Supplement to 12/16/2019 MPWMD Board Packet

Attached are copies of letters received between November 13, 2019 and December 9, 2019. These letters are listed in the December 16, 2019 Board packet under Letters Received.

Author	Addressee	Date	Topic
Jeff Davi and John Tilley	MPWMD Board	12/9/19	Supply and Demand for Water on the Monterey Peninsula
Michael Baer	Gary Hoffmann	12/8/2019	Stoldt Demand Report
Peter Le	MPWMD Board	12/2/2019	Draft Supplemental EIR for the Proposed Modifications to the Pure Water Monterey Groundwater Replenishment Project
Jeff Davi and John Tilley	MPWMD Board	11/18/19	Three Issues of Concern
Janine Chicourrat, Brian Hein, Bonnie Adams	David Stoldt	10/31/19	Letter of Thanks

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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

December 9, 2019

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

Transmitted by fax to 831-644-9560

Dear Chair Evans and Board:

The Coalition of Peninsula Businesses thanks you for your November 25th response to our November 18th letter raising three concerns.

We have learned that in our letter of November 18th the way we portrayed the position of the District and/or statements of General Manager Dave Stoldt were miscontrued as to whether the desal plant is not now needed. The Coalition may have been overzealous in its statement that your General Manager David Stoldt has stated publicly that based on his report *Supply and Demand for Water* that the Monterey Peninsula Water Supply Project (MPWSP) desal plant is not now needed.

It is, however, inescapably true that the conclusion - that the MPWSP desal plant is not now needed - is widely believed by members of the public and by the staff of the Coastal Commission. You had a number of members of the public testify at your September 16th Board meeting to that effect (see the YouTube video of the presentation of the *Supply and Demand* report at https://www.youtube.com/watch?v=0gYoDljVldA). The Coastal Commission staff recommended denial of a desal feeder wells Coastal Development Permit based

largely on that report. Among the principle conclusions of the report are these: "Either supply option can meet the long-term needs of the Monterey Peninsula" and Either supply option is sufficient to lift the CDO."

In addition to those, there have been several media reports coming to the same conclusion. For instance, a KSBW editorial on November 1, 2019 says: "The Monterey Peninsula Water Management District says Pure Water Monterey's water recycling project will supply more than enough water to quench the Peninsula's needs." https://www.ksbw.com/article/editorial-desal-no-sale/29670665. An article in the Carmel Pine Cone of December 6, 2019 says: Stoldt has repeatedly said that the sewage reclamation project, which is euphemistically called Pure Water Monterey, would be sufficient to supply water to the Monterey Peninsula for at least two decades." http://pineconearchive.fileburstcdn.com/191206PCA.pdf

The Coalition arrives at the conclusion that it is also inescapably true that Mr. Stoldt manipulated Pure Water Monterey Expansion (PWME) draft EIR data in a submission to Coastal Commission staff in support of his implied contention that the expansion combined with Aquifer Storage Recovery (ASR) is more than sufficient to supply the Peninsula's water supply needs for at least two decades. Please refer to the November 11th letter to you from Latham Watkins and Monterey One Water (M1W) at https://drive.google.com/file/d/1CbqpE7_coUze4jCl06I2IM2pKk-ZFEMd/view?usp=sharing and Counsel Rob Wellington's November 7th memo to the M1W Board at https://drive.google.com/file/d/10h531ilTEHAgQx00qHJgxeVA9bDNTHIz/view?usp=sharing

As to our concern that Directors Edwards and Riley created the impression that they represented the District in support of Coastal Commission staff recommendation of denial in violation of District's adopted policy of support for the MPWSP, including its desal plant, please refer to your Strategic Goals adopted May 20, 2019 and your District Rule 6. Mr. Edwards' apology at your recent Board meeting is directly on point. Why was it necessary for either Director to identify themselves as MPWMD Directors?

As you should be well aware, the goal of the Coalition is, and has always been, to see that the Monterey Peninsula Water Supply Project – all three components: the desal plant, Pure Water Monterey, and Aquifer Storage and Recovery – are constructed so that the Peninsula can have a sufficient, secure, stable and sustainable water supply, the CDO lifted, and debilitating water use restrictions and limits are a thing of the past. We are very concerned that some of these issues, such as manipulating documents or pointless debates about wording of a clear and very publicly known

position provided by your agency simply distract us all from the important work at hand. It is incumbent on the District to correct situations where Directors speak out of turn or staff manipulates data to advance a point and to assure that such things do not happen again.

Your response to us avoided answering several questions, so we pose them again and ask that you respond to them now. Our questions are:

- Did you, as MPWMD Chair, or did the MPWMD Board, ask Mr. Stoldt to prepare the report *Supply and Demand for Water*?
- Is the report *Supply and Demand for Water* a publication or report of MPWMD?
- Did the MPWMD Board, or any member of the Board, authorize or direct Mr. Stoldt to furnish the report *Supply and Demand for Water* to Coastal Commission staff?
- Did the MPWMD Board, or any member of the Board, authorize or direct Mr. Stoldt to furnish Coastal Commission staff with information from the PWME draft EIR in support of his implied contention that expansion plus ASR is sufficient to supply the Peninsula's water needs for the next two decades?

Sincerely,

Jeff Davi, Co-chair

John Tilley, Co-chair

Arlene Tavani

From: Michael Baer <mgbisme@yahoo.com>
Sent: Sunday, December 8, 2019 1:12 PM
To: Gary Hoffmann
Cc: Arlene Tavani
Subject: Re: Baer to Hoffman re Stoldt demand report

Gary,

Thanks for your response. I respect your answer and your sense of duty to the interests of the District.

Cal Am is notorious for slap suits and legal intimidation. Kathy Biala had a 50 page dossier produced on her as a member of Marina Planning Department a few months ago trying to intimidate her by alleging a conflict of interest because she led the fight for Citizens for Just Water. She chose to recuse herself only because they had the needed votes without her and she didn't want to engage a long legal process, for her or the city.

George Riley also had a few nonsense slap suits directed at him when he headed Public Water Now during the two election campaigns.

Perhaps you can talk to either or both of them. I encourage you to converse with either or both about their experience. Here are their emails.

George georgetriley@gmail.com
Katherine Biala kybiala@icloud.com

If the District gives into Cal Am on this one, you will only encourage them to ramp up their game with more frivolity. I still ask you to re-consider your opinion.

Cal Am's biggest fear is the use of discovery if it makes it all the way to the jury trial. They will settle before facing that. There is quite a lot of evidence in the historical record with private utility buyouts about that.

Thanks, and I expect to be at the District meeting on the 16th.

Michael Baer

cc: Arlene (for the packet)

On Friday, December 6, 2019, 07:00:49 PM PST, Gary Hoffmann <gqhwd1000@gmail.com> wrote:

Hi Michael

My sole motivation is to protect the integrity and credibility of the District.

In my opinion, We will have no chance with a judge ruling in our favor on "public necessity" with these allegations hanging over the District.

My hope is that the investigation shows everything was done appropriately by the District and the process of determining the viability of public ownership can move forward without this cloud hanging over the integrity and credibility of the District.

Thanks

Gary

On Fri, Dec 6, 2019, 4:24 PM Michael Baer <mgbisme@yahoo.com> wrote:

Dear Gary,

I am very concerned by the position you have taken as explained in today's Pine Cone article.

Much better to invest the money on an independent third-party economotrician or statistician, expert in demand prediction, to verify/disprove the 14K afy demand that the CPUC has accepted as necessary for Peninsular needs. I have suggested the same to the Coastal Commission. If desal overproduces demand by a large factor, the economic consequences will be devastating.

Keep your eye on that ball, rather than chase this other rabbit hole.

I don't know if you care (or if you indeed are), but this move certainly makes you look like a CalAm shill to a wide sector of the Peninsula. This is not wise stewardship of resources and appears to create a faux distraction. If you are considering re-election, I urge you to reconsider your position.

Regards and Seasons Greetings,

Michael Baer
cc: Molly, Alvin, Jeanne, George, Mary, and Dave

----- Forwarded Message -----
From: MWChrislock <mwchrislock@redshift.com>
To: PWNaction <pwnaction@lists.riseup.net>
Sent: Friday, December 6, 2019, 09:22:18 AM PST
Subject: [pwnaction] Pine Cone/Hoffman Still After Stoldt

CARMEL PINE CONE • December 6, 2019

Water board member calls for investigation

By KELLY NIX

A BOARD member for the Monterey Peninsula Water Management District is calling for an independent investigation into allegations that general manager Dave Stoldt "manipulated" information to bolster his claims that a sewage reclamation project

would be sufficient to supply water to the Peninsula for at least two decades without the desalination plant proposed by California American Water.

District 5 director Gary Hoffmann requested that the water board's chair, Molly Evans, and vice chair Alvin Edwards include an item on the Dec. 16 agenda asking directors to hire an independent investigator to look at the allegations made by Cal Am and any potential violations of the water district's policies or state laws.

"The credibility of the MPWMD is called into question, and it is our responsibility, as the board of directors, to get all the facts," Hoffmann told The Pine Cone.

Hoffmann's request comes after Cal Am on Nov. 11 accused Stoldt of cutting and pasting portions of a technical memo to create a misleading three-page document he sent to the California Coastal Commission.

"A comparison of Mr. Stoldt's excerpt from the original memorandum shows he intentionally manipulated the excerpt" to make it appear that the desal plant wouldn't be needed, Cal Am attorney Duncan Moore wrote to the water district directors. "The memorandum's authors did not make such a conclusion."

Stoldt also added a sentence to say enough water from the reclamation project could be stored underground to "meet a four-year drought, and likely longer," Moore said.

After Stoldt sent his document to the California Coastal Commission, its staff relied on it to back its recommendation that the commission deny Cal Am a permit to build the desal plant.

Stoldt has denied manipulating the document, saying he only added the "water district's conclusion" at the end.

He acknowledges that the addition should have been correctly attributed.

Meanwhile, in a Nov. 25 letter from Evans to Cal Am's attorney, she said the district performed its own "review" of the allegations made by Cal Am and found that Stoldt had not released any unauthorized information, which the water utility had also accused him of doing.

However, Evans found that Stoldt's "work product did not fully assert his role as author and did not fully annotate passages he excerpted" from the memo, and it included "a concluding sentence that could be misinterpreted as a conclusion from the technical memorandum."

"Mr. Stoldt has since revised his work product to better attribute information it contained," Evans said.

'Not satisfied'

Evans wouldn't tell The Pine Cone whether she planned to bring Hoffmann's request for an investigation to the board for a vote. Hoffmann, however, said she told him she would "prevent or block" the request.

Meanwhile, Hoffmann criticized Evans' review of Stoldt's work, calling its conclusions "hers, not the board's."

"I am not satisfied that the situation was thoroughly reviewed, and I continue my efforts to have the board consider hiring a third-party, independent, qualified firm to conduct a thorough review," Hoffman said.

Stoldt has repeatedly said that the sewage reclamation project, which is euphemistically called Pure Water Monterey, would be sufficient to supply water to the Monterey Peninsula for at least two decades — even to allow for more growth "than the Peninsula could absorb."

On Thursday, Stoldt confirmed to The Pine Cone he believes that "both projects are individually sufficient to meet the needs of the Peninsula for quite some time."

As for Hoffmann's calls for an investigation, Stoldt said Monterey One Water attorney Rob Wellington interviewed him, and the district's counsel conducted a third-party review.

"Their conclusions have been made public," he said. "Additional third-party review would be redundant."

Arlene Tavani

From: PETER LE <peter381@sbcglobal.net>
Sent: Monday, December 2, 2019 2:56 PM
To: Arlene Tavani
Subject: Submit a Letter to MPWMD Board of Directors

December 2, 2019

Dear Ms. Tavani:

I would like to submit this email shown below to your Board of Directors. Please provide my letter to all Directors. Thank you.

Peter Le

Comments on Draft Supplemental Environmental Impact Report for the Proposed Modifications to the Pure Water Monterey Groundwater Replenishment Project (Draft Supplemental EIR)

I have reviewed the Draft Supplemental EIR (DSEIR) for the above PWM/GWR project and have the following comments: 1. In Chapter 2, Project Description, of the DSEIR, it describes the new Cal Am Conveyance System as part of this expanded project as follows: " the addition of potable and raw water pipelines along General Jim Moore Boulevard and at the Seaside Middle School site (referred to as CalAm Conveyance Pipelines)".

The above description is not clear in that it does not describe where the additional potable pipeline begins and ends, where the additional raw water pipeline begins and ends, what the sizes of these pipes are, and where exactly on General Jim Moore Blvd they will be constructed (under the existing pavement, under the sidewalk, or adjacent to the sidewalk). Additionally, the DSEIR does not describe whether one of these new pipes will connect to the Cal Am desalinated pipeline that is part of the MPWS project.

Additionally, this Chapter 2 referred to a shared pipeline on General Jim Moore Blvd. But it did not described this pipe is shared between what agencies or organizations or who owns this pipeline.

It is very difficult, in fact not possible, to provide comments where the description of this project portion is very vague and not specific as described above. I request M1W revises the Section 2 to provide additional information as described above.

2. While it is understood that Monterey One Water (M1W) owned 100 percent of the new advanced water purification plant, the DSEIR failed to acknowledge or indicate that Marina Coast Water District (MCWD) owned 100 percent of the existing transmission or conveyance pipeline and the existing Black Horse Reservoir that, currently being used for the current PWM/GWR, Phase 1, will also be used for this expanded PWM/GWR

project.

Previous agreements between M1W and MCWD allows MCWD to receive 600 AFY of purified water from the new M1W plant and also allows M1W to convey only 3,500 AF through MCWD's owned pipeline and used only a portion of the Black Horse Reservoir.

3. Additionally, the DSEIR did not show any analysis whether the MCWD's owned pipeline can carry an additional 2,250 AF of this expanded project or ,if feasible, what are the impacts of the conveyance of the additional 2,250 AF to the MCWD's transmission and distribution systems. I request that M1W performs these impact analyses to the existing transmission or conveyance pipeline from the conveyance of additional 2,250 AF and propose appropriate mitigation, if any. The analyses must include the full use or 100 % of MCWD's recycled water rights in the future and not just 600 AFY.

4. Similarly, the DSEIR did not show any analysis of the impacts of this expanded project to the existing MCWD's owned Black Horse Reservoir. The installation of new wells as part of this project definitely impacts the operation of the existing Black Horse Reservoir in addition to the conveyance of the additional 2,250 AF. I request that M1W performs the analyses of the impacts to the existing Black Horse Reservoir and propose appropriate mitigation.

5. The DSEIR shows a new pipeline running along the existing dirt road and connects to the existing Black Horse Reservoir. But there was no discussion whether it is feasible to do so, the impacts to the operation of this reservoir, any required permit from the State Drinking Division for this new connection to the tank, or the alternative of connecting to the existing pipes instead of connecting to the existing tank. I request that M1W addresses these issues in the Final SEIR.

6. Section 2.7, Permits and Approvals, failed to indicate that M1W needs to obtain approval from MCWD Board of Directors before it can convey an additional 2,250 AF on the MCWD's 100% owned pipeline and use the MCWD's 100% owned Black Horse Reservoir capacity for this expanded project. I request that M1W revises Section 2.7 to indicate approvals are required from MCWD.

7. Additionally, Section 2.7. Permits and Approvals, did not indicate whether Cal Am will need to obtain approval from California Public Utilities Commission (CPUC) for its new facilities for this expanded project and for new and/or additional components or its approved MPSWP desal project. I request that M1W and/or Cal Am clarifies which components of this project will require approval from CPUC.

8. Section 7.1, List of Preparers and Persons Consulted, did not indicate any consultation was made with Marina Coast Water District or its staff. If there was any

consultation, please list in this Section 7.1.

9. Since MCWD owns 100 percent of the existing transmission or conveyance pipeline and 100% of the existing Black Horse Reservoir and MCWD only allows M1W to carry only 3,500 AF, and assuming that there is no adverse impacts to MCWD's transmission and distribution systems, M1W

will need to pay MCWD additional capital costs, and operation and maintenance costs to convey an additional 2,250 AF as part of this expanded project.

The above comments are my own comments and they do not represent comments from any other individuals or from any private or public organizations.
Let me know if you have any questions. Please also notify me when M1W issues the Final Supplemental EIR for this expanded PWM/GWR project.

Please also acknowledge that you receive this letter. Thank you.

Sincerely,

Peter Le P.E.

cc: Monterey One Water Board of Directors

Monterey Peninsula Water Management District Board of Directors

Marina Coast Water District Board of Directors

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

November 18, 2019

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

Transmitted by fax to 831-644-9560

Dear Chair Evans and Board:

The Coalition of Peninsula Businesses brings three things of concern to your attention and respectfully requests your prompt response to these concerns.

As part of your agenda packet for your November 18th meeting is Item 14 which includes a summary of three General Manager performance appraisal meetings and says, in pertinent part, "Specific highlights included advancement of the Monterey Peninsula Water Supply Project… ."

This item surprised us since your General Manager has taken it upon himself to destroy over seven years of hard work to secure approvals for the Monterey Peninsula Water Supply Project which, as you are aware, includes a specific desal plant which your General Manager says – frequently and unequivocally – is not now needed. Please site for us specific examples from the latest fifteen months of your General Manager's support for the Monterey Peninsula Water Supply Project.

In conjunction with that, you have been made aware that the 'Demand and Supply of Water…' report prepared, ostensibly, at your request, but never accepted or adopted by you or the district board, was given to Coastal Commission staff along with an excerpt, doctored by your General Manager yet not authorized for release by the authors, from

an exhibit from the draft EIR for Pure Water Monterey expansion. The District's report promoting the expansion was not approved nor authorized for distribution to the Coastal Commission by the M1 Board, which your General Manager knew. Please tell us on what authority or at whose direction those actions, which were extremely damaging to the case for the Coastal Commission to approve a Coastal Development Permit for the Monterey Peninsula Water Supply Project, were taken. Also please explain to us what consequences there are, or will be, for this blatant disregard of the District's adopted policy.

At the recent Coastal Commission hearing, Directors Edwards and Riley both identified themselves as MPWMD Directors and testified in support of the Coastal Commission staff recommendation for denial of the Monterey Peninsula Water Supply Project permit in stark contrast to your District's official position in support of the project. Please explain to us what the consequences to your Directors are, or will be, for this blatant contradiction of your adopted policy.

Sincerely,

Jeff Davi, Co-chair

John Tilley, Co-chair

mcHa
Monterey County Hospitality Association
"The Voice of Your Hospitality Community"

October 31, 2019

Mr. Dave Stoldt
Monterey Peninsula Water Mgmt. District
5 Harris Court
Monterey, CA 93940

Dear Mr. Stoldt: Dave

On behalf of the Monterey County Hospitality Association Board of Directors and Golf Committee, we want to thank you for your participation as a valued Sponsor for the 29th Annual Nick Lombardo Memorial Golf Tournament at Quail Lodge & Golf Club on October 1st.

The purpose of MCHA is to act as the advocate for its members and the Monterey County hospitality industry in general. We foster, protect and educate our members on matters affecting the viability of the industry. MCHA represents the hospitality industry throughout Monterey County which is the second largest industry generating more than $2.7 billion in direct visitor spending while employing more than 25,000 people.

Because of your generous support, we are able to fund programs such as the valuable work of our government affairs committee that has been working diligently on your behalf on water issues, traffic, FORA, important issues within each city and the county, among many other concerns. MCHA is also a member of the Coalition of Peninsula Businesses which is working towards a viable water solution at a reasonable cost. We also offer quality educational seminars as well as employee recognition programs that are key to employee development.

The Nick Lombardo Memorial Golf Tournament is one of two fundraisers for MCHA. Support from industry leaders is a key element in the success of this event and the ongoing activities of our association. Thank you for helping us to surpass our goals.

We appreciate your support and look forward to a great year!

Best Regards,
Janine Chicourrat
Golf Co-Chair

Best Regards,
Brian Hein
Golf Co-Chair

Best Regards,
Bonnie Adams
Executive Director