



Supplement to 7/19/2021 MPWMD Board Packet

Attached are copies of letters received between June 16, 2021 and July 15, 2021. These letters are listed in the July 19, 2021 Board packet under Letters Received.

Author	Addressee	Date	Topic
Paul B. Bruno	Alvin Edwards	Letter Dated: May 24, 2021 Letter Obtained: July 1, 2021	Replenishment Supplies to Address Seawater Intrusion Risk in the Seaside Groundwater Basin
Margaret-Anne Coppernoll	MPWMD Board of Directors	July 15, 2021	Response to Monterey Herald Editor on an article dated June 29, 2021 entitled, Monterey Water Officials Told to Pay for Another Cal-Am Review
Susan Schiavone	MPWMD Board of Directors	July 15, 2021	LAFCO Process on the District's Application
Wallace Notley	MPWMD Board of Directors	July 15, 2021	LAFCO Process on the District's Application

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Seaside Groundwater Basin Watermaster
P.O. Box 51502, Pacific Grove, CA 93950
watermasterseaside@sbcglobal.net
(831) 595-0996

May 24, 2021

Mary Ann Carbone, Board Chair
 Monterey One Water
 5 Harris Court, Building D
 Monterey, CA 93940

Alvin Edwards, Board Chair
 Monterey Peninsula Water Management District
 5 Harris Court, Building G
 Monterey, CA 93940

Rich Svindland, President
 California American Water Company
 511 Forest Lodge Road, Suite 100
 Pacific Grove, CA 93950

Re: Replenishment Supplies to Address Seawater Intrusion Risk in the Seaside Groundwater Basin

Dear Ms. Carbone, Mr. Edwards and Mr. Svindland:

I am writing today to explore opportunities to secure replenishment water to raise protective water levels in the Basin from California American Water Company's ("Cal-Am") proposed Desalination Project and Monterey One Water's ("MIW") Pure Water Monterey ("PWM") Expansion Project. This issue is a very hot topic for our Board given that there was detected evidence of potential seawater intrusion in the Seaside Basin. On May 5, 2021, the Watermaster Board approved a resolution to commence negotiations with Cal-Am and MIW to establish terms and conditions under which replenishment water could be provided to the Basin by either or both of your respective projects.

As I explained in my August 12, 2020 letter to the California Coastal Commission about Cal-Am's Desalination Project, analysis of water elevations in several key coastal wells has revealed that higher groundwater elevations are required in both the Paso Robles (shallow) and Santa Margarita (deep) aquifers to reduce the risk of seawater intrusion in the Seaside Basin. To achieve these protective water levels (PWL), the Watermaster previously found that approximately 1,000 acre feet per year ("afy") of additional replenishment water would be required over a 25-year period. However, the annual amount of water needed to achieve PWL may actually be higher, as this finding was based on groundwater modeling conducted in 2013. This 2013 modeling needs to be updated to account for changes in ASR injection quantities, injection of water through the Pure Water Monterey Project that is now operating, changes in groundwater levels, and other factors, to provide a more accurate indication of current replenishment water needs. The Watermaster is evaluating the additional information that may be needed to confirm anticipated replenishment water needs above the 1,000 afy previously identified.

Paul Bruno, Coastal Subarea Landowners, Chairman

Dan Albert, City of Monterey, Vice Chairman

John Gaglioti, City of Del Rey Oaks, Treasurer

*Mary Adams, Monterey County/Monterey County
 Water Resources Agency*

Mary Anne Carbone, City of Sand City

Christopher Cook, California American Water

Wesley Leith, Laguna Seca Subarea Landowners

Ian Oglesby, City of Seaside

*George Riley, Monterey Peninsula Water
 Management District*

*Clerk located letter on the Seaside Groundwater Basin
 Watermaster Webpage
 ([http://www.seasidebasinwatermaster.org/
 sbwmARC.html](http://www.seasidebasinwatermaster.org/sbwmARC.html)) on July 1, 2021*

Moreover, the September 2019 Monterey Peninsula, Carmel Bay, and South Monterey Bay Integrated Regional Water Management Plan Update, which was prepared on behalf of the Regional Water Management Group (including MIW), shows that sea level rise attributable to climate change may increase the risk of seawater intrusion. Taken together, the risk of seawater intrusion underscores the Watermaster's need to take proactive measures now to protect the Seaside Basin.

As I indicated in my letter to the Commission, the Watermaster has concluded that Cal-Am's Desalination Plant, once completed, could, in only a few years, supply all of the additional water needed to allow the Watermaster to raise groundwater levels to PWLs in the Seaside Basin. When water from this project becomes available, the Watermaster remains interested in securing a portion of its supplies for the Seaside Basin, either through direct or in lieu replenishment.

The Watermaster also understands that the PWM Phase 1 and Expansion Projects, once completed and fully operational, potentially could be able to produce 3,500 afy and 2,250 afy, respectively, under projected operating conditions. However, it is also the Watermaster's understanding that this water has been fully committed to meet existing regional water demands of the Monterey Peninsula and has no duty to provide water to replenish the Basin. Moreover, the Watermaster's calculations indicate that any temporary excess from the combined PWM Projects would be exhausted before the needed amount of replenishment water would be provided. If this is indeed the case, neither the PWM Phase 1 nor the Expansion Project could provide long-term replenishment water to the Seaside Basin that would serve to raise PWL permanently, as is necessary to sustain PWL in the Seaside Basin.

We are all well aware of the shift from reliance on the Carmel River to the Seaside Basin to supply the Monterey Peninsula's potable water needs. Seaside Basin native water, PWM Phase 1 and PWM Expansion, and ASR all require a healthy Seaside Basin. All of our eggs are in this one basket. Given this, it is critical that steps be taken to protect the Basin from the threat of seawater intrusion in order to ensure the continuing availability of the community's water supplies. If replenishment water is not secured, there will be no way of achieving PWL short of drastically reducing pumping from the Basin and waiting for natural recharge to begin to raise groundwater levels. That process would take many years.

To resolve these issues and to protect the Seaside Basin, the Watermaster is seeking to engage with both Cal-Am and MIW to explore potential opportunities to purchase replenishment water to satisfy the Seaside Basin's needs. Please let me know if you are available for a meeting or telephone conference to begin a conversation on these important issues.

Sincerely,



Paul B. Bruno, Chairman

Cc: Paul Scuito, General Manager, M1W
David Stoldt, General Manager, MPWMD
Chris Cook, Operations Manager, Cal Am Monterey District

-----Original Message-----

From: mcopperma@aol.com

To: joel@mpwmd.net <joel@mpwmd.net>

Sent: Wed, Jul 14, 2021 3:37 pm

Subject: Letter re LAFCO

Dear MPWMD Board of Directors:

Attached is a letter I submitted to the Herald re LAFCO. However, the editor did some extensive editing so the actual letter that appeared in the Herald was a shortened version - my letter submitted was too long. I can forward that letter via a separate email as I do not have a copy of it saved.

It seems to me that LAFCO should have followed the staff's recommendation, and should have read the incredibly solid, thorough feasibility study paid for by MPWMD. It may be that this newly required study falls outside the purview of LAFCO's jurisdiction, plus it is patently unfair that the ratepayers be directed to pay for another "study", particularly since CalAm's attorney intervened, and since CalAm invested in Luis Alejo's election campaigns, and may have done the same for other commissioners. The commissioners who voted against the Peninsula voters have no constituents or "skin in the game" for this issue, yet voted against the voters and Measure J.

MPWMD would not have proceeded this far unless the costly feasibility study had not confirmed and verified that Measure J could validly and successfully proceed. LAFCO had three appraisals in hand, two of which established a lower buyout cost estimate. CalAm refuses to open its financial records, thus rendering its "appraisal" invalid, in my opinion, since transparency is a hallmark for democratic business transactions and failure to disclose proof of financial cost estimates is a major failure of the CalAm "appraisal" - from my perspective.

The blatant bias of the LAFCO vote needs to be pointed out and objected to because the voters, We the People who are in charge, were ignored and discounted. This is cause for objection to the motion for another study at ratepayer expense. LAFCO should be required to either accept the staff recommendation or read the original feasibility study. No questions were asked even though David Stoldt was in attendance. Only the CalAm attorney was given ninety seconds to comment.

There should be, in my opinion, a request that LAFCO reconsider its motion and study requirement or proceed without their approval since they do not have jurisdiction to over rule the voter mandated Measure J buyout. The feasibility study provided proof that the buyout is feasible, a critical component of Measure J. LAFCO may need to approve the parcel annexation, but that could be a separate submission later on. Perhaps Mark Stone can help since LAFCO falls under the Assembly.

I applaud MPWMD, am grateful for your dedicated outstanding work and accomplishments.

Thank you very much. Our prayers are with MPWMD. God bless you.

Very respectfully,
Margaret-Anne Coppernoll

Letter to the Editor

The Herald article of June 29, 2021 titled “Monterey water officials told to pay for another CalAm review” revealed that LAFCO dealt a serious blow to the Monterey Peninsula water ratepayers who overwhelmingly mandated their water district, by majority vote via Measure J, to procure a public buyout of CalAm, the private for-profit water company that has been fleecing its ratepayers and deplorably failing for decades to develop a state-directed alternate water supply to replace its illegal over-drafting of the Carmel River before December 31, 2021. The LAFCO decision should have accorded Monterey Peninsula Water Management District its requested latent powers activation and parcel annexation.

LAFCO, instead of approving the meticulously analyzed, professionally executed feasibility study, while rejecting staff’s solid sage recommendation, required yet another study at ratepayer expense. Legally, only the court has price determination jurisdiction in eminent domain proceedings. The water district ratepayers incurred the more than \$600,000 high-cost feasibility study expense, a study that irrefutably established that the buyout is not only a feasible, viable, environmentally safe, cost-effective, efficient reliable water delivery system, but is in the public’s best interest, thereby completely complying with the Cortese-Knox-Hertzberg Act, Assembly Bill 2838, that codifies LAFCO’s authority. A peer-reviewed study that calculates comparative buyout valuations could alleviate any LAFCO fears of future litigation, but must anticipate CalAm’s thus far refusal to open its financial records for review.

CalAm is holding the water district hostage to unfair, unreasonable conditions that lie outside the purview of a water purchase agreement. The water district filed its CPUC Complaint to obtain relief from this water tyranny. By stalling and refusing to negotiate in good faith, CalAm makes Peninsula ratepayers endure uncertainty. Ratepayers desperately need a guaranteed water supply that cannot wait for a January 1, 2022 crisis call for help. All citizens, now is the time to bravely rally in support of your courageous water district.

Margaret-Anne Coppernoll, Marina

LAFCO made wrong decision

Last month the Herald wrote about how LAFCO dealt a serious blow to the Monterey Peninsula water ratepayers who overwhelmingly mandated their water district, by majority vote via Measure J, procure a public buyout of Cal Am. The LAFCO decision should have accorded Monterey Peninsula Water Management District its requested latent powers activation and parcel annexation.

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Cal Am is holding the water district hostage to unfair, unreasonable conditions that lie outside the purview of a water purchase agreement. The water district filed its CPUC complaint to obtain relief from this water tyranny. By stalling and refusing to negotiate in good faith, Cal Am makes Peninsula ratepayers endure uncertainty. All citizens, now is the time to bravely rally in support of your courageous water district.

— *Margaret-Anne Coppernoll, Marina*

From: susan schiavone <s.schiavone@sbcglobal.net>
To: mheditor@montereyherald.com <mheditor@montereyherald.com>
Sent: Saturday, July 3, 2021, 08:01:40 PM PDT
Subject: LAFCO

Dear Editor:

The June 28th LAFCO hearing regarding the Monterey Peninsula Water Management District's application to enact latent powers to sell water and annex land was a farce. The voters passed Measure J in 2018 directing the District to buy out Cal Am if feasible and in the public good. The district must get approval from LAFCO to change its function and activate those latent powers as a step to a court decision.

MPWMD spent hundreds of thousands of dollars for one of the best consulting firms in the country to evaluate feasibility, and assess the value of the company. LAFCO staff recommended acceptance and moving to a public hearing but a majority of the commissioners would not have it. Instead, the applicant was made to feel like they were not even in the room and were asked zero questions, and Cal Am's histrionics were appalling. Supervisor Allejo, and Commissioner Snodgrass along with other commissioners disregarded their own staff's expertise as well as the integrity of the water district's legitimate third party evaluation. Instead, they are demanding another evaluation paid by MPWMD to determine the value of the water system they plan to purchase

Mayor Oglesby stated the truth for the record noting Cal Am is not going to open their books on valuation, and pushing this as an "objective evaluation" will be of no value in terms of a real estimate.

Forcing the district to pay for a second outside evaluation is punitive and unnecessary, and a poor use of public funds. Further, it would drive up the cost of the buy out at ratepayer expense and further delay the process, and deny the voters will. From what I have understood, it is not in LAFCO's scope to do the work of the court and nor will the court think so. It is unfortunate that some are willing to cause the public economic pain while feigning protection of the public good.

Susan L. Schiavone
Seaside

831-394-0827

From: **wallace notley** <wwnotley@gmail.com>
Date: Sun, Jul 4, 2021 at 8:44 PM
Subject: Unanswered questions about LAFCO's latest decision
To: <mheditor@montereyherald.com>

LTE Staff

Why does LAFCO persist in another feasibility study? Do they think that they can hire consultants who are as trustworthy as the Water District who used the best banking and finance consultants in the country? What motivated the 5 of 7 to systematically ignore David Stoldt who was there to clarify any confusions the LAFCO Commissioners could or would have about the feasibility study? Did the LAFCO commissioners read or understand the full report? Why did the commissioners go along with every item of contention that the Cal Am attorney had with the report? Why didn't Commissioner Alejo not accept the updated LAFCO staff report that clearly indicated that no additional information was necessary and that indeed the Water District report was complete and substantial? It is unbelievable that 4 out of 5 commissioners who voted for the additional study do not even live in the Cal Am service area. How is it possible for Cal Am customers, who have endured decades of what is now among the highest water rates in the country, to be ignored? This is a clear case of under-representation where Cal Am and its supporters in the business community have had undue influence on decision-making governing boards for many years. They actually believe they are entitled to more privileges than residents. Another case of where unjust influence has hijacked the will of citizens and ratepayers of the Monterey Peninsula.

Walt Notley
Carmel, Ca