

November 12, 2015

Felicia Marcus
Board Chair
State Water Resources Control Board
1001 I Street
Sacramento, CA 95814



Dear Chairwoman Marcus,

I am writing to inform the SWRCB about my concerns regarding the proposed Pacific Grove Local Water Project (PGLWP) that will come before you at the November 17, 2015 board meeting as agenda item #7. I have submitted comments before on this issue, which can be found here: http://www.waterboards.ca.gov/board_info/agendas/2015/may/item4cmt_luke_coletti.pdf

Initially, I was very hopeful the potable water saved by the PGLWP would also reduce the illegal Cal-Am diversions by the same amount; something SWRCB Order WRO 2009-060 specifically intended Small Water Projects to accomplish. I also hoped it would reduce the demand (water and energy) on Cal-Am's proposed desalination plant (MPWSP). Both of these were specifically listed as project "benefits" in the original (Nov 2014) EIR (see 4 and 6 below). These benefits were also listed in the City's \$5.3M SWRCB loan application (see SRF Attachments), which was used by SWRCB staff to assign the project a "sustainability score". This (inflated) score was then used to rate the project against others competing for State funds.

4. It would provide a new supply of irrigation water, thereby reducing operational demands on Cal-Am's desalination plant and other system components;

6. The LWP would be the first of the four primary Projects designed to prevent illegal diversions from the Carmel River and excessive pumping from the Seaside Aquifer to come on line. It is the only project that is scheduled to be operational prior to January 1, 2017, the State's designated date for imposing the full Cease and Desist Order (CDO). As such, it would reduce illegal diversions and create other significant environmental benefits in advance of the ability of any of the other projects to do so.

In April 2012 the City of Pacific Grove submitted a public participation proposal with the California PUC for the Cal-Am MPWSP desal project. In their proposal they claim: "This Small Water Supply Projects Proposal for Public Participation would directly reduce the production capacity, size, and operational requirements of the California American Water Proposal, and increase the likelihood that water is available by January 1, 2017. The City also claimed in its proposal that: "Each project will benefit California American Water by assisting in meeting the requirements of the State Water Board Cease and Desist Order for withdrawals from the Carmel River Aquifer".

In February 2015 the City applied for a coastal development permit with the California Coastal Commission and was granted a waiver (May, 2015) based on the City's application claiming the project would: "create a new irrigation water supply of 125 acre-feet-per-year (AFY) (annual average demand) and **would save an equivalent volume of potable water currently obtained by the California Water Company (CAW)** from the Carmel River. The potable water offset would assist the CAW in meeting its obligations to find a replacement to its use of water from the Carmel River and reduce system pumping as required by State Water Resources Control Board (SWRCB) Cease & Desist Order (CDO), No. 2009-060".

In July 2015, however, the City radically changed course and released a Supplemental DEIR where 95 afy (60 afy for Pacific Grove and 35 afy for the Monterey Peninsula Water Management District – 76% of the 125 afy total) will be made available for new growth. Only 30 afy (24% of the 125 afy total) will be used to reduce the illegal Cal-Am diversions and this amount returns to the City when the Cal-Am Cease and Desist Order(s) has been lifted. Therefore, in the end, this \$7.7M project, paid for by the taxpayers of California, will result in **no conservation** (of water or energy), it will simply transfer potable water from past irrigation use (highly variable annual use – see attached plots) into new growth for residential and commercial use (stable annual use). This will undoubtedly lead to a net intensification of water and energy use, not a reduction! Incidentally, based on past Cal-Am billing statements, the median water demand during the last 10 years, at the PG golf course and cemetery, is only 79 afy (see attached plots). This is less than the 90 afy “entitlement” being sought by the City and certainly less than the overall 125 afy total (again, 90 for PG + 35 for MPWMD). I believe this represents yet another willful deception by Pacific Grove and their water consultant regarding this project. Therefore, I can’t accept the characterization found in the agenda report, prepared by SWRCB staff, claiming the Supplemental EIR only represents “minor revisions” to the project. Instead, I believe the SEIR nullifies nearly all of the benefits described in the original Nov 2014 EIR, including the reduction in sizing and energy consumption of the Cal-Am MPWSP desal plant.

As SWRCB board members you must remember that both WRO 95-10 and 2009-060 determined that approx. 2/3 of the water we currently use on the Monterey Peninsula is based on illegal diversions. However, this also means approx. 1/3 of the water we currently use is legal and based on this crucial fact I suggest you approve the project with the following conditions:

- 1) Access to any entitlement (PG or others) during the CDO can only be based upon the amount saved from the legal portion of the historic irrigation at the PG golf course and cemetery, until the current (and possibly the extended) CDO has been complied with. For example, if the computed historic irrigation use indicates a total of 79 afy (the median – see attached plots of Cal-Am billing records) then PG and the MPWMD can only allocate approx. 1/3 or 26 afy while the CDO is in place. Allowing a reuse of water from the illegal portion for new growth during the CDO must not be allowed. Is anyone really “entitled” to profit from something that was taken/used unlawfully? Once the CDO has been lifted the entire amount would be available.
- 2) Access to any entitlement (PG or others) should be delayed for at least one year, starting from the time the PGLWP is fully operational. This will help ensure the Pacific Grove Golf Course, owned by the citizens of Pacific Grove, is not put into financial jeopardy should the PGLWP fail to produce useful non-potable irrigation water. Please remember, it took several years for Pebble Beach to perfect their reclamation and golf course irrigation process and I suspect the Pacific Grove experience will be very similar.
- 3) That some portion of any entitlement be permanently set aside towards the environment.
- 4) That all revenue from entitlement sales be used exclusively for the expansion of the PGLWP and or new reclamation efforts.

Luke Coletti
Pacific Grove, CA

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GENERAL INFORMATION PACKAGE

I. TYPE OF ASSISTANCE REQUESTED

Amount of Assistance Requested: \$ 7,700,000

Proposed Security: ☒ Wastewater revenues and fund ☐ Water revenues and fund ☒ Other:

Project Type(s): ☐ Wastewater ☒ Water Recycling ☐ Estuary ☐ Nonpoint Source

II. APPLICANT INFORMATION

Applicant Name: City of Pacific Grove

Street Address: 300 Forest Ave City: Pacific Grove State: Zip+4 Code: 93950-3321

Applicant Type: ☒ Public ☐ Indian Tribe ☐ Nonprofit ☐ Other: Specify

Charter City/County: ☒ Yes ☐ No

Mailing Address: 300 Forest Ave City: Pacific Grove State: CA Zip+4 Code: 93950-3321

Congressional District(s): 17

State Senate District(s): 15

State Assembly District(s): 27

County: Federal Tax ID No.: [REDACTED]

Data Universal Numbering System (DUNS) No.:

Regional Water Board where the project will take place: ☐ 1 (North Coast) ☐ 2 (San Francisco Bay)
☒ 3 (Central Coast) ☐ 4 (Los Angeles) ☐ 5 (Central Valley) ☐ 6 (Lahontan) ☐ 7 (Colorado River)
☐ 8 (Santa Ana) ☐ 9 (San Diego)

Authorized Representative Name, Title: Thomas Frutche, City Manager

Phone No.: (831) 6483106

Email Address: tfrutche@ci.pg.ca.us

Contact Person Name: James M. Brezack

Phone No.: (925) 478-8520

Email Address: jbrezack@brezack.com

Local Counsel Name: David Laredo

Phone No.: (831) 646-1502

Email Address: dave@laredolaw.net

III. PROJECT INFORMATION AND PROPOSED SCHEDULES

Project Description: (Enter a brief description of the project)

The City of Pacific Grove will construct a new Satellite Recycled Water Treatment Plant with a capacity of 125 AFY. The proposed Project will decrease the amount of potable water currently supplied by California American Water for local irrigation and reducing their diversions from the

Project Title: Pacific Grove Local Water Project (PGLWP)

NPDES Permit or WDR Order No. (if applicable): N/A

Current Year Estimated Population Served: 15,500

State Use Only

CWSRF Project #

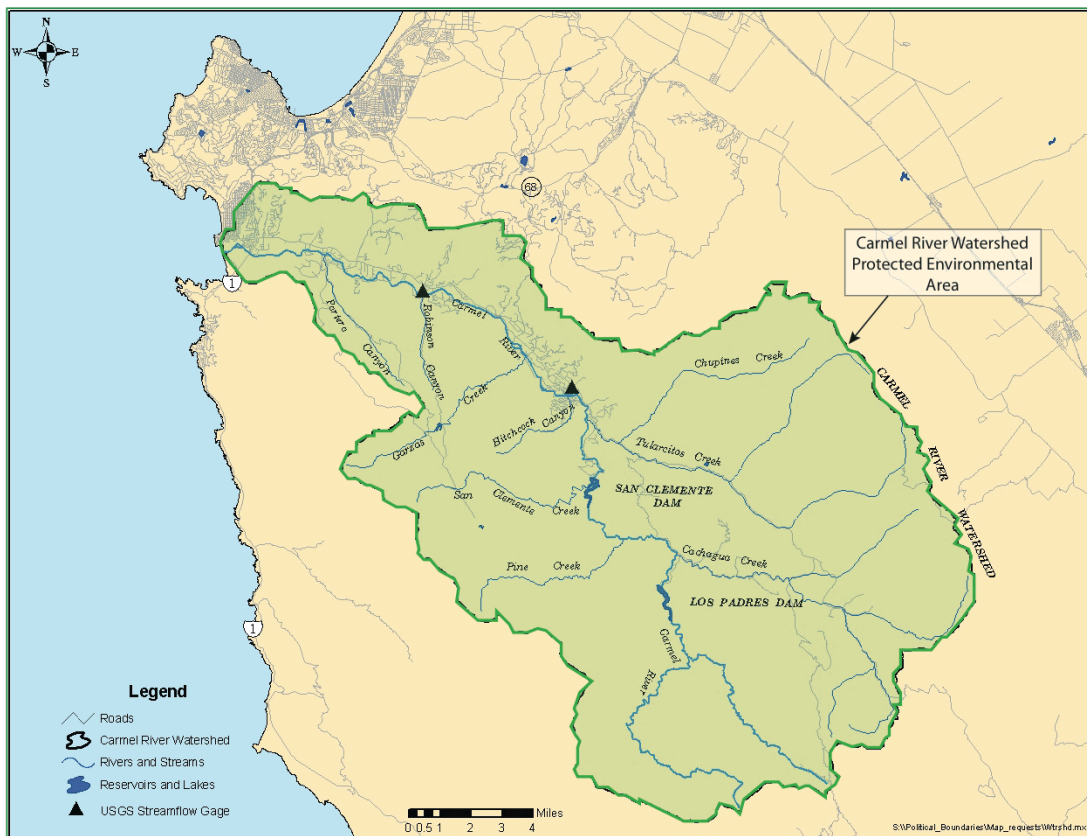
Project Manager

Date Received

City of Pacific Grove Local Water Project Attachments to the SRF General Information Package

Environmental Resources & Wildlife Habitat Figure 2

The Carmel River Watershed has suffered loss of critical habitat for both the federally threatened California red-legged Frog (*Rana aurora draytonii*) and the South-Central California Coast Steelhead (*Oncorhynchus mykiss*). Habitat loss and impacts to listed individuals has resulted directly from the pumping of the underdrain of the Carmel River to provide potable water to the region. By replacing potable water with recycled water generated by the PGLWP, the proposed project will help efforts to protect these natural resources.



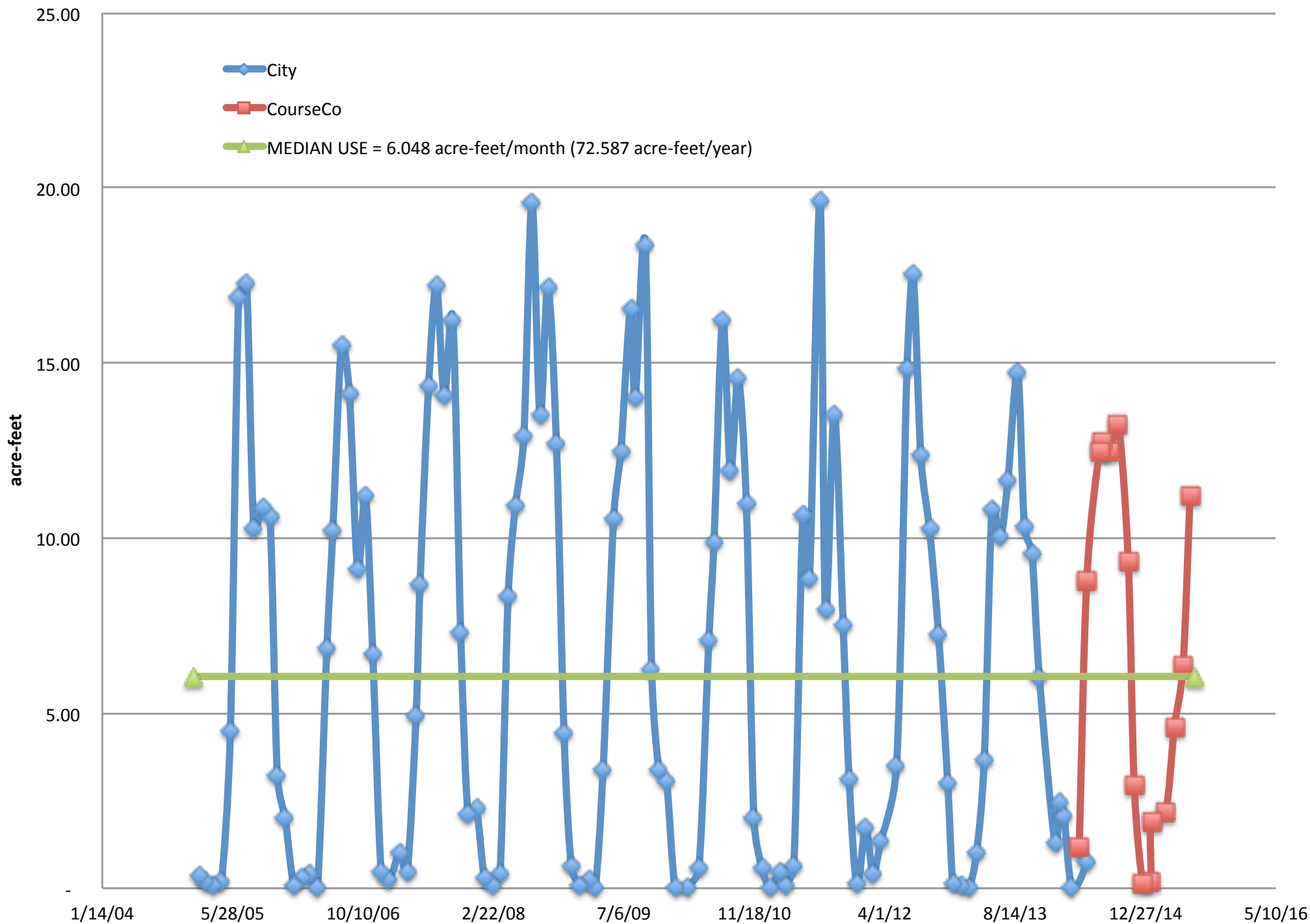
City of Pacific Grove Local Water Project Attachments to the SRF General Information Package

Attachment G5.

The Pacific Grove Local Water Project (PGLWP) consists of the recycling of wastewater as a substitute for the use of 125 acre-feet per year of potable water for landscape irrigation and toilet flushing. The project will in the future incorporate dry and wet weather storm water recycling to further reduce potable water demands and to reduce storm water discharges for the protection of natural resources from impaired water quality impacts. The reduction of potable water demand reduces the pumping requirements from the Carmel River Watershed.

The PGLWP will also reduce the overall energy consumption required to meet the region's water supply. The California-American Water Company (CAW) is in the process of implementing its Monterey Peninsula Water Supply Project to include the operation of a new seawater desalination plant. Coordination by the City of Pacific Grove with CAW has identified that the Local Water Project will directly result in the reduction of operational requirements at their desalination project. The production of recycled water is less energy intensive for the desalination of seawater. The production of 125 AFY of recycled water for the PGLWP is estimated to require approximately 250,000 kwh/day of energy. The production of 125 AFY of potable water via seawater desalination is estimated to require approximately 750,000 kwh/day of energy. Therefore, the PGLWP will result in approximately 500,000 kwh/day lower energy use for the production of 125 AFY of water than required by the CAW desalination plant.

Pacific Grove Municipal Golf Links Irrigation Use (Acre-Feet)



Pacific Grove Cemetery Irrigation Use (Acre-Feet)

