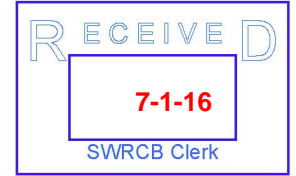


June 1, 2016



State Water Resources Control Board
Division of Water Rights
Attn: John O'Hagan
P.O. Box 2000
Sacramento, CA 95812-2000

Re: California-American Water Company Request to Change Order WR 2009-0060-DWR

Dear Mr. O'Hagan:

In recent years the backstory of the "Monterey Water Story" appears to involve attempts to circumvent the Cal-Am Cease and Desist Order (WRO 2009-0060). For example, the City of Pacific Grove recently attempted to "get around" CDO Section 19.2 by planning to reuse the "saved" potable water that their State-funded (\$7.7M) wastewater scalping plant would "free up" while the CDO is in effect (see links below):

<http://www.montereyherald.com/article/NF/20151030/NEWS/151039970>

<http://www.montereyherald.com/article/NF/20151119/NEWS/151119754>

http://www.waterboards.ca.gov/board_info/agendas/2015/nov/comments111715_item7/docs/luke_coletti.pdf

Fortunately, at the State Water Resources Control Board Nov 17, 2015 board meeting, they unanimously affirmed both Section 19.2 and Condition 2 of WRO 2009-0060 when they placed conditions on the funding for this project (see SWRCB Res. 2015-0070, pp. 2-4 attached). I believe these conditions should remain in full force and effect throughout the entire CDO period. However, entitlements were quickly adopted by the MPWMD soon after funding was approved. The City of Pacific Grove received a 66afy entitlement while the MPWMD gifted itself a 9afy entitlement (see MPWMD Ord. 168, pp. 5-11 attached).

Other attempts to circumvent the CDO include willfully ignoring Condition 2. Again, consider the City of Pacific Grove as an example. A special election (PG Measure X) to permit hotel use by rezoning 5 acres in the coastal zone was approved by Pacific Grove voters on April 19, 2016. Condition 2 of the CDO prohibits an intensification of water use based on a rezone. The SWRCB determines an intensification of use by comparing the historic metered use with the "on-site credits"; any demand above the lesser of these two amounts represents intensification. However, both the City and the MPWMD appear unwilling to acknowledge this. They are claiming the proposed hotel (Project Bella) can fully access the 18.53afy of on-site credits without considering the site's historic metered use (see MPWMD on-site credits letter, pp. 12-13 and Measure X campaign advertisement, p. 14 attached).

Therefore, I believe any extension of the CDO must include further affirmation by the State Water Resources Control Board, that MPWMD entitlements do not provide Cal-Am with the right to supply water illegally diverted from the Carmel River and that CDO Condition 2 does not permit an intensification of use in the case of a rezone. I am not opposed to the proposed extension, so long as our local officials respect and abide by the conditions, which is often problematic (see Monterey County Weekly story, pp. 15-18 attached).

Luke Coletti
Pacific Grove, CA

**STATE WATER RESOURCES CONTROL BOARD
RESOLUTION NO. 2015-0070**

APPROVING WATER RECYCLING FUNDING PROGRAM (WRFP) AND CLEAN WATER
STATE REVOLVING FUND (CWSRF) FINANCING FOR THE CITY OF PACIFIC GROVE
LOCAL WATER PROJECT (PROJECT)

WHEREAS:

1. The State Water Resources Control Board (State Water Board), on February 17, 2015, amended the "*Policy for Implementing the Clean Water State Revolving Fund*" (Policy);
2. The City of Pacific Grove (City) applied for a CWSRF Loan and WRFP Grant for a total of \$7.7 million for the construction of a new satellite recycled water treatment plant;
3. The Project is listed on the Project List;
4. The City of Pacific Grove (City) is the lead agency under the California Environmental Quality Act (CEQA), and has prepared an Environmental Impact Report (EIR) for the Project;
5. Adequate public participation was provided through the CEQA review process. The EIR was circulated through the State Clearinghouse (SCH) (No. 2014021058) from September 16, 2014 through October 30, 2014 for public review and commenting;
6. The City certified the EIR, adopted a Mitigation Monitoring and Reporting Program (MMRP), and approved the Project on November 19, 2014;
7. The City filed a Notice of Determination (NOD) for the EIR with the Monterey County Clerk and Governor's Office of Planning and Research (OPR) on November 20, 2014 and November 24, 2014, respectively;
8. The City prepared a Supplemental EIR for the Project and distributed it to the public and circulated it through SCH for review from July 8, 2015 through August 6, 2015;
9. The City adopted the Supplemental EIR and approved the project on October 7, 2015 and filed an NOD with the Monterey County Clerk and OPR on October 8, 2015 and October 9, 2015, respectively;
10. State Water Board initiated consultation with the State Historic Preservation Officer (SHPO) on February 4, 2015. On March 11, 2015, the SHPO responded with a conditional concurrence. SHPO concurred with a finding of "No Adverse Effects to Historic Properties" with the condition that a qualified archaeological monitor and a Native American monitor be present for all ground-disturbing activities in the Project area;
11. The City's environmental documents provided an adequate disclosure of the environmental relationships of all water quality aspects of the Project. Mitigation measures and design measures incorporated into the Project will avoid or substantially reduce other potentially significant environmental impacts. The Project will not result in any significant adverse water quality impacts; and

12. Section 19.2 of [State Water Board Order WR 2009-0060](#) states that cities on the Monterey Peninsula that receive water from Cal-Am must first apply any new water developed to offsetting diversions from the Carmel River prior to using the water for growth.

THEREFORE BE IT RESOLVED THAT:

The State Water Board:

1. Approves up to \$5,285,000 CWSRF construction financing and \$2,415,000 for Prop 13 Water Recycling Funding Program grant for the City's Project.
2. Condition this approval, as determined by the environmental review, with the following:
 - a. The City shall comply with the applicable mitigation measures of the November 2014 MMRP;
 - b. Per the March 11, 2015 concurrence letter from Carol Roland-Nawi of the SHPO to Madeleine Flandreau of the State Water Board, the City shall ensure that qualified archeological and Native American monitors are present during all earth-moving and ground disturbing activities in the Project area;
 - c. The City shall obtain a Coastal Development Permit from the California Coastal Commission, submit a copy to the State Water Board and comply with all required measures therein;
3. Condition this approval, as determined by the City's credit review, with the following:
 - a. The City shall pledge revenues of the Sewer Enterprise Fund for repayment of the proposed CWSRF financing agreement. This pledged revenue fund (source) shall be subject to lien and pledge as security for the Obligation;
 - b. The proposed financing agreement shall be issued on parity with the Capital One Public Funding LLC Wastewater Loan Agreement dated April 1, 2013. Parity debt requires debt service coverage of 1.20 times the total annual debt service;
 - c. The City shall establish rates and charges sufficient to generate net revenues of the Sewer Enterprise Fund equal to at least 1.20 times the total annual debt service;
 - d. The City shall establish a restricted reserve fund, held in the Sewer Enterprise Fund, equal to one year's debt service prior to the construction completion date of the project. The restricted reserve fund shall be maintained for the full term of the Finance Agreement and shall be subject to lien and pledge as security for the Obligation; and
 - e. The City shall submit a revised Pledged Revenue Fund/Source Resolution pledging the Net Revenues of the Sewer Enterprise Fund and the Sewer Enterprise Fund prior to a financing agreement being executed.

4. Condition this approval, as determined by the City's technical review, with the following:

a. The City must submit a Waste Discharge Permit approved by the Central Coastal Regional Water Quality Control Board with the Final Budget Approval package. The financing agreement will not be finalized and no funds will be disbursed for construction until the adopted Waste Discharge Permit is submitted to the Division of Financial Assistance.

b. The City shall apply recycled water produced by the Project to service of existing uses and shall use the ensuing demand reductions to offset deliveries from Cal-Am until such time as the City receives consent from the State Water Board's Executive Director to apply the Project's recycled water and associated demand reductions to new service connections or to increased use at existing service addresses resulting from a change in zoning or use.

CERTIFICATION


The undersigned Clerk to the Board does hereby certify that the foregoing is a full, true, and correct copy of a resolution duly and regularly adopted at a meeting of the State Water Resources Control Board held on November 17, 2015.

AYE: Chair Felicia Marcus
Vice Chair Frances Spivy-Weber
Board Member Tam M. Doduc
Board Member Steven Moore
Board Member Dorene D'Adamo

NAY: None

ABSENT: None

ABSTAIN: None



Jeanine Townsend
Clerk to the Board



Adopted by the Board on January 27, 2016 – For Effective Date Refer to Section Six

ORDINANCE NO. 168
AN ORDINANCE OF THE BOARD OF DIRECTORS OF THE
MONTEREY PENINSULA WATER MANAGEMENT DISTRICT
AMENDING RULE 11 AND ADDING RULE 23.9
TO ESTABLISH A WATER ENTITLEMENT FOR
THE CITY OF PACIFIC GROVE

FINDINGS

1. The Monterey Peninsula Water Management District (MPWMD or District) is charged under the Monterey Peninsula Water Management District Law with the integrated management of all ground and surface water resources in the Monterey Peninsula area.
2. The Monterey Peninsula Water Management District Law grants MPWMD general and specific powers to cause sufficient water to be available for present and future beneficial use or uses of lands or inhabitants within the District. MPWMD Rule 30 requires the District to establish a specific Allocation for each Jurisdiction and provides that the District also may establish Water Entitlements as necessary to manage water supplies throughout the District.
3. The City of Pacific Grove (City) committed to construct the Pacific Grove Local Water Project (Project) within the City. The Project is intended to create non-potable recycled water supply of 125 acre-feet annually (AFA) to meet irrigation needs on the City-owned Pacific Grove Golf Links and El Carmelo Cemetery and will thereby reduce potable water metered demand on the California American Water Company (Cal-Am) water system. The Project includes a new Satellite Reclaimed Water Treatment Plant facility with a design flow capacity of 0.25 million gallons per day, and will recycle a portion of the City's municipal wastewater at the Point Piños Wastewater Treatment Plant. Potable water freed by reason of Project operations shall be available for re-use; a remainder will be conserved and permanently suspended from use for the benefit of the Carmel River system.
4. The City certified an Environmental Impact Report (EIR) for the Project on November 19, 2014, in accord with the California Environmental Quality Act (CEQA). In certifying

this EIR, the City made specific findings which, by this reference, are made an integral part of this ordinance, as if set forth in full. The City thereafter prepared and certified a Supplemental EIR (SEIR) on modification to the PG Local Water Project (SCH# 2014021058) which examined impacts that might result from implementation of this ordinance.

5. A key purpose for the Project is to assist the City, the District, and Cal-Am to meet requirements of State Water Resources Control Board (SWRCB) Order WR 95-10, whereby the SWRCB concluded Cal-Am was diverting approximately 10,730 acre-feet per year of water from the Carmel River system without a valid basis of right. Order WR 95-10 directed Cal-Am to terminate unlawful diversions from the Carmel River system. The Project reduces metered demand and Cal-Am production requirements from the Carmel River system. The Project is scheduled to be fully on line and delivering up to 125 afy on or before December 31, 2016.
6. This ordinance suspends use of a portion of the potable water previously diverted by Cal-Am and used by the City to irrigate its Golf Links and El Carmelo Cemetery, during that period before Cal-Am is able to cease diverting water from the Carmel River system without a valid basis of right.
7. This ordinance establishes a Water Entitlement for the City by which Cal-Am may convey water through its distribution system to City subscribers based upon a Water Use Permit, and adds water to Jurisdictional Allocations under Rule 33. This ordinance also establishes procedures under which City subscribers may apply to the District for Water Use Permits receive and use water diverted by Cal-Am.
8. This ordinance amends Rule 11 (Definitions) and adds Rule 23.9 (City of Pacific Grove Water Entitlement) to the Rules and Regulations of the Monterey Peninsula Water Management District.
9. Significant portions of the water made available by the Project shall assist Cal-Am's efforts to comply with SWRCB Order WR 95-10, and Cease & Desist Order 2009-060.
10. The MPWMD is a responsible agency under CEQA. As a CEQA responsible agency, the MPWMD may rely on the City's CEQA compliance for this ordinance. Pursuant to CEQA Sections 15091 and 15092, the MPWMD Board finds that the Project will not have a significant effect on the environment, based on information contained in the SEIR. Mitigation measures are not made as conditions of approval by MPWMD for this action.

NOW THEREFORE, be it ordained as follows:

ORDINANCE

Section One: Short Title

This ordinance shall be known as the Pacific Grove Recycled Water Supply Entitlement Ordinance of the Monterey Peninsula Water Management District.

Section Two: Purpose

The purpose of this ordinance create a process to confirm and quantify replacement of existing Potable water use with Recycled Water by reason of the Pacific Grove Local Water Project, to quantify the portion of replaced water supply retired from use during the period before California American Water is able to cease diverting water from the Carmel River system without a valid basis of right, and to confirm how the remainder portion of water may be re-used by the City of Pacific Grove and the District via deliveries from California American Water from its various sources, including water from the Carmel River system.

Section Three: Amendment of Rule 11, Definitions

The following definition in Rule 11 shall be amended as shown in bold italics (*bold italics*) and strikethrough (~~strikethrough~~).

WATER ENTITLEMENT HOLDER – “Water Entitlement Holder” shall refer to one of the following entities: The Pebble Beach Company (Ordinance Nos. 39 and 109), Hester Hyde Griffin Trust (Ordinance No. 39), Lohr Properties Inc. (Ordinance No. 39), the City of Sand City (Ordinance No. 132), Cypress Pacific Investors LLC (Water Distribution System Permit approved September 15, 2014), ~~and~~ Malpaso Water Company LLC (Ordinance No. 165), ~~and~~ D.B.O. Development No. 30, a California Limited Liability Company (Ordinance No. 166), *and the City of Pacific Grove (Ordinance No. 168).*

Section Four: Addition of Rule 23.9, City of Pacific Grove Water Entitlement

The following text shall be added as Rule 23.9 – City of Pacific Grove Water Entitlement:

RULE 23.9 – CITY OF PACIFIC GROVE WATER ENTITLEMENT

A. CITY OF PACIFIC GROVE WATER ENTITLEMENT

1. The City of Pacific Grove Water Entitlement confers on the City of Pacific Grove, a vested property right to release up to 66 AFA of water for consumption from the California American Water Company Water Distribution System.
2. 13 AFA of metered water demand previously used by the City of Pacific Grove to irrigate its Golf Links and El Carmelo Cemetery shall be permanently suspended from use in order to provide lasting benefits to the Carmel River system.
3. Benefited Properties of the City of Pacific Grove Water Entitlement shall mean all properties that are located within the City of Pacific Grove.
4. City of Pacific Grove is authorized to separately sell, transfer and convey to owners of Benefited Properties for such consideration and upon such terms and conditions as City of Pacific Grove in its discretion may determine, such portions of the City of Pacific Grove Water Entitlement as it may choose. Any portion of the City of Pacific Grove Water Entitlement conveyed to the owner of a Benefited Property by an Assignment Document shall vest in the owner of the Benefited Property, and become appurtenant to title to the particular Benefited Property, at the time the Water Use Permit is issued as evidence of such conveyance.
5. The City of Pacific Grove Water Entitlement shall be separate and distinct from any other Allocations provided in Rule 30.
6. For purposes of collecting Capacity Fees and tracking the use of a Water Entitlement, the projected increase in Water Use Capacity of a Benefited Property shall be calculated in the manner set forth in Rule 24, as it may be amended from time to time.
7. Each Water Use Permit issued pursuant to this Rule shall represent a vested property interest upon issuance and shall not be subject to Revocation or cancellation except as expressly set forth in subparagraph B below.

8. The portion of the City of Pacific Grove Water Entitlement granted by each Water Use Permit shall not be subject to reallocation pursuant to MPWMD Rule 30.

B. REVOCATION, TERMINATION, OR MODIFICATION OF WATER USE PERMITS

1. Each Water Use Permit which, on or after January 1, 2075, embodies an annual Water Entitlement in excess of requirements for planned land uses on the Benefited Property, or which purports to authorize usage in excess of the constitutional limitation (California Constitution, article 10, section 2) to reasonable and beneficial use, shall be subject to modification, Revocation, or termination in the sole discretion of MPWMD, such that the water usage authorized thereby shall not exceed such requirements and limitations.
2. Prior to any modification, termination or Revocation pursuant to this subparagraph E, the holder of the Water Use Permit shall be entitled to notice and a hearing, and any termination, Revocation, or modification shall be subject to appeal to the Board pursuant to Rule 70 of the MPWMD Rules and Regulations.

Section Five: Designation of 9 Acre-Feet of Water Savings to MPWMD

Simultaneous with the creation of the Pacific Grove Water Entitlement pursuant to Rule 23.9, the District shall reserve 9 AFA of conserved water for its exclusive use for future Jurisdictional Allocation pursuant to Rule 30 or to be held in reserve.

Section Six: Effective Date and Sunset

This ordinance shall take effect upon completion of the Pacific Grove Local Water Project and verification of disconnection from the California American Water Water Distribution System of all irrigation and irrigation Connections to the Pacific Grove Municipal Golf Links and the El Carmelo Cemetery.

This Ordinance shall not have a sunset date.

Section Seven: Severability

If any subdivision, paragraph, sentence, clause or phrase of this ordinance is, for any reason, held to be invalid or unenforceable by a court of competent jurisdiction, such invalidity shall not affect the validity or enforcement of the remaining portions of this ordinance, or of any other provisions of the Monterey Peninsula Water Management District Rules and Regulations. It is the District's express intent that each remaining portion would have been adopted irrespective of the fact that one or more subdivisions, paragraphs, sentences, clauses, or phrases be declared invalid or unenforceable.

On motion by Director Pendergrass, and second by Director Lewis, the foregoing ordinance is adopted upon this 27th day of January, 2016 by the following vote:


AYES: Directors Pendergrass, Lewis, Clarke, Byrne, Evans and Potter

NAYS: None

ABSENT: Director Brower

I, David J. Stoldt, Secretary to the Board of Directors of the Monterey Peninsula Water Management District, hereby certify the foregoing is a full, true and correct copy of an ordinance duly adopted on the 27th day of January 2016.

Witness my hand and seal of the Board of Directors this 23rd day of February 2016.



David J. Stoldt, Secretary to the Board

COPY CERTIFICATION

I, David J. Stoldt, Secretary to the Board of Directors of the Monterey Peninsula Water Management District, hereby certify the foregoing is a full, true and correct copy of Ordinance No. 168 duly adopted on the 27th day of January 2016.



David J. Stoldt,
Secretary to the Board of Directors

2-23-16
Date



MONTEREY PENINSULA WATER MANAGEMENT DISTRICT

5 HARRIS COURT, BLDG. G
POST OFFICE BOX 85
MONTEREY, CA 93942-0085 • (831) 658-5601
FAX (831) 644-9558 • <http://www.mpwmd.dst.ca.us>

August 19, 2002

Mr. David Gandle, Senior Consultant
ConsultEcon
24 Thorndike Street
Cambridge, MA 02141

**Subject: On-Site Water Credits for The American Tin Cannery Outlet Center, 125 Ocean View Blvd,
Pacific Grove**

Dear Mr. Gandle:

This letter responds to an e-mail request on July 30, 2002, which was forwarded to me by Stephanie Pintar. I was asked to review the tenant information related to water credits for The American Tin Cannery Outlet Center in Pacific Grove. The results of this review are enclosed.

The American Tin Cannery Outlet Center, the current water credit available on the site is 2.83 acre-feet. The credit resulted from Commercial Water Use Group II and Group III tenant vacancies and conversion of those spaces to Group I commercial uses as reflected on current and past tenant maps in the District's file. Based on information provided by management at the American Tin Cannery Outlet Center, the gross square footage available for lease at The American Tin Cannery Outlet Center is currently 146,355 square feet. This was used as the basis for determining the existing water uses that are shown in Table 2, "The American Tin Cannery Outlet Center Current Uses".

It should be noted that current water use factors (District Rule 24, Table II, Commercial Water Use Factors) are subject to change by action of the District's Board of Directors. Changes in the factors could reduce or increase the amount of water credits available. A copy of Table II, Commercial Water Use Factors, is enclosed for your review.

Thank you for your patience, and please let me know if I can be of any further assistance. I can be reached at (831) 658-5601.

Sincerely,

A handwritten signature in blue ink, appearing to read "Shawn Novack".

Shawn Novack
Conservation Representative

2 Enclosures

Mr. David Gandle, Senior Consultant
 August 19, 2002

Table 1

AMERICAN TIN CANNERY OUTLET CENTER PAST USES (1991)				
USE	SQUARE FT.	OTHER FACTOR (SEATS)	FACTOR	DEMAND
Group I Uses	132,294		0.00007	9.349
Group II Uses	2674		0.0002	.2832
Group III Uses	2,674			
Restaurant	12,006	445	0.020	8.90
Total Square Feet		146,976	Total Acre-feet of Water	
			18.53	

Table 2

AMERICAN TIN CANNERY OUTLET CENTER CURRENT USES (AUG 2002)				
USE	SQUARE FT.	OTHER FACTOR (SEATS)	FACTOR	DEMAND
Group I Uses (including current vacant spaces)	139,949		0.00007	9.80
Group II Uses	-		0.0002	-
Group III Uses				
Restaurant	6,406	295	0.020	5.9
Total Square Feet		146,355	Total Acre-feet of Water	
			15.70	

The special election for **Measure X** gives the citizens of Pacific Grove the opportunity to vote on a zoning change for the American Tin Cannery site at 125 Ocean View Boulevard to allow for hotel usage on the site.

CEQA By law, the development will be subject to CEQA review, a process that is currently underway.

The Pacific Grove City Council voted on March 2, 2016 to retain EMC and Kimley-Horn to conduct the EIR under the California Environmental Quality Act (CEQA) for the proposed Project Bella.

Water Water use regulations are not affected by the passing of Measure X. The project currently has on-site water credits available.

The project will be developed at the highest level of sustainability, LEED Platinum. LEED Platinum standards require innovative methods including intensive conservation and recycling of water. Proven technologies that dramatically reduce water consumption will be incorporated into the plans.

“Water conservation technologies currently available in the marketplace can be incorporated into a LEED platinum building to enable the proposed hotel at the ATC to be designed and operated to utilize no more potable water than is currently available to this project.”

Barry Giles, Founder & CEO, BuildingWise, LLC

Barry Giles is a founding member of the US Green Building Council's LEED Existing Building Core Committee, a LEED fellow and a member of the San Francisco Green Building Task Force. BuildingWise has over 150 LEED buildings certified or in the process of being certified.



Traffic Hotels generate less traffic than retail centers.

Hotel Trip Generation

(Estimated vehicle trips daily)

Trip Generation Per Room – 8.17

Trip Generation All Rooms – 1840

Specialty Retail Center Trip Generation

(Estimated vehicle trips daily)

Trip Generation Per 1000 sq. ft. – 44.32

Total Trip Generation – 3546

A Hotel at 100% occupancy at the American Tin Cannery site **would reduce the number of daily traffic trips** generated by the Specialty Retail Center (at 50% occupancy) **by approximately 50%.**

Source: Trip Generation, Institute of Transportation Engineers (ITE), Eighth Edition

Size Project Bella will be the same height as the existing building. It will be 40' tall at its highest and have 10 percent less coverage than the exiting American Tin Cannery.

Below is a chart comparing the size of the new project in comparison with other local hotels.

	Height	Lot Coverage	Floors
Embassy Suites	150'	75%	14
Clement	45'	70%	4
American Tin Cannery	39'	65%	2
Project Bella	40'	55%	1 - 4

New Revenue Measure X will allow for new revenues from transient occupancy taxes, property taxes, sales and use taxes to support Pacific Grove's library, police, fire department, parks, and other City services and operations.

“At full operation, the project would generate \$2.5 to \$3.6 million in annual Transient Occupancy taxes (TOT) for the City of Pacific Grove. The project would also produce \$443,100 in annual property taxes and between \$209,400 and \$294,000 in annual sales tax, depending on how much ancillary shopping the hotel guests do in Pacific Grove. The net fiscal effects of the project would be annual surplus General Fund revenues of \$3.0 million to \$4.1 million. In comparison, the existing retail use is estimated to produce net revenue of about \$301,100 per year.”

Source: April 6, 2016 Fiscal Analysis of the Proposed Hotel Bella Project Prepared for the City of Pacific Grove by Applied Development Economics, Inc.

The report was commissioned by the City of Pacific Grove to ascertain potential cost/revenue balance for the City government of the proposed Hotel Bella project from an independent third party. The full report is posted on the City of Pacific Grove's website: <http://tinyurl.com/gr7p2hv>

Endorsements

Measure X is endorsed by:

- Pacific Grove Chamber of Commerce**
- Pacific Grove Economic Development Commission**
- Pacific Grove General Employees Association**
- Pacific Grove Police Officers Association**

“This project is far more important than usual. It's a very good project, at a very good location. It will result in a truly quality activity fitting for Pacific Grove and the financial impact is both



important and essential for the future health of Pacific Grove.

I hope you will personally support Measure X as the first step on the long path for the project. And I hope you will encourage you friends and neighbors also to support it.”

Bill Kampe, Resident and Civic Leader

YES on X!

Measure X is endorsed by the Monterey Herald, Monterey County Weekly, The Carmel Pine Cone, Cedar Street Times and KSBW-TV.

To endorse Measure X go to: yesonmeasurexp.com
For more information call 831.241.6250

Help Preserve Pacific Grove's Long-term Vitality

VOTE Yes on Measure X, Tuesday, April 19!

Paid for by Pacific Grove Friends of Project Bella Yes on Measure X, funded by Domaine Pacific Grove LLC

http://www.montereycountyweekly.com/opinion/squid-watches-the-mayors-water-board-get-waterboarded-by-the/article_037abdf2-0599-11e6-9a17-4fad511913eb.html

Squid watches the mayors' water board get waterboarded by the CPUC.

Squid **Apr 18, 2016**



Water Torture...In the event Squid is in need of comedic inspiration, Squid often turns to the classics on Squid's bookshelf, like *Candide* or *Catch-22*, or perhaps *Portnoy's Complaint* or *Straight Man*.

But when Squid delves into the realm of Monterey Peninsula water supply woes, the need for that kind of inspiration is rare.

At the April 14 meeting of the **Monterey Peninsula Regional Water Authority**—a board comprising the Peninsula's mayors—the mayors got a long-awaited opportunity: An audience with officials from the **California Public Utilities Commission**.

The CPUC is the lead agency for **California American Water's** desalination project's environmental impact report, and the meeting was a chance for the mayors to goose the CPUC into speeding that process up, which has been delayed, again.

A little back story: The draft EIR was supposed to be finished this spring, but when beach erosion exposed the outfall pipe for Cal Am's test slant well in March, forcing Cal Am to shut down the test well (again), the CPUC dramatically revised the EIR schedule, pushing it back several months.

The new schedule projects the final EIR being released in September 2017, which delays the project almost a year, forcing Cal Am to apply for a five-year extension (instead of four-year) of the state's cease desist order, which requires Cal Am to curtail most of its pumping of the Carmel River by January 1, 2017.

Yep, gonna miss that deadline by several years.

The workshop with CPUC officials began with words from Carmel Mayor **Jason Burnett**, who has been chair of the authority for years, and who is leaving office later this month after not running for re-election.

Burnett told the officials that the delays in the Cal Am project were out of the control of both the public and the elected officials, and that the CDO would detrimentally affect the community at large, so please pretty please can you give us an extension.

As for the Cal Am EIR, Burnett said the authority is "looking for any steps that can be taken to tighten up the schedule."

CPUC Water Division Director **Rami Kahlon** responded that he has passionately argued for the CDO extension in the past, and is optimistic the CPUC would extend it. But as for the Cal Am EIR, not so much.

"The schedule we have today, this is the best we can do," Kahlon said.

The mayors then all got a chance to chime in, and aired their thoughts about the region's ever-elusive new water supply.

"It's insane, it's like Alice through the looking glass," said Del Rey Oaks Mayor **Jerry Edelen**. "It gets more and more bizarre as we go along."

Edelen recalled a man in the Persian Gulf who built a giant desal plant with the snap of his fingers, and lamented it wasn't so easy in Monterey Bay, because people are worried about "critters, even though we take millions of tons of seafood."

Speaking a few minutes later, Sand City Mayor **David Pendergrass** piggy-backed on Edelen's "critters" theme, and urged an extension of the CDO.

"It's important the people come first, not the animals," Pendergrass said. "Earth was built for man."

As a cephalopod, Squid disagrees, but also, the earth was "built?" Hmm.

The CPUC officials understood the mayors' concerns, they really did, and they let the mayors know it.

"This is on us," said **Jason Reiger**, CPUC assistant general counsel. "There are things we control, and there are thing we do not control, but this is not on you, emphatically."

Then it was the public's turn to chime in. None was more memorable than **Gary Cursio**, an executive committee member of the **Monterey County Hospitality Association** and president of **Monterey Golf Management Group**.

"This cease and desist order is literally the equivalent of a nuclear bomb being dropped on the Monterey Peninsula, and that's not an exaggeration," Cursio said.

Really? Is Cursio "literally" going to be vaporized by a nuke, or is the local economy "literally" going to suffer?

Burnett then went to explain that Cal Am opted for subsurface slant wells, an unproven technology, because the company was trying to comply with regulatory agencies.

"Other communities are looking at our experience, and they're learning from it. And right now, our experience is one of frustration," Burnett said, who again asked that the EIR schedule be accelerated. "The perfect should not be the enemy of the good, and I think we have a very good EIR."

But the CPUC officials wouldn't budge.

Reiger said they would look and see if any time savings could be made in the process, but his colleague **Mary Jo Barak** wasn't optimistic on that front.

“We’ve made it as tight as we can make it without taking excessive legal risk,” she said. “It doesn’t have to be perfect, but it does have to be very good, and legally defensible.”

Burnett then asked if there was anything that could be done to expedite the Pure Water Monterey groundwater replenishment project, which he prefaced with an unexpected turn of a phrase.

Burnett: “I’m trying phrase this so it’s not ‘will you stop beating your wife’ questions...”

Whoa!

Reiger said the CPUC was reviewing the EIR for the project’s pipeline, and that there’s a small chance it might have to be amended.

The mayors seemed to let out a collective groan.

“I see no right for you to look at it. It was approved!” Pendergrass lamented. “I don’t understand why you would open that process again. To me, you have no right to do that.”

Reiger would not be swayed.

“Let me clarify. I don’t have a right, I have a legal obligation,” Reiger said.

Unless a special meeting is called later this month, the meeting will mark Burnett’s final appearance behind the dais of the water authority, where he will be replaced by Carmel mayor-elect **Steve Dallas**.

And even though some in Carmel—including the *Carmel Pine Cone* and former mayor **Sue McCloud**—said it was critical to vote for **Ken Talmage** for mayor because of his experience with water issues, and that voting for Dallas was tantamount to voting for the sky to fall, the officials from CPUC didn’t seem to care too much about Carmel’s politics and—surprise!—they would still advocate for an extension of the CDO despite Dallas getting elected.

Phew! Squid was worried, and can now abandon Squid’s plans for a deep sea bomb shelter.