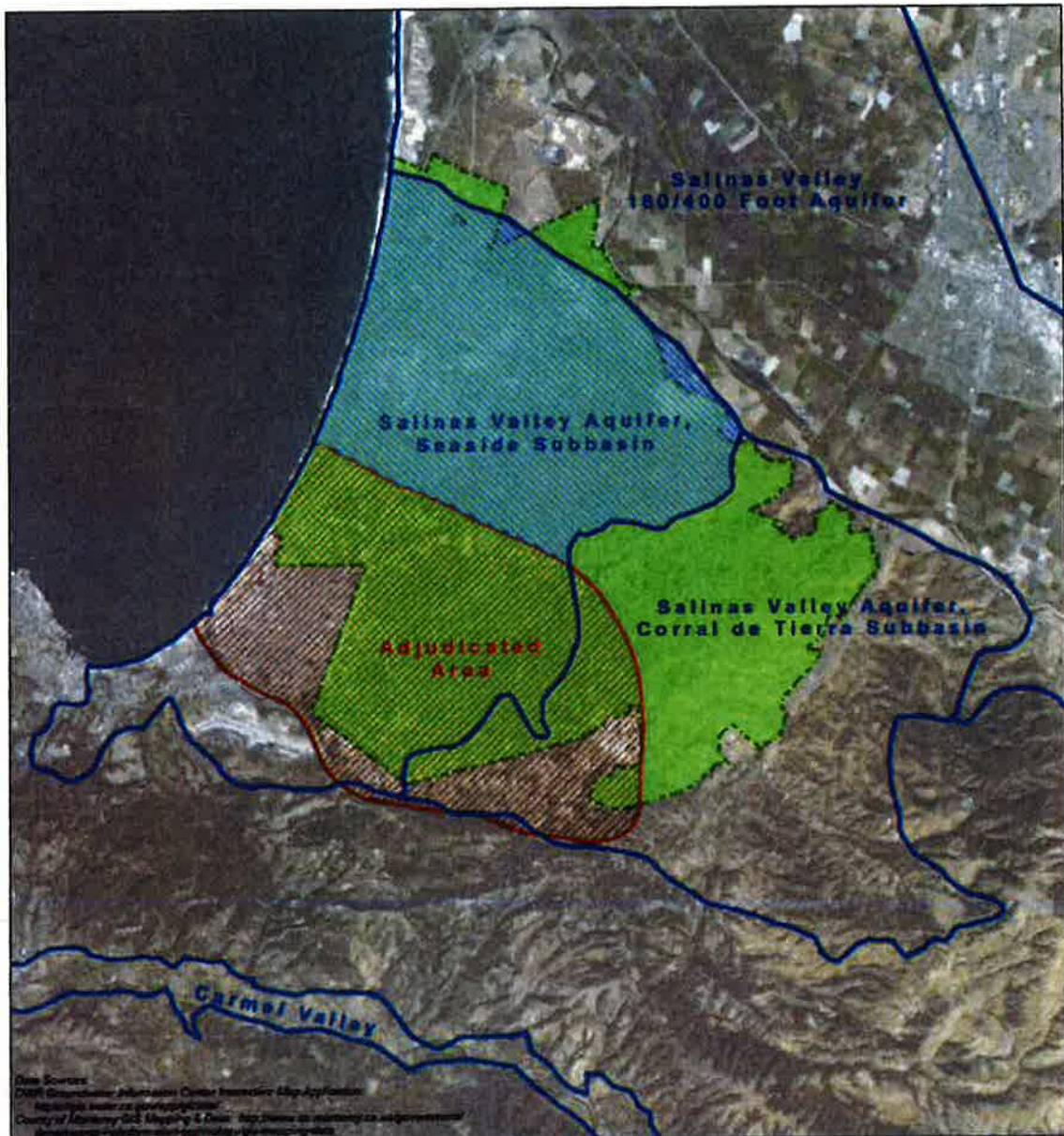







Exhibit 5: MCWD GSA Map - Seaside Area Subbasin

-  Marina Coast Water District service area
-  Proposed MCWD GSA Area - Seaside Subbasin
-  Adjudicated Seaside Groundwater Basin
-  Bulletin 118 Groundwater Basin boundary

N
0 1 2
Miles
1 Inch = 2 miles







Map Date: September 2016

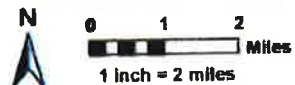
Attachment 2



Data Sources:
GIS: Groundwater Information Center ArcView Map Application
Map Data: water.ca.gov/gis/arcview
County of Monterey GIS Mapping & Data: <http://www.co.monterey.ca.us/government/department/222/InformationTechnology/gis-mapping/data>

Exhibit 3: MCWD GSA Map - Corral de Tierra Subbasin

-  Marina Coast Water District service area
-  Proposed MCWD GSA Area - Corral de Tierra Subbasin
-  Adjudicated Seaside Groundwater Basin
-  Bulletin 118 Groundwater Basin boundary



Map Date: September 2016

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SEP 26 2016

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*Celebrating Our
96th Anniversary*

W. Coburn Cook, 1892-1953
Lin H. Griffith, 1923-2014

David L. Hobbs
dhobbs@calwaterlaw.com

September 21, 2016

VIA CERTIFIED MAIL & EMAIL

Mr. Anthony J. Cerasuolo, Vice-President, Legal
California-American Water Company
655 W. Broadway, Ste. 1410
San Diego, CA 92101
ACerasuolo@amwater.com

Re: Potable Water Wheeling Agreement, dated April 8, 2009

Dear Mr. Cerasuolo:

I am in receipt of your correspondence dated September 19, 2016. Please be advised that Mr. Keith Van Der Maaten, MCWD's General Manager and Mr. Eric Sabolsice, Cal-Am's Operations Director, have agreed to meet in approximately one-week to discuss the issues raised in my prior letter and your response. At some point thereafter, MCWD proposes that representatives from the Monterey Peninsula Water Management District and the Monterey Regional Water Pollution Control Agency be invited to participate, since the outcome of these discussions directly affects their respective agencies.

In any event, for purposes of the Dispute Resolution requirements under the Potable Water Wheeling Agreement, to the extent the parties are unable to waive or otherwise toll the initial fifteen-day resolution period, MCWD proposes to commence the first fifteen-day dispute resolution period upon the initial meeting between our clients. If you are unable to agree on the fifteen-day issue, please advise. Otherwise, feel free to contact me should you have any concerns.

Regards,


David L. Hobbs

Cc: Marina Coast Water District; David Stoldt, Monterey Peninsula Water Management District; Paul Sciuto, Monterey Regional Water Pollution Control Agency; Jim Cullem, Monterey Peninsula Regional Water Authority; Eric Sabolsice, Cal Am Water Co. – Coastal Division

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*Celebrating Our
 96th Anniversary*

September 14, 2016

VIA CERTIFIED MAIL & FACSIMILE (831) 375-4367

California-American Water Company
 Attn: Eric Sabolsice
 511 Forest Lodge Road, Ste. 100
 Pacific Grove, CA 93950

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 SEP 19 2016
 MFWMD

Re: Potable Water Wheeling Agreement, dated April 8, 2009

Dear Mr. Sabolsice:

The purpose of this correspondence is to advise you that the Marina Coast Water District ("MCWD") has recently been made aware of activities by California-American Water Company ("CAW") that MCWD believes are not allowed under the Potable Water Wheeling Agreement, dated April 8, 2009, as and between MCWD and CAW (the "Agreement"). MCWD requests that CAW contact MCWD's General Manager, Keith Van Der Maaten, so that CAW's proposals, if any, for the MCWD/CAW joint pipeline (the "Subject Facility") can be discussed.

Specifically, MCWD was contacted by the Underground Service Alert ("USA") that CAW had recently provided USA with notice of its intent to perform some digging or trenching on or near the Subject Facility.

This proposed interference with the Subject Facility is of great concern to MCWD, as it appears that CAW may intend to interfere with the Subject Facility in exceedance of CAW's express rights under the Agreement.

The Agreement plainly states that CAW's capacity rights in the Subject Facility are solely limited to conveyance of Carmel River water for the Monterey Peninsula Water Management District's Phase 1 Aquifer Storage Recovery ("ASR") Project, and for no other purposes. (See Recital B; Section 1.2.)

It would appear that CAW's activities near the southern end of the Subject Facility are an attempt to interfere with the Subject Facility for purposes other than the conveyance of Carmel River sourced water, such as for the GWR Project or even CAW's proposed desalinization project.

Mr. Eric Sabolsice
September 14, 2016
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Neither of these potential uses is authorized under the Agreement, nor has MCWD been provided with even the courtesy of being informed of the extent of CAW's intended plans or goals regarding its current activities at the Subject Facility.

I note that both the terms and the spirit of the Agreement call for mutual cooperation and information sharing respecting the parties' joint use of the Subject Facility.

MCWD firmly supports the GWR and nothing in this letter should be construed otherwise. However, MCWD must prevent any unauthorized use of the District's property, which CAW appears to be preparing to do.

To the extent there may be excess capacity in the Subject Facility such that there is a potential for the conveyance of GWR-sourced water, MCWD is certainly willing to negotiate with all interested parties to explore such a possibility. However, at this time given the fact that CAW has provided no information to MCWD regarding CAW's intended plans for additional use of the Subject Facility, MCWD requests that CAW contact MCWD so that CAW's proposals, if any, for the Subject Facility can be discussed.

MCWD looks forward to hearing from you in order that we can successfully resolve the matters outlined above.

Regards,

GRIFFITH & MASUDA



David L. Hobbs

Cc: Marina Coast Water District
Western States Divisional General Counsel
David Stoldt, Monterey Peninsula Water Management District
Paul Sciuto, Monterey Regional Water Pollution Control Agency
Jim Cullem, Monterey Peninsula Regional Water Authority



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MPWMD

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SAN FRANCISCO, CALIFORNIA 94102

TEL: (415) 703-2444
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MICHAEL PICKER
COMMISSIONER

September 7, 2016

Jeanne Byrne
Chair, Monterey Peninsula Water Management District
5 Harris Court
Building G
Monterey, CA 93940

Dear Ms. Byrne,

Thank you for your letter of August 22, 2016, regarding the California Public Utilities Commission's (CPUC) response to the January 2016 User Fee decision upon remand by the California Supreme Court.

The CPUC cannot reinstate the user fee on California-American Water Company customer water bills as you request without going through the procedural process to resolve the issue. CPUC Commissioner Randolph is the assigned Commissioner in proceeding A.10-01-012 (Application of California-American Water Company (U210W) for an Order Authorizing the Collection and Remittance of the Monterey Peninsula Water Management District User Fee) which was reopened in March 2016. On August 24, 2016, Commissioner Randolph issued a Ruling to begin to resolve this issue.

Please contact me if you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to be "M. Picker", with a long horizontal flourish extending to the right.

Michael Picker
President, California Public Utilities Commission