

Monterey Regional Water Supply Reliability Collaboration
Division of Ratepayer Advocates

Draft Meeting Notes, Eighth Meeting

September 26, 2007

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

Table of Contents

Overview of Goals for Meeting #8 Steve Kasower, UCSC Center for Integrated Water Research	1
Review of the Notes from Meeting #7	2
Draft Monterey Regional Plan Overview Members of the Regional Plan Working Group, DRA/UCSC Study Team/RMC Water and Environment	2
Discussion of the Regional Plan	3
Status Report on the Formation of the Monterey Regional Water Solutions Task Force and Formation of the Leadership Task Force Keith Israel, Monterey Regional Water Pollution Control Agency	5
Update on the Public Information and Involvement Work Group Sarah Corbin, Work Group Representative	5
New Business/Old Business/Parking Lot Issues/Action Items	6
Discussion of Next Meeting Date, Agenda (Proposed for October 31, 2007)	6
Meeting Attendees	6

Overview of Goals for Meeting # 8

Meeting #8 (September 26, 2007) Proposed Milestones

- Discussion of issues associated with actual implementation of regional project components.
- Discussion of additional environmental analysis needed to support the regional project strategy.
- Discussion of financing alternatives.

Materials provided at the meeting included the following:

“Meeting #8 Agenda, 9-26-07”

“Regional Urban Water Supply Evaluation: Presentation – DRAFT, September 19, 2007”

“Draft Meeting #7 Notes 9-29-07”

Review of Notes from Meeting # 6

Several comments were made about the notes.

- Not Grant Ridge but Granite Ridge on p. 2.
- Change heading from “North County Water Supply Needs” to “Water Supply Needs” on page 2.
- “Rebound” the future water demands generated by MPWMD does include a 20% rebound factor that is built in. The comment was made for the bigger Peninsula, not just for North County.
- Last bullet p.2 Diana Ingersoll did not say MCWD is out of water today. The size of the water augmentation project is too small for the base reuse plan.

Discussion of the Draft Monterey Regional Plan Overview

Members of the Regional Plan Working Group, DRA/UCSC Study Team/RMC Water and Environment

(Comments have been grouped in two ways: below according to the heading on the slide in the presentation in which the comment was delivered, or at the end in the general comments section. Please refer to the slides for full information about the concepts presented in the Regional Plan Overview.)

Water Supply Gaps within Northern Monterey County

- Water supply needs were discussed by communities/service areas: MPWMD, MCWD, Castroville, Salinas, Moss Landing, North County, Pajaro Sunny Mesa, Salinas.

Cal Water Service Conclusions for City of Salinas

- Sufficient supply exists using Salinas Basin groundwater. There is no identified supply gap, however this does not mean there is excess available.
- Comment was made that the Salinas groundwater basin is actively employed for agriculture and city. Shift in land use for 2030 may cause the water planners to re-evaluate groundwater supply. Groundwater is reported more in terms of how much can be pumped rather than the sustainable yield of the basin. Use of water is contingent on the basin balance.
- A participant surmised that groundwater monitoring data shows approximately the same amount is extracted for urban use and agricultural use on the whole. Variations of the 1:1 ratio with water use are crop-specific and site-specific if urban development has been planned to minimize water use.

Phased Programmatic Evaluations

- A suggestion was made to change the word “additional regional supply” to “cumulative regional supply” to avoid a person thinking that we need 12,500 + 28,400.

Objectives of Programmatic Approach to Regional Water Supply

- Most advantageous for rate payers
- Meet regulatory and demand schedules
- Maximize reliability
- Maximize sustainability
- Minimize environmental impacts
- Maximize flexibility for moving forward by providing multiple pathways to successful outcomes, and through continuing the momentum of this regional planning process.

Regional Water Supply Program Developed Based on Feedback and Input

First project descriptions were obtained, next preliminary project evaluations were made from which a set of criteria were applied to defined regional programs. Preliminary program evaluations were developed and shared with the technical work group and the REPOG to get input and to further refine the programs. Lastly, the program recommendation was developed and presented to these groups.

Programmatic Evaluation (*Updated*) Replacement Supply: 12,500 AFY

Comments on the programs presented for the replacement supply:

- 300 AF recycled water to the Monterey Peninsula service area and an extension of the Marina Coast Water District/MRWPCA recycled water output of 2,500 AF that will be

used for groundwater replenishment. This is an area where regional cooperation is an important aspect of recycled water delivery, and both rely on the delivery of this water to the former Ford Ord area. Costs would rise if each of these recycled water project were not implemented.

- Salinas river water was not selected in Program C because of the difficulty of accessing this water through institutional/political arrangements. *See notes from last month for more discussion of this issue.*

Programmatic Evaluation (Updated) Regional Supply: 28,400 AFY (plus Salinas)

Discussion of scenarios for regional supply:

- The reason for the change from 300 AF to 3,000 AF for the recycled water estimate is based on the development of the former Fort Ord.

Recommended Program with Incremental Implementation Plan

- Source of water for the 2,500 AF Seaside Replenishment is the tertiary treated recycled water from the regional plant, then it would be treated to a higher level with a distillation process of micro filtration, reverse osmosis, and ultraviolet disinfection.
- Salinas river water could be processed with a treatment plant located near the river north of Marina.

Implementation Decision Process

What has been done with the decision process slide is to prioritize the supplies based upon the criteria for implementation that was defined by members of the technical work group. Some of the components were identified as more expensive or more difficult to implement than others, so each component has been placed in the decision process to allow forward momentum with each component until 2012.

Next Steps

- Complete Phase I -- members of the Regional Plan Working Group DRA/UCSC Study Team/RMC Water and Environment are to prepare a summary memorandum that describes the approach taken, component screening, program evaluation, and the recommended program.
- Initiate Phase II – submit EIR analysis and IRWMP, identify champions for project implementation and development, develop regional support, coordinate conservation and stormwater programs, further evaluate Phase II components, quantify project and program costs, evaluate financing and implementation options.
- In Phase II, there is no mention to schedule/timing of those issues. The reason why it is non-specific is because there are a few loose ends. Who is going to build these projects? What kind of a deal will be cut with Cal Am for solving part of SWRCB Decision 95-10? Part of the work that lies ahead for the Study Team is to talk amongst agencies that may opt in and sponsor or partner in a project. The Leadership Task Force of elected officials may play a critical role to help agencies define deals relating to the regulatory requirement. Agencies need to work out partnership deals.
- Is the opportunity real? Alternative versus Cal Am needs to be examined clearly and be brought into focus to have an effect on decision makers at the CPUC.
- Participant from the CPUC commented that the regional water supply planning process appears to be moving along in the right direction. The way forward should incorporate solid analysis regarding the details in the timeline in the decision process slide. This group is advised to work very hard to flesh out the details of the “Yes” and “No” steps defined in the decision process. Strive to develop a credible plan for implementation to engender acceptance by the CPUC. It is important to (1) identify project sponsors, (2) have enough detail in the plan so the EIR document works regardless of the “Yes” or “No” steps, (3) get the political champions to come forward, and (4) work with the important stakeholders who need to be informed and support the alternative so these folks are comfortable with the plan and implementation arrangements (people that do not regularly participate in the REPOG). If each element in Phase II is a “No”, then the amount of desalinated water that will need to be supplied will equal the amount in the Coastal Water Project as proposed by Cal Am.

General Comments

- The water gap timeline is on page 8 of the slides. Is the demand being estimated for 5 years? The MPWMD future is tied to 2020.
- Specific methods of desalinating water have not been identified in this planning overview because only the amount of the water that needs to be desalinated has been defined at this stage. Desalination plants will be evaluated in terms of the impact to the Cal Am ratepayer (i.e. cost competitiveness) and opportunities to increase the number of beneficiaries to spread investment costs.
- Advantages of ship-based versus land-based desal have not been analyzed yet.
- Multiple beneficiaries. Pipelines run through areas where water is used allows more people to share the cost.
- Cities and the County bear responsibility for stormwater programs, representatives from these entities should participate in this process.
- Participants discussed how political entities can encourage agencies to come forward and take ownership of projects. The first step is to inform political decision makers and explore how incentives can be used to encourage water agencies to work in a regionally coordinated manner to solve the regulatory issues quickly.
- REPOG participants are encouraged to coordinate political efforts with agency sponsors and take initiative. Each REPOG participant is encouraged to get involved and take ownership of the plan. In full recognition of the complexity of each next step, each REPOG participant should try to move decision makers to take forward-looking steps with his/her influence.
- A dispute arose concerning inequality of elected official representation on the Leadership Task Force with incorporated and unincorporated communities in Monterey County. MCWRA has tasked members of the Board of Supervisors, Dave Potter, Silvio Bernardi, and Lou Calcagno to participate in the Leadership Task Force to make sure there is a balance between North and South County.
- Regulatory issues that are to be resolved with the regional water supply plan need further analytical work to satisfy important engineering and hydrology details. Suggestion was made to delineate what project will help the Carmel River and what is for the Seaside Basin. The two separate legal requirements need to be clearly described in terms of the projects that are intended to satisfy them.
- Phase I ASR and water rights to the Carmel River were explained. From December to May MPWMD could theoretically inject up to 2,426 AF per year, but taking hydrological conditions, on average, the most MPWMD is planning to inject is 920 AF into the groundwater basin on average each year.
- Groundwater replenishment is not intended to completely satisfy the adjudication of the Seaside basin. Hydrological requirements regarding recycled water and its residence time in the basin are one issue for further analysis. The phased approach is being used because of the small size of the Seaside basin relative to the Salinas basin. Recycled water must have multiple barriers between its source and its final potable use (membranes, disinfection, and time in residency required by DHS). MRWPCA believes that it can only put about 2,500 AF put into the Seaside basin.
- Indirect potable reuse (IPR) can recharge the Seaside basin when the river water is not available for ASR. One aspect of using IPR in the regional supply plan that must be taken seriously is that this is a new issue for this area. It is critical to point out the context in which an IPR project is factored into the portfolio of water supplies to help people understand why some are in favor of it. It is more important for REPOG participants who are not members of water agencies to make statements in support of IPR than those who seem as if they stand to gain from implementing the project.
- Political will regarding IPR is an important issue that must be dealt with seriously. Indirect reasons for people to dislike a project. MRWPCA is inviting leaders and REPOG participants and the press down to Orange County to see a successful groundwater replenishment with recycled water operation. If this recycled water phase is going to be implemented, there is a certain level of understanding you have from the public. Component of plan is indirect potable reuse, which is considered safe, reliable, and

acceptable in Orange County, but has been rejected in Los Angeles County and San Diego County. Analyses of the successes and failures point to the public's awareness and the support of the regional political leaders. Water produced for Monterey will probably be more expensive than in Orange County because of the differences in subsidies that Monterey can apply for to reduce the cost of the facilities.

- The REPOG is seen as the leadership group until replaced. What can members of the REPOG do until agencies step forward with projects identified in components of the plan? Make noise, promote the plan and involve the press.
- MPWMD believes there is more potential for ASR, if Cal Am is willing to pay for additional diversion and treatment capacity.
- What are the peak day demand requirements and how can they be incorporated in this plan? One of the next steps is to answer the question of how one would translate the water in the supply plan into what is required on a 150% of normal July day.

Status Report on the Formation of the Monterey Regional Water Solutions Task Force

Keith Israel, Monterey Regional Water Pollution Control Agency

The group is composed of regional leaders, mayors, and leaders of water/wastewater districts and they are supposed to participate in the REPOG meetings. The Leadership Task Force will be formed as a result of the signed MOU some time soon. This group will be apprised of the development of the REPOG process.

Public Information and Involvement Working Group

Sarah Corbin, Member of the Public Information and Involvement Group

The idea of developing a press release is to have something to feed the press from the REPOG group to update them on this process, describe the specific project recommendation as well as how the group is moving forward. Agencies are advised to work with the members of the public information and involvement group to be in sync with issuing statements to the press.

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

Financing Water Projects

Participants discussed previous and upcoming bond measures targeting water infrastructure, the regional context in which funds can be applied for from the state, and criteria of successful proposals.

- Governor is pushing for water bonds. Several representatives have submitted bond measures for November 2008. Within Prop 84, there is 50 million set aside for water projects in coastal communities. It is likely that many agencies will compete for scarce funding because the amount proposed at the state level is "peanuts" in comparison to what is needed.
- The Leadership Task Force would investigate the cooperation that is necessary among water agencies to go after state funding.
- Lead agencies in the future are likely to build upon past efforts. MPWMD received a grant from Proposition 50 funds for the draft Integrated Regional Water Management Plan (IRWMP) that is currently on its website. MCWD, MCWRA, Castroville Water District will prepare a IRWMP for the Salinas Valley. The REPOG and the Leadership Task Force need to ensure our projects are mentioned in each of the IRWMPs.
- Criteria for success: (1) project must be identified in the IRWMP prior to applying for funds, (2) money will be contingent upon partnerships rather than single agencies, (3) it will be an advantage to say your partnership is working on a component of an overall regional plan.
- What the REPOG is doing will fit well within the values embedded in the bonds.

North County Projected Water Supply Clarification

Regarding the 4,900 AF designated for N. Monterey Co: Is this an area of double counting? Won't the Salinas Valley Water Project supply that? Why is it counted in the regional plan?

Recognizing water quality problems and quantity issues around Granite Ridge, MCWRA and others in 2002 identified additional water needs for Prunedale above and beyond balancing the groundwater basin. This is not double counting. The distribution system needs to take account of those additional needs. The water that is used to balance the groundwater basin essentially firms/secures the groundwater resource. The EIR doesn't say that the water from the Saliinas project will go from it to the new demand in Carlson Estates.

Mr. Weeks explained the water supply needs of the North Monterey County area to distinguish between the two watersheds and the resulting opportunities and constraints, hydrologically speaking, that affect the communities in the area.

Request for Glossary

A participant asked for a glossary to be produced that will define concepts such as "rebound". People who use "new" terms are responsible to provide a definition in the meeting. There may be a glossary of terms related to water planning that can be located for this group. If a person finds such a glossary, please send the URL link to the webmaster cborrow@ucsc.edu.

Discussion of Next Meeting Date/Agenda

- **Meeting #9 (October 31, 2007)**

Meeting Attendees

Andrew Barnsdale, CPUC
Dewey Baird, Presidio of Monterey
Catherine Borrowman, UCSC
Janet Brennan, Public
Diana Brooks, DRA
Tom Bunosky, Cal Am
Madeliene Clark, Elkhorn Slough Coalition
Sarah Corbin, Surfrider
Steve Endsley, FORA
John Fischer, Public
Darby Fuerst, MPWMD
Skip Griffin, PBS&J, Water Standard Company
Sarah Hardgrave, RBF
Maryann Hulsman, ESA
Steve Kasower, UCSC
Keith Israel, MRWPCA
Lynn Maack, DRA
Roger Masuda, Griffith and Masuda
Lyndel Melton, RMC Water and Environment
Ken Nishi, MCWD
Dave Pendegrass, MPWMD
George Riley, CPW
Tom Rowley, MPTA
Danilo Sanchez, DRA
Peggy Shirrel, Harbor District
Andy Sterbenz, MCWD
Cynthia Walker, DRA
Curtis Weeks, MCWRA
Eric Zigas, ESA