Monterey Regional Water Supply Reliability Collaboration
Division of Ratepayer Advocates

Draft Meeting Notes, Fourteenth Meeting

June 4, 2008

Location: MBEST Center, 3180 Imjin Road, Marina, CA 93933
Phone at the center is: 831.582.1020

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Overview of Goals for Meeting # 14

Meeting #14 (June 4, 2008)

- Status update from the two sub groups about progress

Materials provided at the meeting included the following:
"Meeting #14 Agenda, 6-4-08"
"Draft Meeting #13 Notes v2"

Review of Notes from Meeting # 13

- There were no comments on the notes.

Status Update: Public Information and Involvement Work Group
New "Mission/Objectives" Statement for REPOG

Catherine Borrowman, UCSC Center for Integrated Water Research

- The Public Information and Involvement Work Group worked on communication materials at the last meeting. A public website has been launched http://www.waterformontereycounty.org.

- Members of the REPOG are encouraged to contact Ms. Borrowman to arrange for speaking opportunities for presenters of Water for Monterey County. Presenters want to engage in conversations about the regional project.
- Participants worked on refining statements to facilitate communication with the general public about the REPOG's objectives.

The REPOG discusses economic, technical and political solutions to achieve a reliable, affordable, and sustainable water supply in Monterey County.

- Participant noted the REPOG has progressed in political and technical areas, for example cities seem to think positively of the effort.
- Economic issues – who pays for what and how it gets paid – is on the agenda for discussion in future meetings of this group.
- Affordability is a relative concept. Some people might think it means water would cost less in the future, rather than two or three times more. Water shortage also imposes costs on the community through lost incomes and job loss.
- Financing as a concept belongs on the table because the REPOG deals with equity issues.
- The value of the REPOG is in discussing the concepts. Technical issues may have rich detail associated with each one that can be better understood in discussion. At the table perspectives are aired and thinking evolves through interactions. The political influence of REPOG members can have an impact that is different than the message from a water district acting independently.
- The public is invited to the planning table to realize opportunities and look for a solution that is multifaceted. If that solution involves public ownership of water infrastructure, the expenditures need to be justifiable. Water for Monterey County includes a set of projects, none of which would be owned by Cal-Am. In contrast to the proposed Coastal Water Project at Moss Landing, and the proposed alternative at the North Marina site, both of which would be owned and operated by Cal-Am, the regional program has been developed in a way that would allow Cal-Am to purchase the water from public agencies that would own the water production components of the overall program.
- The criteria developed for the plan should be reflected in REPOG's objectives.
- Participants discussed the need to appear action-oriented. The dialogues about the water supply shortage problem over time have not resulted in new water. The public should perceive the REPOG is seeking to develop water supplies.

The objective is to collaborate with interested parties to (build/design/develop) a cost effective and sustainable solution to supply water in Monterey County in a manner that is timely, incrementally developed, and reflects the need for reliable sources of water for communities.

The process shall result in a management plan with an implementation strategy for a regional water supply that balances and reflects community objectives of stakeholders.

Participants facilitate the development of an incremental, implementable, acceptable and affordable regional water plan.

- A participant questioned if the EIR project description is the plan. Is the REPOG past discussing another plan? Isn't the way forward to comment on the EIR? The response given is that the details of the plan are still to be determined regarding financing aspects, institutional responsibilities, and agency partnerships. The EIR project description will allow the CPUC to evaluate this alternative to supply the replacement water for SWRCB Order 95-10 and the Seaside Basin requirements.

The dialogues shall seek economical solutions for water ratepayers using a broad economic and environmental approach that offers multiple benefits for the entire region from the project investment.

- Participant noted that Cal-Am water rate increases are important to consider with respect to Water for Monterey County. The DRA representative discussed how the rate case

proceeding is conducted separately from the Coastal Water Project proceeding. The value DRA has received from sponsoring the REPOG includes informative discussion, a chance to connect with people in the region, listening to the different perspectives brought to the table, and the opportunity to see this regional plan come together. DRA's organizational mandate is to get the most cost-effective, reliable water for Cal-Am ratepayers. For more information about the DRA go to http://www.dra.ca.gov/DRA/about/

The Regional Plenary Oversight Group recognizes that it is critical to the successful formation and implementation of the regional plan to work with community leaders, to inform and involve the public, and continue to engage with government entities and local stakeholders to solicit input and support during the process.

- A participant noted how useful it has been for people involved in the CWP EIR process and the CWP CPUC proceeding to connect with people in this region and be a part of the exchange of information. Not only has the discussion been informative, it has been useful in forming questions and understanding different views. Without the REPOG as a central focus, there would not have been a reference point for everyone to come together to develop the regional alternative.
- A participant asked if the intent of the public outreach work group is to offer the public the chance to offer input to amend the water plan. This was responded to by several work group members:
    - The REPOG itself has no official position from which to guide project implementation. REPOG and its members use "personal power" as opposed to "positional power" to try to guide the plan. The regional project components will be owned by the water agencies. The REPOG "owns" the plan indirectly as citizens that created the basis for technical people to come together. The REPOG "sold" the idea to water districts to carry it forward.
    - The REPOG offers the public a better opportunity to affect the plan than if a water district were to pursue this outside of this context. In the latter case, citizens have recourse at board and council meetings. REPOG adds an additional and effective layer of "political clout." Board and council processes will still offer opportunities for additional input and forums for voicing concerns and support. This is due to the fact that local agencies will have primary responsibility for project financing, implementation, and operation.
    - Individuals and advocacy groups fit into the bigger picture, for while the REPOG can do public workshops and outreach, the advocacy groups can give members of the public an additional avenue to participate.
    - The REPOG can be seen as a lever or tool to influence the plan because it is an open, public, inclusive process with a focus on public outreach.
- Participants discussed the opportunity before the REPOG to apply for funding from the State of California. One step forward here would be to update Integrated Regional Water Management Plans (IRWMP) with information about Water for Monterey County.
    - With regional projects and various interests coming together it is important to get buy-in or one of the interests may exercise the right to veto, which would result in stalemate. In Ventura County, the Watersheds Coalition developed a suite of projects after receiving $500,000 to create an IRWMP, and $25 million for project implementation. If the REPOG could take the EIR project description and add descriptions of financial viability, feasibility, community acceptability, then Water for Monterey County could be included in IRWMPs.
    - The three IRWMP groups (Pajaro Valley, Monterey Peninsula, Salinas Valley) have agreed to work together.

Participants requested that the statements should be more concise. The Public Information and Involvement Group developed the following using the work accomplished in the REPOG:

Our Mission

The mission of the *Water for Monterey County Coalition, or REPOG,* is to identify economic, technical and political solutions that achieve a reliable, affordable and sustainable water supply in Monterey County.

What We Intend To Accomplish - Goals and Objectives

- To **collaborate** with interested parties to achieve a cost-effective, equitable, and sustainable water supply in Monterey County.
- To promote **timely**, incrementally developed water sources for communities.
- To produce a **management plan** that implements a regional project that reflects community objectives.

How We Will Accomplish Our Goals – Methods

- Use our position as an authoritative and recognized coalition to further the project as it is implemented.
- Incorporate into our process a diverse set of perspectives that is respectful of compromise.
- Lead a dialogue to inform and involve community members and provide a forum for soliciting input and influencing decision makers.
- Seek multiple regional benefits from the proposed solutions.

Status Update: Regional Project Technical Work Group

Lyndel Melton, RMC Water and Environment

EIR Update & Next Steps

- The plan's components described in the EIR document were undergoing internal comment prior to delivery to the CPUC in early June. The project component alternatives have not been analyzed beyond their technical merit in terms of feasibility. The next step is to put the components together to evaluate the economics and develop an implementation strategy.
- Lead agency for the EIR is the CPUC. Water for Monterey County will need local agencies to be "responsible" agencies in that process that will adopt and certify the EIR document. The local entities envisioned as these "responsible" agencies are MCWRA, MCWD, MRWPCA, MPWMD.
    - The CEQA lead agency usually has the authority to implement a project but the "responsible agencies" in this case are a group of agencies outside of the authority of the CPUC.
- The basis upon which the public will review and comment on Water for Monterey County is the draft EIR document, which should be available at the end of this year or the beginning of next year. By June 2009 the document will be refined with public comment and certification should be moving forward.
- The EIR project description on the regional water supply program alternative contains details of each project component and a technical analysis. The technical analysis discusses how each component would apply to water supply, what it looks like, and physical processes.
- A financial evaluation on the regional alternative plan's costs relative to Cal Am ratepayers will be performed by CIWR on behalf of the DRA. There will be a process at the Commission to look at the costs where DRA will submit testimony on Water for Monterey County.
- The economics of whole regional project will be a part of developing a strategic implementation plan. The goal is to design that process, find the funding to evaluate the economic impacts to ratepayers, the financial viability and comparative viability of each of the projects for the entire regional effort. The strategic implementation plan would then be taken to local, state, and federal forums to seek funding.
    - IRWMP groups can put forward applications for funding, although none of the IRWMP's include this specific project. This is because it does not exist yet, however each plan should include a general description of water supply that could be updated.
    - Water for Monterey County is a project with an approach that would closely match the criteria for Proposition 84 funding, with so many benefits of a regional

nature. The plans for projects would need to be developed further before the applications for funding can be prepared.
    - The vision for Water for Monterey County is not to stop at the EIR project description but to develop all the plans necessary leading to construction of the project.

Update on the Planning Effort Resulting in the Water for Monterey County Project Description

- Water for Monterey County is planning for 25,600 acre-feet of water supply.
- With regard to water gaps, the number on the slide for the City of Salinas is not part of the water delivery of this plan. The number represents pumping conditions in the Salinas Valley. The City of Salinas is looking at incremental water needs and the study team has addressed those needs within an analysis of future hydrologic conditions within the Salinas Valley. The study team is taking into consideration those demands on groundwater, interactions with the system delivering recycled water for agriculture, and feels comfortable that the hydrologic concepts do work.
- The cornerstone of the regional program's diverse set of supplies is the ability to bring each supply online incrementally which will meet the region's needs for water over time.
    - Salinas Basin groundwater use is for North County as well as Castroville and the Moss Landing areas.
    - Salinas River diversion opportunity refers to diverting winter flows.
    - The opportunity suite for recycled water includes use for groundwater recharge, replenishment, urban irrigation or irrigation in the Salinas Valley, which would relieve groundwater pumping. All opportunities are included in the project description.
    - Conservation is used for planning purposes as a demand reduction component.
- There is not 100% agreement over how Salinas Basin groundwater should be used but there is a lot of support for the concepts in Water for Monterey County with key overlying interests of the Basin. The prerequisite conditions for use that has been discussed in conversations with people who represent agricultural interests is the maintenance of hydrologic balance in the Salinas Basin and respect for water rights.
- The reasons not to draw from the 400 ft. aquifer are:
    - The 400 ft. aquifer is already being used for water supplies.
    - The State Water Resources Control Board (SWRCB) is concerned with the environmental state of the180 ft. aquifer, and this is an opportunity for remediation.
    - There is some vertical movement of water between the two aquifers, so benefiting the water quality of the upper will help protect the lower.
    - It is cheaper to pull water from the 180 ft. aquifer.
- How would groundwater be cleaned while providing pure water?
    - This would be accomplished by building two treatment plants side by side in North Marina on the Armstrong Ranch property. One would treat surface water flows from the Salinas River in winter months. The second would desalinate brackish groundwater and blend it with treated Salinas River water.
        - The expert in water quality, Dr. Russell, who widely published on water chemistry, is interested in attending to the issues with blending different source waters.
    - Pumping intruded groundwater through vertical wells enables a "draw down" where water is pulled down around a well. The coastal side of the well starts pulling ocean water more heavily until 100% ocean water is pulled into the well. The inland side pulls intruded groundwater toward the well. Because water flows downhill, between the wells is a trough that protects the groundwater from seawater while enabling the restoration to pristine groundwater qualities over time. The results of a rigorous analysis using several models of the Salinas Basin show that the seawater intrusion front moves toward the coast over time.
        - The hydrologic analysis supports the concept of this opportunity to pump intruded groundwater to clean up groundwater. Using two modeling

approaches monitoring the entire basin, the hydrologists incorporated recharge, groundwater pumping, and other interactions that occur. This model is being used in conjunction with a model of the seawater intrusion into the basin.

- The future estimates of groundwater use do not reflect future modification with groundwater pumping strategies nor do the models incorporate sea level rise. However the membranes the desalination plant would use are the same used for ocean water. The planning team is developing strategies to ensure there are ways to deal with the future.

- Do the pumps stay in the same place? Are we going to have to relocate them? Could the pumps now drawing intruded seawater; in the future be drawing high quality groundwater as the intrusion problem is remediated? The next level of analysis is to look at long-term strategies.
- How much does the success of the Water for Monterey County program depend on cooperation from the agricultural community? Is there a way to understand the political positions being taken if their representatives don't attend the REPOG? Those interests want to form a sub group to talk about implementation strategy, which shows they are willing to participate in a technical group and engage in a dialogue about this.
- The key concerns of voices from the agricultural community are water rights, assurance of non-depletion of water availability, and the $3-4 billion economic engine of Salinas Valley agriculture. Strategies that protect economic productivity would be favored over those that threaten it.
- The agricultural community is not one community but rather is composed of people with various interests and dissenting opinions. A REPOG participant has heard there are some people that are adamantly opposed to this.
- The REPOG is not homogenous in agreement about the plan.
- What would the "historic" intrusion line look like without agricultural pumping? With no pumping the intrusion line is out in the ocean. There was an artesian aquifer under the ocean prior to the 19th Century. Pumping over time has caused the intrusion.
- The current seawater intrusion – agricultural pumping in CSIP and with SVWP will move the line toward the ocean, except for the increased urban draw from the city of Salinas.
- How far apart would the wells be? About 1 mile.
- How much water has to be pumped to get the product water that is 10% TDS of ambient seawater? Roughly 50% of what would be pumped would become product water. The project would pump about 13,700 AF of brackish water, and 13,000 AF of ocean water.
- Results of modeling the outfall show a small plume that is readily dispersed.
    - The quality of water in the brine should meet the proposed state ocean plan's limitation of within 10% TDS of ocean water quality.
- Use of the MRWPCA regional outfall would save $30 million. The outfall is configured for 60 MGD. If there is no disposal, this removes 20 to 30 MGD. If there is a need to reconfigure the outfall to carry more brine, it has a design capacity of 80 MGD.
- The goal is to become carbon neutral with sources of energy for the project. With use of electricity from the landfill's cogeneration facility and from hydropower generated by the Nacimiento Dam, the project could be provided enough energy.
    - Electricity from the Nacimiento Dam is now being sold to PG&E. To transmit it from the dam, the project would have to pay PG&E for wheeling it.
    - Electricity from hydropower is intermittently available but the cogenerated power is highly reliable. An option is to utilize the attractive wind zone at the treatment plant for wind power.
- A participant asked about the amount of electricity that could be supplied from the landfill because of an idea to augment the solids in the facility to produce more electricity. The response was that the potential is still there but the landfill would need to expand beyond their current expansion plans.
- Water for Monterey County meets urban needs for the entire region, uses 100% of the available recycled water, would provide water for agricultural needs and restore the Salinas Groundwater Basin. It protects the Monterey Bay National Marine Sanctuary, meets the proposed State Ocean Plan, and uses a carbon neutral energy source. A

fundamental issue in the entire approach is that the region needs a reduction in diversion from the Carmel River. What would this restoration do in the process? Provide a least-cost, sustainable water supply solution for the entire area, meeting North Monterey County and Peninsula water needs. Next steps for the EIR team are to use the completed project description in the environmental analysis that is already underway. The draft EIR will be issued, agencies will weigh in, and the EIR will be certified by the middle of next year.

- Does the project description include the transportation of water to various locations and describe the kind of permits that will be needed? The EIR will contain full information on those two issues.
- Where is the storage in this project? Is this a real-time supply project? Storage in groundwater basins is the most appropriate and cost effective storage concept. It has been incorporated in the plan in the Seaside Basin ASR and in components in the Salinas Groundwater Basin.
- Does your analysis update the info in the Salinas Valley Water Project (SVWP) EIR with respect to population and agricultural use? The project team believes it has updated those numbers to the best of its ability regarding population projections and future water use.
    - AMBAG said SVWP underestimated the evaluation of the population projection, showing an inconsistency of 85,000 to sort through.
- EIR discussion mentioned 4 agencies in one capacity as having responsible agency status and Cal-Am was mentioned as separate. Is the Cal-Am proposal for the second desal proposal in north Marina in the EIR? The EIR alternatives include the plant at Moss Landing, a plant in North Marina which includes slant wells under the beach surface that would supply only the amount needed for regulatory purposes, and the regional collaborative Water for Monterey County project. It is up to the California Public Utilities Commission to determine what the regional alternative will be: the outcome of the decision making process will be a selection of the environmentally superior set of projects where costs are aligned with will for implementation.
- Next steps for the study team include the evolution of the technical work on planning. CIWR will receive information on engineering costs from the RMC team and will use this to analyze impacts on Cal-Am ratepayers. Stay tuned for more discussion of what the REPOG is and will be.

Discussion of the Next Steps for the REPOG

The REPOG will meet on Wednesday, July 2, 2008, and thereafter on the first Wednesday of each month.

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

- A comment was made regarding whether the REPOG should try to become an institutional entity for greater influence in the process rather than use “moral-suasion” and “personal power.”
- A participant requested that all the different agencies and organizations in the REPOG be described to make it easier for members of the public to know the people involved, who is presenting, and affects on the different groups.

Discussion of Next Meeting Date/Agenda

- **Meeting #14 (July 2, 2008)**

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Meeting Attendees

Mary Bannister, PVWMA
Andrew Barnsdale, CPUC/Energy Division
Andy Bell, MPWMD
Todd Bennett, City of Monterey

Catherine Borrowman, Center for Integrated Water Research, UCSC
Catherine Bowie, Cal-Am
Janet Brennan, Public
Diana Brooks, DRA
Tom Bunosky, Cal-Am
Bill Carrothers, Public
Jeff Cattaneo, MCWD
Sarah Corbin, Surfrider Foundation
Brad Damitz, MBNMS, NOAA
Manuel Fierro, CPW
David Foote, Public
Darby Fuerst, MPWMD
Max Gomberg, DRA
Rich Guilen, City of Carmel-by-the-Sea
Howard Gustafson, MCWD
Brad Hagemann, MRWPCA
Marshall Howard, Public
Keith Israel, MRWPCA
Dana Jacobson, Cal Water
Bob Jaques, Seaside Basin Watermaster
Steve Kasower, Center for Integrated Water Research, UCSC
Margie Kay, Public
Judi Lehman, MPWMD Chair
Steven Leonard, Black & Veatch Water
Loren Letendre, CRWC
Russ McGlothlin, City of Seaside
Lyndel Melton, RMC Water and Environment
Ken Nishi, MCWD
Rick Reidl, City of Seaside
George Riley, CPW
Clive Sanders, CRWC
Jonathan Sapp, Sapp Devco
Michael Warburton, Public Trust Alliance
Eric Zigas, ESA representing the CPUC