

Monterey Regional Water Supply Reliability Collaboration
Division of Ratepayer Advocates

Draft Meeting Notes, Eleventh Meeting

January 30, 2008

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Overview of Goals for Meeting # 11

Meeting #11 (January 30, 2008) Proposed Milestones

- Review of plans, agreements, and reports
- Discussion of what happens after the dialogue process is disbanded
- Identify remaining issues that need attention and identify responsible agencies to work on them

Materials provided at the meeting included the following:

“Meeting #11 Agenda, 1-30-08”

“Draft Meeting #10 Notes v2”

Review of Notes from Meeting # 10

- All references regarding the existing Environmental Park have been changed to reflect the emphasis on expanding the water treatment operations as a rationale for further investment.
- Reference to MRWPCA’s delivery of water to agricultural customers was previously incorrect. The point has been changed to this: “On an average annual basis MRWPCA currently delivers 20,000 AF to agricultural customers. This is composed of 13,000 to 14,000 AF of treated recycled water and 6,000 or 7,000 AF of groundwater.”
- The regulatory requirements are a *primary* concern of the California Public Utilities Commission and must be addressed. The issue of water planning for anything over the

regulatory requirements (which relates to the CalAm's alternate plan that includes regional water supply as well as the REPOG's alternate regional water supply plan) will *also* be considered. It behooves members of the community to continue this work to find the most economic and environmentally appropriate set of solutions possible.

Update on Regional Project Planning Technical Studies, Discussion of the Plans, Agreements and Reports

For the last three meetings Mr. Melton, RMC Water and Environment presented the evolving regional alternative. The planning for the regional program is a regional activity that requires more than one agency's involvement. Since the last meeting, a draft MOU for planning was composed. It was delivered to several water agencies considering supporting the regional project planning technical studies.

- MCWD had a governance meeting scheduled for January 30th to decide whether to sign on. MRWPCA's Board and MCWRA's Board will also discuss it.
- Discussion point: does regional water supply planning risk falling into business as usual? There are many variables pressuring decision and movement. The draft Cease and Desist order delivered to Cal Am has been the subject of some attention in the news media. The REPOG's work is unmentioned. It is up to the participants at the table to decide if the REPOG is making progress. There may be a political momentum dynamic at work: if the REPOG's alternative is given favorable treatment in the press, and there are more people that think this is the best way forward, decision makers may be inclined to take action more quickly.
- Because the MRWPCA-owned outfall may be used in this regional plan, the Board members of that agency will be important in the planning process as we move forward. The Board has been updated on the process and will look at the planning MOU.
- One participant questioned if the focus of the DRA is indeed on finding a solution to SWRCB Order 95-10 and the Seaside Basin adjudication. The Monterey Peninsula is in an urgent situation. The area needs water supply projects that add onto the Coastal Water Project, the Sand City desal plant, and other projects with the planning completed rather than planning studies. The MOU of the Governance Group is where the decision-making should happen according to this questioner. Agencies providing the assets that are to be used with this plan need to have the governance structure's approval to go forward. This participant argued against moving forward with the technical planning, stating there shouldn't be a multipurpose of MOU's, because the regional plan shouldn't be supported by one agency that is pushing hard to make things happen. The politics between the water agencies regarding the components of the regional plan are unsatisfactory to those who prefer the MOU Governance Group to take the lead instead of the REPOG's Study Team.
- The response to the above argument included the following points:
 - This water supply planning forum is focused on developing a flexible and phased set of projects with the intent to replace the Coastal Water Project.
 - The purpose of engaging in the planning work is to develop the engineering and economic analysis on certain pieces to provide that information for analysis by the EIR team.
 - These alternatives require engineering plans to move toward building the infrastructure. There is no more time to wait before starting this study.
 - The entities that have been requested to support the regional project planning include the City of Monterey, MCWRA, Cal Am, MCWD, MRWPCA. Once the planning MOU is signed in February, there will be opportunities for entities to climb on board with this process if there is a new interest in taking ownership of components of the regional project.
 - "A Regional Governance Structure" may be an attractive opportunity for the community at some point when it happens. However, if it is merely another impediment to accomplishing real water supply solutions for a community who have witnessed many impediments historically, its value is questionable as a predecessor for our regional planning program to begin.

Relationship between the Draft Cease and Desist Order (CDO) and Regional Alternatives

Local agencies may feel there is a reasonable need for delay in complying with State Water Resources Control Board Order 95-10, and this should be acknowledged by the State Water Resources Control Board prior to finalizing the CDO. A participant observed that there are many factors to consider with this impending order. These are:

- The State Water Board is taking a more assertive stance on its responsibilities. In the courts there is renewed action. A federal judge in Fresno has ordered pumps to cut back 30 percent on irrigated agriculture in the San Joaquin Valley that affects water diversions as far south as San Diego without having the defendants identify an alternative.
- Should the Cease and Desist Order be finalized, the community will need to do something. The Water Board will find out there are alternatives. The challenge for this group now is not identifying the projects, this is the same issue that other areas in the state have struggled with. The issue is how will you cooperate among yourselves? There is no valid excuse regarding the inability to work together that will excuse this area from facing sanctions. This community needs to see how it can work together, which may cause key players to break out of molds, break down barriers, and engage in planning that will lead to implementation. Institutional arrangements are the important frontier this group is crossing.

Does the Absence of a Regional Governance Structure for Water Supply Prevent a Regional Supply Project from Going Forward?

Yes. A participant argued that the true charge of the REPOG is more than shaping and defining a regional project alternative to the CWP. Another participant stated that the REPOG should become an advisory group for the Governance Group once it forms. Without a governance structure, the projects can be defined and the study sits on the shelf. Ratepayers are not well served by putting resources into a project that is going nowhere. If the MOU Governance Group receives support from Monterey County, and if the cities draft letters of support, the DRA should “bless” the efforts of regional water supply leaders.

No. The Governance Group is on its own schedule. Defining the group of water supply leaders has taken more than two years to accomplish. Regardless of whether or not local regional leadership manifests itself in this Leadership Task Force, there is a salient point regarding the ability to move forward with the regional project. A governance structure has not been necessary to carry out \$1.2 billion dollars work of recycled water projects in Southern California in which institutions participated via contractual agreements. It is possible for agencies to move forward in developing projects and serving the water without the obstacle of developing a governance structure first. Contractual relationships between agencies can define project planning, construction, ownership, and even operational relationships without the need for a “governance” structure.

Discussion of Water Transfers, Conservation and Agriculture

- Farming uses allot of water. What about metering ag water use and allowing ag to sell water. Can farmers and urban areas be better off with such a water trade?
- Our regional alternative reliability relies on a cooperative relationship between agriculture and urban water users. Looking at agricultural water as a source of urban supply is not acceptable or feasible in our regional water supply reliability plan.
- It is important to have agricultural representatives at the REPOG table because then their interests would be better discussed. Elsewhere in the State, if there are changes in farming practices and farmers conserve more water, are metered in well use, and are paid for the amount that is unused based on the rights of the farmer, urban and rural areas win. If Monterey County uses 600,000 AF per year for all water uses and agricultural producers use less, that water is freed up for other customers. Another participant pointed out that Salinas Valley agriculture is not like agriculture in the San Joaquin Valley. It is far more highly valued and uses its water supplies efficiently as well.

- The regional alternative has multiple components, one of which is brackish water which relies upon the hydraulic balance of the Salinas Basin. With this project there is a political side to pursue and discuss. A useful way to deal with this popular viewpoint among citizens concerning agriculture's use of water is to seek collaborative dialogue rather than mandates and restrictive methodologies of controlling water use that will lead to increased acrimony.
- Participants discussed the way in which water in Monterey County is distinct from other areas in the state where water is marketed from agricultural producers to urban customers. The point about Monterey County is that it is useful to think of water supplies as an island since there are not interconnections with other areas. Moreover, the crops are different and more highly valued as mentioned earlier.
- What are the facts about agricultural metering in the Salinas Valley? There are meters on all 12,000 acres receiving recycled water. A County program either meters or looks at the energy consumption on their pumps for the other 95 or 97 percent of wells to determine water use. We then determine the utilization of wells with energy - benchmark for Salinas Valley. This is a well accepted approach to measuring water supplied from groundwater using pumps.
- Monterey County agriculture meters their water use and has an impressive conservation program that identifies amount of product produced. While that production has increased significantly, water use has remained flat. This suggests increased irrigation efficiencies are occurring.
- Point: lettuce is 97% water and we are as well.
- Discussion of how the notes and agenda were worded last January: you used the word "disbanded." There is a movement to not disband the REPOG.
- Discussion on the EIR, how a regional alternative would sit in EIR, what portion would require analytical veracity.
- Planning leading to implementation. For purposes, need to have planning MOU to get suite of programs and projects in place, in time to meet the CPUC's EIR timing on the CWP. We need to ultimately address institutional issues vigorously. If a region cannot implement programs for societal and environmental purposes, no pass for institutions not playing well together.

Discussion of the Alternatives for the Regional Plan

Alternatives to the Coastal Water Project other than the Regional Plan

The REPOG considered the presentation by Madeleine Clark, of the Elkhorn Slough Coalition regarding the San Clemente Dam. Ms. Clark discussed how a San Clemente Dam retrofit represents a potential opportunity to include water supply objectives into the work that will be performed to reduce the hazardous condition of the dam prior to a seismic event. The public is interested in the decision-making regarding this dam that is filled with sediment on the Carmel River. Ms. Clark proposed that the community revisit the dam retrofit opportunity to see if there are viable ideas for producing hydroelectricity, storing water, building fish ladders, and dealing with the sediment problem.

The MPWMD studied and rejected a bigger dam at the San Clemente site due to issues which included seismic considerations and capacity. This was years before a larger Los Padres Dam was studied and defeated in the polls in 1995.

The capacity when built was 1,425 AF and it is currently holding less than 100AF of water due to the silt buildup. The idea is to build another dam, take the silt, reinforce and raise the lip on the dam to increase its capacity. Dam fill could be transported via helicopter and the river would not have to be rerouted. Even though voters rejected the dam in 1995, and the environmental community members generally reject dams, Ms. Clark explained that the dam could help restore the Carmel River and be an immediate way to address SWRCB 95-10.

- The regional plan is very different in its emphasis as an alternative to the Coastal Water Project than this San Clemente Dam proposal. In fact, the regional plan could even produce enough water from alternative sources such a brackish desalination to allow the community to completely cease its reliance on the Carmel River for any diversions and return its flows to restore the habitat for endangered species and other flora and fauna.

An interesting discussion followed the presentation. A person who spent four years on the EIR for the San Clemente Dam explained his point of view regarding this proposal. While it is not illogical to think about restoring a diversion facility that has served the community, the specific conditions of this dam make it infeasible to “revisit” the dam’s intended future.

- Scale is important. There are a couple of miles of sediment built up behind the dam. This represents a lot of silt to transfer downstream. The team of experts from the California Department of Water Resources considered many options and the engineering issues associated with constructing different levels of barriers for silt and ruled out the idea of building another barrier.
- Institutional processes are important. It was very challenging to complete the EIR in seven years. In the process, the EIR team dealt with many outside agencies with concerns, including the California Division of Dam Safety. It took that long to find something that can work and is probably financially feasible. When one is tempted to re-look at it, there is an opportunity cost with time and scarcity of materials, limits on financial resources. Projects start becoming infeasible over time. There is also the lost opportunity to move on. The Monterey area will be under the impact of the most severe levels of the Cease and Desist Order for some time if the community wants to revisit the dam. Much thought was given to the San Clemente Dam in Monterey County and with the dam owner during the EIR process. NOAA Fisheries would never permit the dam.
- How does the Monterey area move on? The community can focus on the conditions necessary for a healthy river as well as supplying water for the community at a reasonable level to avoid ultra-draconian conservation measures. The REPOG appears to be on its way to accomplishing this.
- The RMC team and CIWR’s Study Team are doing analysis on the regional planning components. The question was raised at the REPOG table, who will pay for the analysis of the San Clemente Dam alternative? Who will supply an engineer to produce information that can be incorporated into the analysis.
- A participant pointed out that citizens often lament the lack of a functioning dam. It would be important to discuss why it has been rejected as a serious alternative because public interest continues to exist. It needs to be treated in some fashion.
- Hundreds of thousands of dollars were spent looking at the silt issues associated with the San Clemente Dam.
- The Department of Water Resources (DWR) will choose either buttressing or dam removal and is going to act within 4 or 5 months. It is likely to cost \$50 million to buttress the dam and removal would take place with financial contributions from the State. DWR is not likely to wait any longer.
- Isn’t the purpose of the EIR to put out for public comment to allow the public to voice other things that may not have been considered? Was this concept addressed in the EIR study? Yes, it was in the draft and in the final. The series of dams and silt issues that Ms. Clark described were studied in the EIR.
- Participants discussed the history of the Los Padres Dam and the San Clemente Dam in terms of how the public voted it down. The issue is considered closed for comment at the REPOG table due to the discussion that occurred, the aforementioned EIR, and the inability to incorporate it into the planning process.

Discussion of the Next Steps for the REPOG

REPOG participants voiced no concerns about the components of the regional plan, however in the discussion of next steps, several expressed that they would like to find a way to explore how much interest there is among the REPOG with aspects of the plan.

The idea to reform the REPOG into a directorate for the public information and outreach work that will be strategically moved from the Public Information and Involvement Work Group was presented. Another participant suggested that the REPOG advise the MOU Managers Group when that leadership task force is formed.

- The planning MOU to continue to move ahead, in the last meeting in February. The REPOG will discuss how this group will evolve into a public information and oversight group. The REPOG will begin to communicate with citizens.
- In February the PIWG may address REPOG about how it may constitute itself.

- Technical plans will be presented to the REPOG. The REPOG will turn into main directorate of public information and outreach.
- Moving with group with signing MOU to field this information program.
- Assumption in the REPOG there is consensus regarding the regional plan proposed? The REPOG doesn't have "consensus" as a main objective. On what basis are we legitimizing this regional plan in terms of support from the community?
- The REPOG will form into a public outreach process with the intent to share information and include the opinions of a broader spectrum of folks.
- Strategy here, to engage dialogue with agencies, discuss agencies with mandate.
- What these agencies agree to do the planning that is agreement with the regional plan.
- Issue: good thing for final meeting. To resurrect the mix of projects, AFY what they do with growth and no growth, have the REPOG vote on it.
- Did DRA establish this group to form consensus, to form an alternative to the CWP.
- Tie in to role of leadership task force and mayors, they need an advisory group. Why shouldn't this group morph into an advisory group for the Mayors, city managers have used input here to revise this plan? We need this input.
- This group can be defined by the MOU group if they form.
- Citizens criticized Cal Am for spending ratepayer money on plans for projects that are not likely to deliver water. Several participants suggested that Cal Am provide money for analyzing the regional project and stop planning the Coastal Water Project. While it will take money to develop a plan with enough detail to convince the CPUC that regional plan is real, this could enable the community to reject the expensive project. Weakness of where we are today, loose connection to solving 95-10 as the paramount issue. Then we are talking "regional" and beyond merely replacement for the regulatory/legal water supplies facing the community with D 95-10 and the Seaside Adjudication. What part of our regional project takes the place of the CWP?
- Process is far better than previous processes, we end up paying every step of the way.
- Describe the end of 95-10, and beginning of a new phase, who pays for the new phase of planning and who benefits from it?
- Can we get enough realistic planning - to be taken seriously? Time is of the utmost importance to success here.
- Two roles that REPOG performs, advise CPUC on alternative to the EIR. Important function. It is lead agency determination how they write the alternatives.
- REPOG is valuable for discussion and to highlight where the points of concurrence occur. Because time is precious, we recognize the role of advising the PUC on alternatives, and there is value in separating that from the dialogue that is possible on the projects and programs, institutional issues. Could be valuable and instructive to return to what are the projects and programs, locals.
- REPOG could and should continue just the way it has successfully been proceeding. We still have much planning as well as public outreach left before actual water supplies result.

New Business/Old Business/Parking Lot Issues/Action Items

- Water rights in California were discussed during this meeting. One suggestion was to read the book "The King of California" to investigate water transfers and payments between agricultural areas and cities.

Politically organize data why we believe that is a non starter, too many pieces that would stand in our way. Including alternative that says we can get off that river. Realistic alternative takes community off the River. Complicated plan, cobbled together by issues, done planning carefully for accepted. Unreasonable to shoot down the dam idea. Issues for one of the water bonds coming up for California. Why not get on that band wagon?

Discussion of Next Meeting Date/Agenda

- **Meeting #12 (February 27, 2008)**

Meeting Attendees

Dave Armanasco, Armanasco Public Relations, representing the Water Standard Company
Andrew Barnsdale, CPUC/Energy Division
Catherine Borrowman, UCSC
Catherine Bowie, CalAm
Janet Brennan, Public
Diana Brooks, DRA
Tom Bunosky, Cal Am
Madeleine Clark, Elkhorn Slough Coalition
Jerry Cole, CDM
Sarah Corbin, Surfrider Foundation
Manuel Fierro, CPW
John Fischer, Public
Max Gomberg, DRA
Skip Griffin, PBS&J, Water Standard Company
Howard Gustafson, MCWD
Jim Heitzman, MCWD
Stephanie Hughes, RMC Water and Environment
Maryann Hulsman, ESA representing the CPUC
Monica Hunter, Planning and Conservation League Foundation
Diana Ingersoll, City of Seaside
Keith Israel, MRWPCA
Bob Jaques, Seaside Basin Watermaster
Steve Kasower, UCSC
Mike Maisner, Self
Steve Matarazzo, City of Sand City
Lyndel Melton, RMC Water and Environment
Jonas Minton, Planning and Conservation League
Ken Nishi, MCWD
Dennis Oaks, US Army Presidio of Monterey
Dave Pendergrass, MPWMD
WM. E. Reichmuth, City of Monterey
George Riley, CPW
Tom Rowley, Monterey Peninsula Taxpayers Association
Ryan Shaw, Communication Planners
Eric Tynan, Castroville Water District
Curtis Weeks, MCWRA
Eric Zigas, ESA representing the CPUC