



# Supplement to 10/21/2019 MPWMD Board Packet

Attached are copies of letters received between September 11, 2019 and October 15, 2019. These letters are listed in the October 21, 2019 Board packet under Letters Received.

Author	Addressee	Date	Topic
Margaret-Anne Coppernoll, Ph.D.	California Coastal Commission copy to MPWMD	10/2/19	Request that the California Coastal Commission deny California American Water's (CalAm's) application for a Coastal Development Permit
Jeff Davi and John Tilley	MPWMD Board	9/24/19	Response to Letter of Concern re Water Demand and Supply Report
Marli Melton	MPWMD Board	9/24/19	Report titled Water Supply and Demand on the Monterey Peninsula
Keith Van Der Maaten	Ian Crooks copy to MPWMD	9/23/19	California American Water Company's Proposed Use of the MCWD Pipeline for the MPWSP
Mike Scheafer	MPWMD Board	9/20/19	No Paid Workers' Compensation Claims in 2018-19
Jeff Davi and John Tilley	MPWMD Board	9/16/19	Item 9-A, Supply and Demand for Water on the Monterey Peninsula
John Moore	MPWMD Board	9/14/19	Water Article by Jim Johnson in Saturday's Herald

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Oct. 03 2019

MPWMD

October 2, 2019

California Coastal Commission  
Chair Dana Bochco, Commissioners and Staff

SUBJECT: Request that the California Coastal Commission deny California American Water's (CalAm's) application for a Coastal Development Permit

The purpose of my writing this letter is to support our world class City of Marina and our top notch finest public water company, Marina Coast Water District, and to protest the environmental injustice and aquifer destruction the CalAm desal project will cause. For several years now we have been in an existential struggle to protect and preserve Marina's sole potable water supply source, our aquifers in the Salinas Valley Groundwater Basin.

CalAm is persistent in its intent to tighten its grip on these aquifers by installing seven more slant wells at the CEMEX property to illegally extract Marina's water, in violation of the Agency Act, and transport it over to its Peninsula customers, ratepayers. Notwithstanding, these CalAm customers, ratepayers, stand with Marina to deny the desal plant and slant wells because there is a viable, much less expensive and environmentally safe water source in the Pure Water Monterey Expansion that would not cause any of the environmental damage or injustice issues that CalAm's desal plant will create. CalAm's project will cost \$1.2 billion over 30 years, while Pure Water Monterey will cost \$190 million, yet provide a future surplus water supply and drought reserves for decades, according to the Monterey Peninsula Water Management District. The math speaks clearly. CalAm has refused to sign a water purchase agreement for the Pure Water Monterey Expansion of the existing recycled water project because it stands to gain far more profit with its high cost, but unnecessary, desal plant. Please note that CalAm ratepayers bear the unsustainable cost while CalAm shareholders prosper, with those profits mostly benefiting out-of-state CalAm investors.

To be specific, CalAm stands to gain \$123 million in profits over thirty years at a cost per acre foot of \$6,094 at 86% capacity, or \$7,300-\$8,300 per acre foot if capacity drops. Ratepayers must cover CalAm's fixed operational costs regardless of water usage, which has declined significantly since drought years, resulting in excessively high water rates and surcharges. Outrageous as it is, ratepayers had to pay for the water they did not use! That was CalAm's "reward" for ratepayer water conservation efforts. Likewise, this is a serious concern as lower income ratepayers will have to financially sustain CalAm's exaggerated future desal demand. Pure Water Monterey Expansion meets peak demand and costs substantially less at \$2,077 per acre foot while adding 2,250 acre feet per year to the water supply. This will increase the total available water supply to 11,700 acre feet per year, producing enough water for 40-50 years of new growth. Furthermore, Pure Water Monterey Expansion will benefit local agriculture and serve urban requirements.

Additionally, the CalAm desal project also violates the City of Marina's multi-party resolution agreement to safeguard the CEMEX property for conservation and recreational purposes only, thus precluding any future industrial development after the closing of the sand mining operations that currently exist on the property. This resolution agreement was executed in support of Marina's Local Coastal Program (LCP) plan to ensure protection of Marina's sensitive coastal habitats, beaches, and sand dunes from further industrial environmental destruction. The CalAm desal project will produce more greenhouse gas emissions (8,635 metric tons of CO<sub>2</sub> per year, or 250,050 metric tons of CO<sub>2</sub> over thirty years) than the Pure Water Monterey Expansion project, plus the resultant brine discharge from the CalAm desal plant will endanger Monterey Bay Marine Sanctuary plant and animal life. The entrainment and entrapment of sea life elements are other risks entailed with the desal plant unsound methodology.

The CalAm desal high energy usage being four times higher than Pure Water Monterey Expansion, according to PG&E, and the need for unavailable access to a Marina Coast Water District pipeline, make the CalAm desal plant even more undesirable and infeasible. Adding to the environmental injustice issue is the CalAm disregard for the City of Marina's denial of the CalAm test slant well and desal plant permit applications, and the unacceptable, unwanted CalAm invasion of Marina's sole potable water supply source at incalculable loss to the communities that depend on this water. Water is a basic human right and should not be exploited for commercial, monopolistic profit.

Marina Coast Water District and the City of Marina residents have been good neighbors because they supported and invested in the pipeline that transports Pure Water Monterey water over to the Seaside Basin for Peninsula use. Residents tolerated the digging up of their streets for large water pipe installation and traffic disruption because they want Peninsula neighbors to enjoy water too. I am fully aware of this construction because the pipeline was installed in the street next to my house. Peninsula residents are good neighbors as well because they do not want to drink "stolen" water taken from Marina communities. That's why and how community cooperative support for Pure Water Monterey Expansion became the best water solution.

Unfortunately, CalAm placed its slant well pipe sensor below the freshwater Perched Dune Sand Aquifer and the Dune Sand Aquifer, deceptively giving false model data to agencies regarding the amount of freshwater the slant well has extracted from the aquifers, and will extract with seven more slant wells. This deliberate dishonest act is the root of much anguish because it gave misleading data and inaccurate slant well modelling to the CPUC and others to produce a fraudulent EIR, the outcome being CPUC approval of CalAm's desal project.

The Salinas Basin is on the state's critically over drafted groundwater basin list. The Aero Electro-Magnetic Stanford scientific study proved the slant wells create seawater intrusion. This has already been happening with the current CalAm test slant well. The threatened Salinas River steel head trout, on the endangered species list since 1998, and 21 other fish species, according to the California Division of Fish and Wildlife, are at risk, as are sensitive habitats such

as that belonging to Marina's Mascot bird, the Western Snowy Plover. The beloved Western Snowy Plover has undergone extensive loss of its young and nesting area, and risks disappearance due to habitat destruction, much to the dismay of Marina's citizens and visitors alike.

If the California Coastal Commission does NOT deny the CalAm coastal development permit application, Marina's beaches and dunes will be greatly deteriorated, or totally eroded; its roads will be torn up to accommodate water transport pipes, but most critically important, Marina's only water supply source will be devastated, with not one drop of desal water going to Marina. CalAm has offered no mitigation or compensation for this planned massive disruption and loss to the entire Marina community that includes the Dunes, Ord Communities and East Garrison. But the Monterey Peninsula CalAm ratepayers, who already suffer the highest water rates in the nation, will also have to endure the exceptionally expensive water that the CalAm desal plant will provide. This in turn will cause many residents to lose their homes or apartments, thus exacerbating the homeless situation that already exists, not to mention the increased burden on healthcare systems and adverse economic impacts. This is environmental injustice too. Connect the water dots, or cascading consequences, and you will agree.

Indisputably, CalAm plans to do to our Salinas River what it has done to the Carmel River. We cannot afford to wait for another State Cease and Desist Order to stop CalAm. We must accomplish preventive pre-emptive action now. Survival demands it.

The CalAm damage and injustice must be brought to a standstill before it is too late. Marina citizens join our Peninsula neighbors and friends in support of the Pure Water Monterey Expansion program because it is the best, and only viable, sustainable water supply alternative for the Monterey Peninsula, and will not harm Marina – a true win-win.

CalAm will present its demand for a coastal development permit for its desal plant and additional slant wells that will supply its source water, at the California Coastal Commission's November meeting, despite not having the requisite water rights or ability to legally obtain such, a key "show stopper" fact that renders the CalAm desal plant project infeasible.

Our Founding Father, Alexander Hamilton, declared that "when injustice becomes law, protest becomes duty". This is why we fulfill our duty to protest against CalAm's desal project coastal development permit application. There is no cogent reason to approve such an environmentally unjust and harmful project. The Salinas Valley Groundwater Basin will never be able to recover from this intended ruin if the CalAm application goes forward. Three Monterey County Supervisors, whose constituents will not have to pay for the CalAm desal plant project, voted against the two Supervisors from Districts 4 and 5 to force the CalAm desal boondoggle on the Monterey Peninsula's CalAm ratepayers and Marina communities. This is extreme environmental injustice, an indefensible form of "taxation without representation" that our Founding Fathers fought so hard to prevent in the American Revolution and subsequent penning of the Constitution of the United States of America.

To conclude, "we the people" are protesting the environmental injustices already withstood, and those implicit in the CalAm coastal development permit application, in hopes that a brighter future will become the new reality. As a very concerned Marina citizen, retired military officer, former two-term elected official, and community volunteer for Marina, Monterey Peninsula, and Monterey County nonprofit boards and commissions, I implore the California Coastal Commission to act in the best interest and benefit of the public by denying the CalAm coastal development permit application.

You have the power in your hands not only to do the right thing, but also to make a huge difference. In our eyes, you will be the heroes.

We deeply appreciate and admire your public service.

Very Respectfully and With Gratitude,

Margaret-Anne Coppernoll, Ph.D.

//s//Margaret-Anne Coppernoll

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Bruce Carlos Delgado, Mayor, City of Marina

City of Marina City Council members

Keith Van Der Maaten, General Manager, Marina Coast Water District

Marina Coast Water District Board members

Ron Weitzman, President and Board Chair, Water Ratepayers of the Monterey Peninsula

Marina Citizens for Just Water

Public Water Now

Monterey Peninsula Water Management District

Mark Stone, State Assembly Member

Bill Monning, State Senator

**Coalition of Peninsula Businesses**

A coalition to resolve the Peninsula water challenge to  
comply with the CDO at a reasonable cost

*Members Include: Monterey County Hospitality Association, Monterey Commercial Property Owners' Association,*

*Monterey Peninsula Chamber of Commerce, Carmel Chamber of Commerce, Pacific Grove Chamber of Commerce, Monterey County Association of Realtors, Associated General Contractors-Monterey Division, Pebble Beach Co., Community Hospital of the Monterey Peninsula*

September 24, 2019

The Honorable Molly Evans, Chair, and Board

Monterey Peninsula Water Management District  
P. O. Box 85  
Monterey, California 93942

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OCT - 9 2019

MPWMD

Transmitted by fax to 831-644-9560

Dear Chair Evans and Board:

The night of your recent Board meeting, MPWMD General Manager handed us a one page 'response' to our letter of concern re the 'water demand and supply' report (the report); our letter was delivered to you by fax Sunday night before your Board meeting.

Aside from the informality of the response, the responses are not satisfactory for several reasons which we explain below (the responses are shown in italics).

*Response to our criticism of first Principal Conclusion in the report: Citation of CPUC Findings: We do not dispute those findings were made by the CPUC. We are simply presenting the facts about supply and demand as they exist at this time. One could assert that the CPUC knows less about local demand than the District. The CPUC did not present any findings about market absorption, nor when future demand will require newsupply.*

The conclusions reached by the CPUC were based on exhaustive testimony and exhibits from Cal Am, from various subject matter experts and the testimony of numerous

others (including Mr. Stoldt in 2017) with a stake in the outcome. To imply that the district knows more about local demand than the company tasked with producing water to meet local water demand is absurd; virtually everything Mr. Stoldt purports to know about local water production and use is based on information derived from Cal Am. After decades of frustration of efforts and desires of local water users to remodel, renovate, reuse and rebuild, Mr. Stoldt should be a little more receptive to the ideas about future demand and 'market absorption' expressed by those local water users, many of whom will be the source of future demand and 'market absorption.' Also missing from the analysis is any mention, or taking into account, of the new California housing mandates from a package of bills signed into law by Governor Jerry Brown in late September 2017 (an excellent recap of those bills and their requirements can be found at <[sacbee.com/news/politics-government/capitol-alert/article176152771.html](http://sacbee.com/news/politics-government/capitol-alert/article176152771.html)>).

*Response to our criticism of the report's lack of objective standards in estimating demand and supply needed: Objective Standard of CPUC General Order 103b: We believe it is intended to have said 103A. GO 103A only speaks to maximum daily demand (MDD) and peak hourly demand (PHD), and does not refer to average annual demand. Hence, there is no requirement to look back 10 years on annual demand (which if you did, is still over 1,000 AF below the current sizing assumption.) Our analysis does consider trending 10-year MDD and PHD, and asserts that the additional well capacity included in the Pure Water Expansion will be more than sufficient for a 15-16 MGD MDD. Because the trending MDD is in decline, the 10-year Max-Month was 10-years ago, so may require over 21-22 MGD MDD. Use of the Carmel River legal rights in summer months or additional well capacity would be required - still inexpensive - to meet the higher MDD values.*

Mr. Stoldt is right – we should have cited CPUC General Order 103-A. Mr. Stoldt is not correct in asserting that General Order 103-A (along with the AWWA standards we referenced but Mr. Stoldt does not mention) do not specify that sizing a water supply project to cover *maximum daily demand* and *peak hourly demand* within a ten-year period. It should be remembered that at the beginning of the MPWSP application process, Cal Am used statistics based on five-year histories and changed to using statistics based on ten-year histories because of the generally used water supply project sizing standards. Cal Am's testimony and exhibits of Richard Svindland and others filed in January 2013 are excellent sources, among others, to consult on this point.

*Response to our criticism of the second Principal Conclusion that either supply option (desal or expanded PWM) would be sufficient to lift the CDO: How can the District assert the CDO would be lifted? Both supply scenarios are "permanent." Both scenarios allow Carmel River pumping to stay below the legal rights.*



Our criticism stands as presented: the CDO cannot be lifted until our area “proves” it has a “permanent supply of water.” Aquifer storage and recovery (ASR) is far from a permanent supply. One only has to review the ASR production records of the Peninsula’s last drought – when ASR produced NOTHING - to understand the danger of relying on ASR as a source of “permanent supply.” To include Pure Water Monterey (PWM), with its interruptible source of treatment water, is problematic. The source water is dependent on ag water uses remaining constant, which is highly unlikely in light of recent developments in ag practices and changes in technology. PWM is close to its second default in the last few months. PWM expansion is dependent on some of the same unreliable and interruptible water sources as the original plant and therefore as distant, if it is in fact built, from a “permanent supply” as the original. Any water supply project that purports to be ‘permanent’ that does not include a desal plant to provide drought-proof and reliable water production is just wishful thinking (this important concept was supported in testimony from, among others, Mr. Stoldt in 2017). To step away from desal, which seems to be the real purpose of the study, would create a serious risk that we will never see a lifting of the CDO.

Response to our questioning the fourth Principal Conclusion about contributing factors to decreased water use: *“the downward trend in water use in the District will continue” The District report does not contend this at all. The report says where do we go from here?... assuming no continued downward trend in annual use. The price elasticity and legislative action discussion underpins the District claim that water use per person is not likely to increase.*

We did not contend that the report predicted continued decreases in water use; we did point out that the CPUC rejected this argument as “not convincing.” To conclude water use per person will not rebound (that is, increase) as it has throughout California after the severe state drought restrictions were lifted is to ignore recent history and human nature.

In addition, when thinking about water demand and ‘market absorption’ please see our comment above on the new California housing mandate – for housing for workers and middle management.

Response to our comments on the third Principal Conclusion (*that long-term water supply needs may be less than thought*): *Legal lots of record: The point is the sum of several “trivial” reassessed assumptions can be significant. Tourism Bounceback: This figure was labeled ‘tourism bounceback’ by Cal-Am in its April 14, 2016 and September 27, 2017 testimony and tied to tourism*

*occupancy rates in their April 23, 2012 and January 11, 2013 testimony.*

The comment that the “sum of several trivial assessments can be significant” will be addressed later.

Mr. Stoldt spent a lot of time on occupancy statistics (STRS reports, etc.) to reach the conclusion that the amount of water labeled ‘tourism bounceback’ is overstated even though it is part of the final CPUC approval and even though the district earlier on agreed with that number and later unsuccessfully tried to convince the CPUC it should be reduced.

Mr. Stoldt’s conclusion that the bounceback has already occurred is wrong and a few simple conversations with hospitality industry professionals would have shown him otherwise.

The occupancy statistics relied on are county-wide, not specific to the Peninsula. Further, those statistics do not differentiate between full-service establishments and others. The 500 afa of supply was intended to include not just the return to prior levels of occupancy on the Peninsula (full-service facilities, for instance, were at occupancy levels in the high 70s to low and mid-80s during 1998-99-2000) but water use increases as the rest of the Peninsula economy recovers (see Svindland testimony of January 11, 2013).

The events of 9-11-01 hurt the industry but the recent recession hurt the industry much more and has had a much more lasting effect. The lodging industry is still struggling to achieve occupancy levels in the high 70s and low 80s. As the Peninsula’s principal driver of economic activity, all other economic activity - and therefore water use - will increase as the lodging industry achieves its goal. Also ignored in this analysis is the fact that several new lodging facilities will be built in the next couple of years. The Peninsula should be a world-class travel destination; it should not be stuck, as it has been for years, with a third-rate water supply.

Returning to the ‘sum of trivial reassessments can be significant:’ it seems to the Coalition that this *Supply and Demand for Water* report is created to accomplish one thing: tinkering at the margins to reassert failed arguments about the nature and extent of long-term water demand and persuade everyone to abandon the desal plant. Abandoning the desal might (but likely would not) make the purchase of Cal Am more affordable or feasible and make it imperative to embrace the construction of expanded PWM with a guaranteed source of purchase for the produced water, without which

construction of the expansion cannot take place.

Mr. Stoldt may be forgetting the decades-long struggle of the Peninsula to achieve a long-term, safe, sustainable, secure, sufficient water supply. With such a supply now in sight, he has unfortunately slipped in to an all-too-familiar train of thought that has derailed local water supply efforts for over almost fifty years. The Peninsula's long-term water supply needs may not be less than thought. If the report is successful in persuading the Peninsula to abandon the desal plant, we will be stuck in our current condition of water poverty for the foreseeable future.

Please reject this report and its unsupportable conclusions and please do not allow it to become an issue at the November California Coastal Commission Monterey Peninsula Water Supply Project Coastal Development Permit hearings.

Sincerely,



Jeff Davi, Co-chair



John Tilley, Co-chair

cc: MPWMD General Manager Dave Stodt



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SEP 24 2019

September 24, 2019

Dear Ms. Evans, Mr. Stoldt and all of the Board members and Staff at MPWMD: **MPWMD**

Thank you very much for the excellent data presented in the report on Water Supply and Demand on the Monterey Peninsula. You have presented complex information very clearly and in great detail.

It was especially helpful to see the ways the report arrived at the numbers that were presented. It is good to see that your goal includes larger, but not excessive, amounts of water, over and above amounts that are likely to be needed.

It also inspires confidence that, even with generous allowances for pent up demand, new housing, remodels, growth in tourism, and commercial growth and development, the Monterey Peninsula can use the Pure Water Monterey (PWM) expansion and still have enough water for many decades to come – without a desal plant.

Even at 3 times the historical absorption rate, one sees that the Pure Water Monterey expansion will be sufficient for at least 20 more years. The high price of water already results in drought-like (rationing) conditions for many users, so people continue to conserve. The vast majority of changes are permanent – new appliances and equipment, new habits, different landscape and garden practices, etc. Even with the less costly PWM expansion, the cost of water will continue to increase, and water usage may not increase or even continue to decline.

The Pure Water Monterey option will allow us at least 20 years, and probably decades more, to explore better approaches to desal, should that eventually be needed. With time to develop realistic and thoughtful plans, we can build a future nonprofit, regional desal plant using more appropriate siting, sizing, and green technology and producing affordable water.

It appears that the Cal Am desal project will be so expensive that only the wealthy can afford such costly water. These high prices will act like rationing. Thus, even more people will face ongoing, never-ending drought-like conditions.

Information on your website shows the Monterey Peninsula Water Management District has been working steadily to expand drought reserves. I have heard that the Pure Water Monterey expansion, along with improvements in other water sources, will allow for even larger reserves adequate to withstand drought, without desal. Please let me know if there is more detailed information on this.

With sincere appreciation and thanks,

*Marli Melton*

Marli Melton, Carmel Valley [marlimelton@gmail.com](mailto:marlimelton@gmail.com)





# MARINA COAST WATER DISTRICT

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## DIRECTORS

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President

JAN SHRINER  
Vice President

HERBERT CORTEZ  
PETER LE  
MATT ZEFFERMAN

September 23, 2019

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Sept 24 2019

MPWMD

Mr. Ian Crooks  
California American Water  
655 West Broadway, Suite 1410  
San Diego, CA 92101  
(619)446-4786

VIA EMAIL: [Ian.Crooks@amwater.com](mailto:Ian.Crooks@amwater.com)

Re: California American Water Company's Proposed Use of the MCWD Pipeline for the MPWSP

Dear Mr. Crooks:

As you know, Marina Coast Water District ("MCWD") and California American Water Company ("CAW") have been analyzing whether there is sufficient unused capacity in the MCWD Pipeline (the "Subject Facility") for CAW to convey desalinated water from its proposed Monterey Peninsula Water Supply Project ("MPWSP") during the projected life of the MPWSP. Initially, CAW had requested to use the Subject Facility pursuant to the MCWD/CAW Potable Water Wheeling Agreement, dated April 8, 2009 (the "Agreement"). MCWD asserted, and continues to assert, that the Agreement does not authorize CAW to use the Subject Facility for MPWSP desalinated water, and that CAW's use of the Subject Facility is expressly limited to Aquifer Storage and Recovery ("ASR") water.

In response to MCWD's denial of the new use under the Agreement, CAW invoked the Joint Use of Capacity in Water Conveyance Facilities Statute ("Wheeling Statute," Water Code §1810, *et seq.*) to use the Subject Facility to convey MPWSP desalinated water.

MCWD and CAW have been meeting and sharing certain technical information as to the amount and availability of the Subject Facility's unused capacity for MPWSP desalinated water. MCWD has also performed its own analysis such that a determination can now be made as to the amount and availability of unused capacity in the Subject Facility during the projected life of the MPWSP. The purpose of this letter is to inform you that MCWD staff's analysis for the Wheeling Statute shows that, in light of the demand requirements of the Subject Facility by other prioritized uses, there is insufficient unused capacity to convey the quantity and frequency of MPWSP desalinated water requested by CAW during the period for which CAW's new use is proposed.

Ian Crooks  
September 23, 2019  
Page 2

The MCWD Board will be asked to make the required determinations pursuant to the Wheeling Statute as to the amount and availability of unused capacity over the period for which CAW's transfer is proposed, the terms and conditions for use of the Subject Facility for MPWSP desalinated water, and other relevant findings at the October 21, 2019 regular board meeting. MCWD will provide CAW with its analysis prior to that date and invites CAW to submit its own analysis.

Sincerely,



Keith Van Der Maaten  
General Manager  
Marina Coast Water District

cc: Tom Luster, California Coastal Commission Luster (Tom.Luster@coastal.ca.gov)  
Dave Stoldt, Monterey Peninsula Water Management District (dstoldt@mpwmd.net)  
Paul Sciuto, Monterey One Water (Paul@my1water.org)  
Chris Cook, Director of Operations, Coastal Division, Cal Am, (Christopher.Cook@amwater.com)





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September 20, 2019

Mr. Robert S. Brower Snr.  
 Board President  
 Monterey Peninsula Water Management District  
 Post Office Box 85  
 Monterey, California 93942

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SEP 27 2019

MPWMD

**Re: No Paid Workers' Compensation Claims in 2018-19**

Dear Mr. Brower Snr.:

This letter is to formally acknowledge the dedicated efforts of the Monterey Peninsula Water Management District's Governing Body, management and staff towards proactive loss prevention and workplace safety. Your agency's efforts have resulted in no "paid" workers' compensation claims for program year 2018-19. A "paid" claim for the purposes of this recognition represents the first payment on an open claim during the prior program year. This is a great accomplishment!

It is through the efforts of members such as Monterey Peninsula Water Management District that SDRMA has been able to continue providing affordable workers' compensation coverage to over 440 public agencies throughout California. In fact, 280 members, or 64%, in the workers' compensation program had no "paid" claims in program year 2018-19.

In addition to this annual recognition, members with no "paid" claims during 2018-19 earned two credit incentive points (CIPs) thereby reducing their annual contribution amount. Also, members without claims receive a lower "experience modification factor" (EMOD), which also reduces their annual contribution amount.

As SDRMA is dedicated to serving its members and preventing claims, we would appreciate your agency taking a moment and sharing with us what made your District successful in preventing work-related injuries. Our goal is to incorporate your successful ideas and suggestions into our loss prevention programs to benefit all members of SDRMA. Please forward any ideas or suggestions to Dennis Timoney, SDRMA Chief Risk Officer, at [dtimoney@sdrma.org](mailto:dtimoney@sdrma.org).

On behalf of the SDRMA Board of Directors and staff, it is my privilege to congratulate the Governing Body, management, and staff for their commitment to proactive loss prevention and safety in the workplace.

Sincerely,  
 Special District Risk Management Authority

Mike Scheafer, President  
 Board of Directors



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SEP 16 2019

MPWMD

**Coalition of Peninsula Businesses**  
A coalition to resolve the Peninsula water challenge to  
comply with the CDO at a reasonable cost

*Members Include: Monterey County Hospitality Association, Monterey Commercial Property Owners' Association,*

*Monterey Peninsula Chamber of Commerce, Carmel Chamber of Commerce, Pacific Grove Chamber of Commerce, Monterey County Association of Realtors, Associated General Contractors-Monterey Division, Pebble Beach Co., Community Hospital of the Monterey Peninsula*

September 16, 2019

The Honorable Molly Evans, Chair, and Board  
Dave Stoldt, General Manager  
Monterey Peninsula Water Management District  
P. O. Box 85  
Monterey, California 93942

Transmitted by fax to 831-644-9560

Re: Item 9-A, *Supply and Demand for Water on the Monterey Peninsula*

Dear Ms Evans, Board Members and Mr. Stoldt:

The Coalition of Peninsula Businesses finds a number of things about the report, *Supply and Demand for Water on the Monterey Peninsula*, troubling. In fact, the report appears to be a 'dressed-up' version of arguments MPWMD made to the CPUC before, and rejected by the CPUC in, its final approval of the Monterey Peninsula Water Supply Project. This report seems to constitute a 'second bite at the apple' now that the Supreme Court rejected all appeals, including MPWMD's, of the CPUC decision approving the Monterey Peninsula Water Supply Project. As a consequence, the report deservedly lacks credibility.

The 'Principal Conclusions' reached are problematic.

The first 'conclusion' contradicts a number of the CPUC findings of fact' in its decision approving the Monterey Peninsula Water Supply Project. A sampling of those contradictions follows:

- 19. PWM expansion alone fails to provide a sufficient supply ...[or] sufficient supply flexibility or reliability...;
- 25. Construction and operation of the MPWSP will allow Cal Am to meet reasonable demand..., provide a reliable and secure supply, include a reasonable "buffer" against uncertainties, and satisfy all other reasonable

needs;

- 73. There is a need for additional water supplies, over and above any water savings that can be accomplished through conservation, use of recycled water or other purchased water.

The CPUC approval was based on objective standards following CPUC General Order 103b (written into law in the California Code of Regulations at Waterworks Standards) and AWWA standards for sizing water supply projects. How do the assertions in this report meet those important standards for supply, reliability and flexibility?

The second conclusion is that either water supply option is sufficient to lift the CDO. The CDO specifies it shall remain in effect until a) Cal Am certifies, with supporting documentation, that it has obtained a permanent supply of water [to reduce Carmel River pumping to the legal limit] and b) the Deputy Director for Water Rights concurs.... Given that the supply option that does not include a desal plant does not and cannot comply with the standards mentioned above (including sufficiency, reliability, flexibility) and since the CDO is issued against Cal Am, how can the District assert with any confidence that it can secure a lifting of the CDO based on non-existent evidence of a "permanent" water supply to serve Peninsula water needs?

The fourth conclusion is that 'several factors' contribute to pressure on (sic) decreasing per capita water use. As mentioned earlier, the CPUC rejected this argument by stating in "finding of facts" point 29 that "the assertions by some parties [importantly including MPWMD] that the downward trend in water use in the District will continue ...are not convincing."

The third conclusion that the long-term Peninsula water needs may be less than thought is problematic on several levels.

- Report calculations of water needed for legal lots results in a trivial reduction in overall demand (by the way, the updated water use factors incorrectly list multi-family use at 1.2 AFA instead of .12 AFA) so are not of much concern.
- Reducing the 'tourism bounceback' needs from 500 AFA (the need used in the CPUC approval, and once agreed to by MPWMD - that helped develop that figure) without adequate discussion or documentation is unacceptable. It is also unacceptable to label this figure as due to 'tourism bounceback' as it actually represents a figure for economic recovery of all sectors of the Peninsula economy including recovery of lodging levels to prior highs. Again, this reduction was presented to the CPUC and rejected in its final approval.

- The Pebble Beach Co. entitlement to 345 AFA is a matter of law and not subject to ex post facto tinkering.

We urge the District to reject this analysis of Peninsula water demand and supply. We need a desal plant as approved by the CPUC as the only means of obtaining a sufficient, stable, secure and sustainable water supply which even an expanded Pure Water Monterey (soon to be in double default without any “transparent” explanation to the public) and drought failure-prone Aquifer Storage and Recovery will not provide.

Sincerely,



Jeff Davi, Co-chair



John Tilley, Co-chair



**From:** [John Moore](#)  
**To:** [Ron Weitzman](#); [Jim Johnson](#); [Sweigert, Jan@Waterboards](#); [Arlene Tavani](#); [Marge Jameson](#)  
**Subject:** Re: Water Article by Jim Johnson in Saturday's Herald  
**Date:** Saturday, September 14, 2019 1:30:15 PM

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Jim: Re the six months from injection to extraction, Sciuto says that modeling shows that it takes a year. In the permit, PWM said it would use trace chemicals to determine the time from a given injection date, if requested by the dept. of drinking water. Hence my copying to Jan Sweigert, the local DDW Administrative boss. Ask her about it and the adequacy of health safety tests.

The purpose of the six months period is to dilute contaminants left in the treated water, by mixing them with the drinking water in the basin from other sources. Crazy? Also, my recollection is that the permit approved by the lay-board of the Central Water Resources Board only required a three month trip in the basin.

I just reviewed a copy of the annual budget for the Seaside Basin Watermaster. It only budgets for quarterly water quality tests and there is No testing for Ag waste pathogens that beat the treatment process(of course there has never been any scientific research to identify those toxins). Also there is no testing for PSAs and PSOs tho those contaminants leech into the basin from Site 39 of old Ft. Ord(According to the base cleanup report).(Also, Watermaster assumes 40% of water in basin is leached from annual rains).

I recently sent Ron a copy of a report from a prestigious Water Dept (Stanford U)re municipal water supplies: it remarked that over time every source of drinking water will suffer interruptions, hence the need for multiple sources for drinking water. In any other place that would constitute common sense. JMM

On Fri, Sep 13, 2019 at 8:00 PM Ron Weitzman <[ronweitzman@redshift.com](mailto:ronweitzman@redshift.com)> wrote:

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> NEWSLOCAL NEWS

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> Pure Water Monterey recycled water project delays continue

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> By JIM JOHNSON | [jjohnson@montereyherald.com](mailto:jjohnson@montereyherald.com) | Monterey Herald

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> PUBLISHED: September 13, 2019 at 3:07 pm | UPDATED: September 13, 2019 at 3:08 pm

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> Completion and operation of the much-anticipated Pure Water Monterey recycled water project have been delayed again and it is now expected to miss another key water delivery deadline set for the end of this year.

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- > But an accelerated proposed timeline envisions California American Water starting to extract water banked in the Seaside basin from the recycled water project by February or March, before the current six-month waiting period.
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- > Monterey One Water general manager Paul Sciuto said he and his project management team are in ongoing discussions with Pure Water Monterey project contractor Anderson Pacific Engineering Co. on a “recovery” schedule for construction and operation of the advanced wastewater purification facility, or recycled water treatment plant, which was supposed to produce water by July 1 under a water purchase agreement with Cal Am but still has not done so. Despite the talks, Sciuto said there still is no set schedule for project completion and delivery of the first recycled water to the Seaside basin, or ultimately extraction by Cal Am for use on the Monterey Peninsula.
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- > A schedule presented to Monterey One Water officials last month suggested a key water quality test could be completed by the end of this month, with operation to commence in early October.
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- > “There is no acceptance schedule now, that’s not going to happen,” Sciuto said, noting the complexity of the \$126 million project with nearly 950 separate elements, and the challenges involving finalization of intricate recycled water treatment systems including programming and integration. “This isn’t building a spec home. This is something completely different.”
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- > The project is designed to produce up to 3,500 acre-feet of recycled water per year using advanced water treatment processes to convert a number of wastewater sources, including Monterey Peninsula sewer water and contaminated Salinas Valley agricultural wash water and run-off, into drinking water. It will also produce additional recycled water for other uses, as well as additional irrigation water. The project represents the first time ag water has been recycled for potable uses.
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- > Sciuto said a tentative project schedule assumes the project, including the treatment plant, will be operational by mid-November, after a required 14-day water quality test, and water delivery for injection into the Seaside basin could begin then. A 30-day treatment plant acceptance test into December with final completion to follow.
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- > That would mean the project wouldn’t be operational in time for a planned Oct. 4 ribbon-cutting ceremony at the treatment plant for state and local elected and appointed officials and others who contributed to the project. The event, which includes treatment plant tours, is not open to the public and Sciuto said a series of public open houses will be conducted after project completion, probably sometime early next year.
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- > Since the project must produce 1,000 acre-feet of water for a basin reserve before Cal Am can start extracting additional water from the Seaside basin, it is expected to take three months — into February or March — for any water to be available for Peninsula customers.
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- > That means the project would be in default on its contractual requirement to produce water for extraction by Jan. 1, the second such default following the failure to deliver product water by July 1. Sciuto said he informed Cal Am officials about the anticipated breach and expects the company to send another letter noting the default and preserving its rights to cancel the project’s water purchase agreement.
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- > At the same time, Sciuto said he expects Cal Am to be able to start pumping water from the basin immediately after the reserve amount is banked, allowing the private water company to reduce its pumping from the Carmel River by an equal amount. He said the original timeline’s six-month delay between injection and extraction for use would no longer be relevant because the project will be operating outside the contractual schedule. While the state requires a six-month waiting period between injection and extraction for indirect potable reuse water projects, Sciuto said Monterey One Water has told the state its modeling shows it will take nearly a year for the Pure Water Monterey recycled water to get from the injection point to the extraction point.
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- > Cal Am spokeswoman Catherine Stedman said company President Rich Svindland met with Sciuto earlier this week and generally agreed with the proposed timeline, including skipping the six-month waiting period.



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> “(Svindland) said that we’re working with (Monterey One Water) and looking forward to being able to deliver water from the project,” Stedman said.

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> Combined with Cal Am’s proposed desalination project, and other water supplies, the Pure Water Monterey project is expected to help provide a new water supply for the Peninsula to offset a state-ordered cutback in pumping from the Carmel River due to take full effect by Dec. 31, 2021, as well as a required reduction in pumping from the Seaside basin.

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> Asked if the Pure Water Monterey project delays should raise concerns about potential similar delays for a project expansion, which backers have promised could be in place by the river cutback deadline if the Cal Am desal project falters, Sciuto agreed the expansion proposal is facing a tight timeline, but said merely expanding the plant’s capacity once it’s completed and operating should be simpler.

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> Meanwhile, the Monterey Peninsula Water Management District board on Monday is set to consider a water demand report that suggests the Pure Water Monterey project and the proposed 2,250-acre-foot expansion, along with other water supplies, could meet the Peninsula’s water demand including development and economic rebound through 2043 even without the Cal Am desal project because Peninsula water use has decreased and future demand could be less than anticipated. Cal Am’s desal plant in conjunction with the original Pure Water Monterey project and other water supplies would provide about 15,700 acre-feet of water per year, about 4,000 acre-feet per year more than the Pure Water Monterey and expansion proposal with other supplies. The former would also cost Peninsula customers about \$2,000 more per acre-foot than the latter.

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> The district board is set to meet at 7 p.m. at district headquarters, 5 Harris Court in Ryan Ranch, Monterey.