

Monterey Peninsula
Water Management District
2022 ANNUAL REPORT



Pure Water Monterey Expansion

A More Affordable Water Supply Solution

Because of legal and regulatory constraints on the Carmel River and Seaside Aquifer over the last decade, long-term water supplies available to Monterey Peninsula customers from those sources have been reduced. New, permanent replacement water supplies are now required.

Cal-Am continues to pursue a 6,252 acre-foot per year (AFY) desalination plant in North Marina, which was originally projected to become operational by December 2021. Cal-Am received a conditional Coastal Development Permit from the California Coastal Commission in November 2022, but with 20 onerous conditions they must comply with, it may be years before they receive final approval.

The Pure Water Monterey project, funded and built by Monterey One Water, MPWMD, and Marina Coast Water, now provides one-third of the Peninsula's water. The District believes that the expansion of Pure Water Monterey is more affordable and better for the environment than desal, and can provide all the drinking water needed for growth and drought mitigation for the next 30 years. The California Public Utilities Commission approved a Water Purchase Agreement to support the 2,250 AFY expansion in December 2022. Within days, Cal-Am refused to sign the Agreement. Now the Peninsula waits.

Monterey Peninsula Water Production Data

In Water Year 2022, production for customer service was 9,559 acre-feet (AF) of water, including 3,683 AF from Pure Water Monterey, 4,107 AF from the Carmel River, 1,649 from Seaside Groundwater sources, and 120 AF from the Sand City Desalination Facility. At the end of the year, the District had 1,207 AF stored in the Pure Water Monterey Operating Reserve, and 1,392 AF in the Aquifer Storage and Recovery banked storage.



Final Study Due on the Future of the Los Padres Dam and Reservoir

~ The District and Cal-Am are working with engineering and science consultants to investigate the technical, biological, and economic feasibility of a broad suite of alternatives for the Los Padres Dam and Reservoir. Alternatives include removal, sediment management, storage expansion by dredging, and fish passage improvements. This study has been partially funded by Cal-Am, the owner and operator of the dam. The final report is anticipated to be completed in April of 2023.

Simulations Demonstrate Impact of Groundwater Pumping on Carmel River

~ The District completed developing models to help understand how changes in groundwater pumping impact Carmel River flows. In cooperation with the United States Geological Survey (USGS), the District finished an integrated groundwater/surface water model known as GSFLOW/MODFLOW. In addition, the District completed an instream flow

study and hydraulic model to simulate flow requirements for steelhead in the Carmel River. These models allow the District to simulate different water supply scenarios and their impacts on the Carmel River environment. The simulations are being used in the current Los Padres Dam alternatives study.

Study Evaluates Effect of Climate Change on Water Basins

~ The District continued work on a Basin Study to evaluate future water demands, supplies, and the effects of climate change. The study includes the Salinas River Valley through Monterey and San Luis Obispo Counties, the Monterey Peninsula, and the Carmel River Basin. The U.S. Bureau of Reclamation is providing \$1.8 million in grant funds. The study began in 2017 and is expected to be completed in 2023. In 2022, a review of the Technical Memorandum “Develop Adaptation and Mitigation Strategies” was completed.

Restaurants Permitted to Provide Outdoor Seating for Another Year

The District readopted its Urgency Ordinance (from Covid-19 response) to allow for another year for unregulated outdoor seating at restaurants. The Urgency Ordinance will expire in April 2023.

Permits and Rebates Encourage Water Efficiency

The District approved one Water Distribution System Permit amendment for a replacement well for Carmel Unified School District. Six Confirmation of Exemptions from the Water Distribution System permit requirements were issued for private properties that met criteria established in District Rules and Regulations. Applications were reviewed for potential impacts on the water resource system and other water users.

The District also approved 642 rebate applications for \$248,863, for quantifiable annual savings of 6.858 acre-feet of water. Properties transferring ownership continued to self-certify compliance with the water efficiency requirements, and the District provided a Certification of Compliance as verification.

The District issued 738 Water Permits and 88 Water Use Permits to Benefited Properties (i.e., properties eligible to receive a portion of a Water Entitlement).

As the regional entity responsible for compliance with State landscaping regulations, the District issued 51 Water Permits for new and refurbished landscapes. A total of 116,651 square feet of new landscape area was permitted. Rehabilitated area totaled 388,252 square feet. Staff completed 1,164 property inspections to verify compliance with water efficiency standards for changes of ownership and use and 557 inspections were done to verify compliance with Water Permits. Staff mailed 60 notices to property owners and businesses and conducted 37 Non-Residential property inspections to verify compliance with water efficiency standards.

District Hosts 15 Virtual Classes on Water Conservation

Topics for the classes included rainwater capture, composting to improve soil water holding capacity, landscape design, and removing lawns. Staff distributed water conservation devices at various community events, including the Carmel Valley Fiesta, Monterey County Fair, and the West End Celebration. The District posted regular updates to its Facebook page and Twitter account. As a partner with the Water Awareness Committee for Monterey County, the District participated in presentations and assemblies at local schools. The District also ran monthly ads covering District activities in local media.



Summer Splash Challenge a Big Hit

Now in its third year, the District, in partnership with Cal-Am, again sponsored a fun family-oriented conservation game called Summer Splash Challenge. The Challenge was to complete an educational gameboard where participants visited the event website and watched water efficiency videos to find the answers to the gameboard questions.

The Challenge was designed for families and launched in the summer when children are out of school. Completed gameboards could be submitted for an entry into a sweepstakes to win prizes. The prizes included a High-Efficiency Clothes Washer, a Cistern, and Amazon Gift Cards.



Steelhead and Streambank Restoration Shows Promising Results

The District implemented the mitigation program associated with its Water Allocation Environmental Impact Report. It includes rescue and rearing of threatened steelhead from drying portions of the Carmel River, streambank restoration and maintenance, and lagoon habitat monitoring. This report is required by the California Environmental Quality Act and is designed to offset the impacts associated with water extraction in the Carmel River Alluvial Aquifer and, ultimately, the flows in the Carmel River.

The District successfully rescued 10,645 steelhead from the Carmel River Basin in 2022, which were taken to the Sleepy Hollow Steelhead Rearing Facility (SHSRF). Approximately 8,696 were released back into the Carmel River from SHSRF in January 2023, including 1,500 implanted with radio tags.

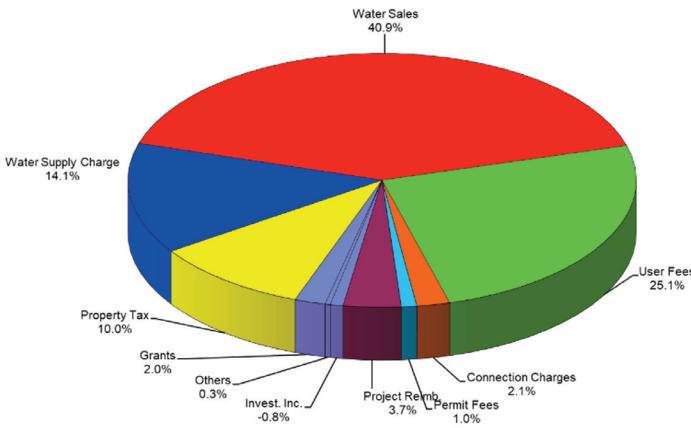
A total of 72 adults were counted at the District's steelhead counting station in 2022. Of those, 57 were implanted with a tag to collect data on fish migration and survival. These data assist with ongoing studies that the District and NOAA Fisheries have been collaborating on. The District also

monitors the health of the juvenile population, which is continuing to increase since the last drought, which ended in 2015.

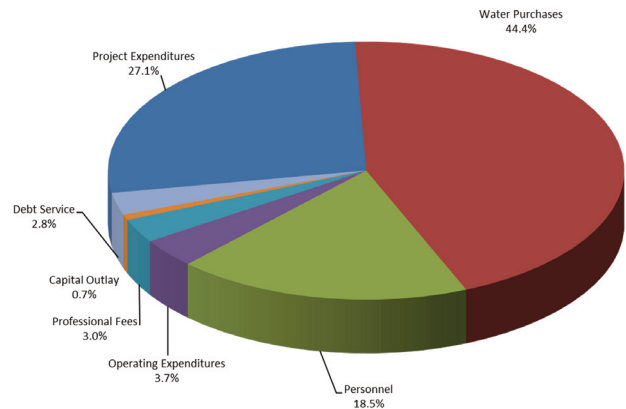
District crews carry out a Vegetation Management Program in the active channel of the Carmel River to prevent debris dams and erosion. This includes trimming back encroaching vegetation and reducing the hazard of downed trees in preparation for winter flows. Trash was removed from the active channel of the river before winter rains washed it into the ocean. District staff also planted native trees on exposed banks to improve habitat value, protect water quality, and reduce bank erosion.

District staff continued revegetation and irrigation at the Carmel River Bank Stabilization Project just downstream of Rancho San Carlos Road. This work has prevented the streambank from further collapsing during high-flow events. The District employed an environmentally friendly stabilization technique consisting of logs, rocks, and native plantings built into a cribwall at the site.

2021-2022 Revenues
\$23,630,304



2021-2022 Expenditures
\$21,856,723



District Awarded Certificate of Excellence for Financial Reporting

The District prepared its eighth consecutive Annual Comprehensive Financial Report (ACFR). The report includes a set of government financial statements that comply with the accounting requirements promoted by the Government Accounting Standards Board and include relevant statistical information about the District. The District received a clean financial audit report with no material weaknesses or deficiencies.

Clifton Larson Allen, an independent auditing firm, conducted the audit for the fiscal year 2021-2022. The Government Finance Officers Association of the United States and Canada

(GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the District for its ACFR for the fiscal year ending June 30, 2021. The District has received the ACFR award for seven consecutive years.

As shown here, total revenues in Fiscal Year 2021-2022 were \$23,630,304, while expenditures totaled \$21,856,723, generating an increase in fund balance of \$1,773,581. As of June 30, 2021, the District’s total fund balance was \$21,384,374. The budget for Fiscal Year 2022-2023 anticipates revenues of \$30,675,400 and expenditures of \$32,695,400, with \$2,020,000 coming from the fund balance.

New Round of System Improvement Grants Prepared for Peninsula

The District continued to manage an Integrated Regional Water Management (IRWM) program on the Monterey Peninsula. The Implementation Round 1 Grant agreement amounted to \$2,238,904. As “Grantee,” the District duties include: (a) Administration of the agreement with the California Department of Water Resources; (b) Invoicing, with documentation, on behalf of the Local Project Sponsors; and (c) Progress reporting.

Three non-district projects are being supported by this Grant: 1. The Coe Avenue Recycled Water Pipeline in Seaside sponsored by Marina Coast Water District; 2. The Del Monte Manor Low Impact Development Project located in a disadvantaged community and sponsored by the City of

Seaside; and 3. The West End Stormwater Improvement Project located in a disadvantaged community and sponsored by the City of Sand City.

The District has prepared an IRWM Implementation Round 2 Grant application for the Monterey Peninsula region for \$1,488,961, to be submitted in January 2023. The District will be the Grantee and administer the grant on behalf of the Local Project Sponsors. The two applicant projects are 1. Carmel River Floodplain Restoration and Environmental Enhancement (Carmel River FREE), sponsored by Monterey County, and 2. the Olivier Street Stormwater Diversion Project, sponsored by the City of Monterey.