



Supplement to June 17, 2024 MPWMD Board Packet

Attached are copies of letters sent and/or received between **May 16, 2024** and **June 12, 2024**. These letters are listed in the Monday, June 17, 2024 Board Packet under Letters Received.

Author	Addressee	Date	Topic
Susan Schiavone	Letter to the Editor	5/23/2024	MPWMD makes no profit
Rick Heuer	MPWMD Board	5/28/2024	May 30, 2024 Board Meeting – Agenda Item 1
David J. Stoldt	Jaime Scott Guthrie	5/30/2024	Comments on Draft Sixth Cycle Housing Element
David J. Stoldt	Erik Ekdahl	5/31/2024	Discourage SWRCB from selecting the Carmel River in its next round of watershed selection

From: [susan schiavone](#)
To: [Sara Reyes](#)
Subject: letter to editor
Date: Thursday, May 23, 2024 10:29:59 AM

Hi Sara - can this go in the next board packet as a letter? Thanks.

[Letters to the Editor: May 17, 2024](#)

MPWMD makes no profit

A recent letter to the editor suggested savings if Pure Water Monterey merged with the Monterey Peninsula Water District and blames the district's spending for high water rates but fails to mention Cal Am and its ever-increasing rates.

Pure Water Monterey is a project of Monterey One Water, the regional joint powers wastewater treatment agency encompassing north county, Salinas, and all Peninsula cities. The water district serves only the Peninsula cities and Carmel Valley. The functions and legal mandates of the agencies differ.

The water district helped build the Pure Water Monterey recycled water project and expansion, a sustainable source of water we're already using. The district is legally charged with augmenting water supply through integrated management of ground and surface water, promoting water conservation, and water reuse.

The district has received outstanding financial management awards. See mpwmd.net for their annual report.

Our tiered rate water bills are due to Cal Am's constant rate increases, not the district, which makes no profit. Cal Am is an investor-owned utility monopoly without competition. Its revenue is guaranteed by the government based on 10.2% of its assets, as profit. Cal Am has raised our water rates 50% since 2017 and if their desal project prevails another 50-70% will be added to our bills.

As a CPUC regulated utility, Cal Am's revenue is guaranteed. If we use less water, the cost per gallon goes up to cover its government guaranteed profit. Cal Am has added \$31 million to our rates in the last year alone.

As the water district enters the court phase for the Measure J eminent domain buy out, we should be worried about the risk and cost of staying with Cal Am.

— *Susan Schiavone, Seaside, Public Water Now board member*

Dave Stoldt

From: Rick Heuer <rick@wearehma.com>
Sent: Tuesday, May 28, 2024 1:41 PM
To: Alvin Edwards; George Riley; Marc Eisenhart; Karen Paull; Amy Anderson; Ian Oglesby; District 5
Cc: Dave Stoldt; Eric Benink; Tom Rowley
Subject: 5/30 Meeting Item 1



Monterey Peninsula Taxpayers Association
May 28, 2024

Board of Directors
Monterey Peninsula Water Management District
By Email:

Re: 5/30 Meeting Agenda Item 1

Dear Members of the Board of Directors:

As you are no doubt aware the Monterey Peninsula Taxpayers Association initiated litigation to have your District follow its own Ordinance 152 and sunset the Water Supply Charge. The court ruled in favor of MPTA and you have appealed that decision. Last year you chose to continue to collect the Water Supply Charge, however, you agreed to sequester what you collect and that sequestration was put into a legally binding agreement.

You are now considering the budget for next fiscal year and are once again considering putting the Water Supply Charge on our property tax bills. We urge you not to do this. Should you choose to go ahead those funds would be subject to the same sequestration agreement. You would be digging the hole you have gotten yourself in with respect to not following your own ordinances even deeper and would be showing a callous disregard for the taxpayers in your district.

Sincerely,

Rick Heuer
President



VIA EMAIL

May 30, 2024

Jaime Scott Guthrie, AICP
 Senior Planner
 County of Monterey Housing and Community Development Department
 1441 Schilling Place
 South 2nd Floor
 Salinas, CA 93901

RE: Comments on DRAFT Sixth Cycle Housing Element

Dear Mr. Guthrie:

The Monterey Peninsula Water Management District (District) provides the following comments on the County of Monterey's Draft Sixth Cycle Housing Element. Overall, the District encourages the Board of Supervisors to revise the draft extensively before sending off to the State Housing and Community Development Department for its first review period.

While the District's comments are primarily related to water supply and service, the District has one overarching comment: The draft shows 5,046 new housing units in the unincorporated parts of the California American Water Company (Cal-Am) main service area¹, including Carmel Valley, Highway 68 corridor, and other parcels. At 2.3 persons per new dwelling unit – a typical average – that equates to 11,606 new residents. That exceeds the Association of Monterey Bay Area Governments (AMBAG) 2022 adopted 25-year Regional Growth Forecast for the entire unincorporated County² by 324%. It just doesn't make sense. Such an assumption is inconsistent with the AMBAG population forecast and the adopted Metropolitan Transportation Plan. It makes resource planning for future water needs challenging when there are such conflicting signals.

The District's comments on particular sections of the draft Housing Element follow.

Page 3-69, under Monterey Peninsula Area Water Constraints: This section does not reflect the current and near-term situation. Once corrected, it would result in changes to the text of several sections that precede it, beginning at page 3-31 and as discussed following this section. Attachment B to this letter includes suggested edits to this section of the draft Housing Element.

The Draft must better reflect that the Pure Water Monterey (PWM) Expansion project is under construction and expected online by late 2025. The PWM Expansion brings 2,250 acre-feet per year of new supplies to the Monterey Peninsula – almost all of it without commensurate new demand in the initial years. The Water Management District believes the PWM Expansion will be sufficient to

¹ See Attachment A, hereto.

² AMBAG 2022 Regional Growth Forecast indicates 3,582 new residents in unincorporated County by 2045 versus 2020.

Jaime Scott Guthrie
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meet population and job growth for 30 years or longer. However, Cal-Am believes additional water is needed and has sought approval of its Monterey Peninsula Water Supply Project (MPWSP) that would consist of a desalination facility and other related infrastructure.

In November 2022, Cal-Am received conditional approval of the MPWSP from the California Coastal Commission. However, the MPWSP is currently being litigated and faces other hurdles. Cal-Am has stated that the MPWSP can be online between 2028 and 2030. Nevertheless, if it proves out the MPWSP is needed, the PWM Expansion will most certainly provide the near-term supply to “bridge” the time until the MPWSP could come online, and therefore provide the necessary supply to lift the Cease and Desist Order (CDO) and the moratorium on new meters.

It should also be noted that for the past three years, Cal-Am has kept its withdrawals from the Carmel River within the legal limit set by the state, which with the addition of PWM Expansion will make it likely untenable to keep the CDO in effect. The District believes the constraints on water supply for the Monterey Peninsula are overstated in the draft Housing Element.

Other section-by-section comments:

Page 3-31, under Carmel Area Land Use Plan: Draft states, “The Coastal Act states that where the remaining capacity of existing or planned public works facilities is limited, such capacity shall be reserved for coastal dependent land uses such as agriculture and coastal recreation and shall not be precluded by residential development. This mandate has a direct bearing on the potential for continued residential development and subdivision within the Carmel Area. The capacity of existing water supplies and wastewater disposal facilities is limited.” The last sentence is likely untrue given the prospect of PWM Expansion coming online in late 2025, as discussed above.

Page 3-31, under Del Monte Land Use Plan: Regarding water supply availability, this section creates the wrong impression for two reasons: (1) the statement that existing water resources are generally in overdraft is recently untrue – the Carmel River withdrawals have remained within legal limits for three years now and the Seaside Basin withdrawals have generally not exceeded its limits – and is likely to remain untrue given the prospect of PWM Expansion coming online in late 2025, as discussed above; and (2) the Pebble Beach “credits”, actually known as “entitlements” remain sufficient for any housing lots approved by the Pebble Beach Company and the cost has not been a barrier, because those lots have all been in the “above-moderate” category.

Page 3-43, referring to the Monterey Peninsula Airport AHO: Draft says, “However, the studies indicate there is insufficient water available for residential development at the densities required by the AHO designation.” The District believes this is an inappropriate conclusion given the prospect of PWM Expansion coming online in late 2025, as discussed above.

Page 3-57, under Water Quality, Supply, and Distribution: Draft says, “The Monterey Peninsula area has severe water shortage resulting in over-pumping of groundwater from the Carmel River system, impacting unincorporated areas near Monterey, Carmel and in Carmel Valley, but projects are under consideration to address this condition.” See earlier comments about how the shortage is no longer true. This is the first mention of “projects under consideration to address this condition,” but the District believes such projects should be mentioned earlier in the report and the effect of the constraints be lessened in earlier discussion.

Jaime Scott Guthrie
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Page 3-95, under 3.3.5 Fees and Exactions, it is unclear whether the District's "Capacity Fee," or other agency connection charges (e.g. Monterey One Water wastewater) have been included in the analysis.

Pages 5-2 and 5-3, under Water Availability: Draft says, "The three major watersheds in Monterey County – Salinas River, Carmel River, and Pajaro River – all have significant constraints" and "availability of water will limit development in unincorporated Monterey County." Given the comments made earlier, the District believes the Monterey Peninsula is less constrained than the draft portrays.

Page 5-7, under Water Conservation and Energy Efficient Landscape Ordinance: The District believes that the draft Housing Element should include the District's Ordinance No. 172 adopted August 15, 2016 which adopted a California Model Water Efficient Landscape Ordinance for the entire Monterey Peninsula, including the unincorporated County.

Page 7-31, under 7.4.4.1 Water Supply and Distribution: The first full paragraph should be revised consistent with the previous comments.

Page 8-20, under Goal H-2, second bullet point: Add Monterey Peninsula Water Management District to "Cal-Am's efforts" on expanded water supplies.

Thank you for this opportunity to provide comments. To summarize the District's position, there will be enough water to meet the Monterey Peninsula housing needs, but the proposed County Housing Element may require up to 420 acre-feet more than recent projections, thereby reducing available supplies in the future. However, the proposed housing appears inconsistent with the AMBAG adopted population growth and transportation plan for the unincorporated County. Such inconsistency makes resource forecasting difficult and places a burden on resource agencies to allocate supplies to jurisdictions that will actually fulfill their growth plans.

Please add the District to your distribution list and include us on review drafts, requests for comments, information requests, and any other activities in support of the Housing Element. Please include Stephanie Locke, locke@mpwmd.net and myself, dstoldt@mpwmd.net on your contact list.

Sincerely,



David J. Stoldt
General Manager

cc: MPWMD Board
Mary Adams
Kate Daniels

Attachment A

Monterey County Draft Housing Element
Housing Units within Cal-Am Service Area

Site #	Very Low	Low	Above		Total
			Moderate	Moderate	
Carmel Valley					
24	4	4	5	44	57
25	16	8	0	(1)	23
26	16	8	0	(1)	23
27	6	6	7	67	86
28	2	2	2	16	22
29	21	0	0	84	105
30	1	1	1	5	8
43	38	25	0	0	63
44	24	24	32	309	389
45	2	2	2	14	20
46	8	8	11	95	122
47	6	6	8	69	89
48	28	28	37	363	456
49	62	62	82	814	1,020
50	<u>30</u>	<u>23</u>	<u>0</u>	<u>0</u>	<u>53</u>
	264	207	187	1,878	2,536
Highway 68 Corridor					
1	2	2	2	11	17
2	15	15	19	187	236
3	53	53	71	705	882
4	17	17	23	226	283
61	1	1	1	9	12
62	4	4	5	37	50
63	5	5	7	62	79
64	4	4	5	39	52
65	3	3	4	24	34
66	1	1	1	2	5
67	1	1	1	7	10
68	10	10	15	140	175
69	2	2	3	24	31
74	<u>19</u>	<u>19</u>	<u>26</u>	<u>28</u>	<u>92</u>
	137	137	183	1,501	1,958
Other					
23	32	20	0	0	52
54	26	26	35	342	429
60	2	2	2	17	23
73	<u>27</u>	<u>21</u>	<u>0</u>	<u>0</u>	<u>48</u>
	87	69	37	359	552
TOTAL					
	488	413	407	3,738	5,046

Notes: Site 49 not presently in Cal-Am Service Area
 Site 23 plans submitted to the County include 155 units
 Site 75 (York School) in Marina Coast service area
 September Ranch, Rancho Canada Village not included

Attachment B

Suggested Edits to Draft Beginning at Page 3-29

Monterey Peninsula Area Water Constraints

California American Water Company (Cal-Am) owns and operates the water system for ~~most of~~ Carmel, all of Del Monte Forest, and much of Carmel Valley and Greater Monterey Peninsula Planning areas. The ~~adjudicated Seaside Subbasin~~ Pure Water Monterey (PWM) base project is the primary source ~~for much~~ of the water that Cal-Am purveys throughout these areas of the County, followed closely by the Carmel River and the adjudicated Seaside Basin. Since ~~2009~~ 1995, Cal-Am has been under a cease-and-desist order from the State Water Board to reduce pumping of the Carmel River to the legally established levels. This ~~has~~ resulted in a moratorium on new service connections in the main Cal-Am service area. For the past three years, Cal-Am has kept its withdrawals within the legal limit set by the state. The PWM Expansion project was approved in 2023 and is presently under construction and is expected to be complete in late 2025. The PWM Expansion will bring an additional 2,250 acre-feet per year (AFY) of new supply. The Water Management District believes the PWM Expansion will be sufficient to meet population and job growth for 30 years or longer. Since that time However, Cal-Am believes additional water is needed and has sought approval of its Monterey Peninsula Water Supply Project (MPWSP) that would consist of a desalination facility, a well field, water transmission pipelines, pump station, and other related infrastructure.

Cal-Am received conditional approvals of the MPWSP from the California Public Utilities Commission and California Coastal Commission. However, the MPWSP is currently being litigated. Cal-Am has stated that the MPWSP can be online between 2028 and 2030. Additionally, CalAm has worked with Monterey One Water and Monterey Peninsula Water Management District for additional water supply from the ~~Pure Water Monterey Groundwater Replenishment project and~~ ePWM Expansion project, which includes injecting water into the Seaside Groundwater Basin for use on the Monterey Peninsula. The expansion project is currently moving forward with anticipated completion near the end of 2025, but there are questions of whether it alone would be an adequate long-term water supply for the Peninsula. Nevertheless, the PWM Expansion will most certainly provide the near-term supply to “bridge” the time until the MPWSP could come online, and therefore provide the necessary supply to lift the Cease and Desist Order and the moratorium on new meters.

MPWMD has authority over water in the main service area of Cal-Am and reviews “water permit applications” based on available water credits for a property and a water fixture count for each water fixture on a property. New development in the Cal-Am service area must obtain a water permit from MPWMD before a building permit is issued.

Del Monte Forest has a special situation under the cease-and-desist order. The Pebble Beach Company of Del Monte Forest previously financed a water recycling project in partnership with the Pebble Beach Community Services District, Carmel Area Wastewater District, and the Water Management District to treat wastewater for golf course irrigation and as a result, the Pebble Beach Company has water entitlements~~credits~~ that can be purchased from the Company for development in Del Monte Forest. These water entitlements~~credits~~ are limited and sufficient for the above-moderate housing lots approved within the Del Monte Forest, but are expensive, ~~but some allocation remains.~~ The other planning areas (Carmel, Carmel Valley, and Monterey) do not have water entitlements~~credits~~ available for purchase at this time. The addition of the PWM Expansion is expected to eliminate the need for water entitlements for new home construction or remodels.

Major water supply and quality issues in the Monterey Peninsula Area include:

- Moratorium on new service connections in the main Cal-Am (California American Water Company) Service Area, based on a cease-and-desist order from State Water Board dating back to 2009~~1995~~.
- Pure Water Monterey Groundwater Replenishment project and expansion project may not provide sufficient water supply for the Peninsula for the longer-term.
- ~~Limited and expensive water credits for Pebble Beach Company, with no water credits available for purchase in other planning areas.~~

Any additional growth in the Monterey Peninsula Area will likely require the following:

- No further expansion beyond the existing water system, except for annexation of contiguous parcels.
- Growth within the existing water system will need to meet stringent requirements for water conservation. (i.e., low flow toilets, low water use washing machines, limited outdoor water use).
- All growth within the existing water system will need to be connected to the sanitary sewer system so the flows can be directed to a wastewater treatment plant for reclamation.



VIA EMAIL

May 31, 2024

Mr. Erik Ekdahl
Deputy Director
Division of Water Rights
State Water Resources Control Board (SWRCB)
PO Box 100
Sacramento, CA 95812

Dear Mr. Ekdahl,

Monterey Peninsula Water Management District (District) recently attended a public meeting in Salinas on May 21st regarding watershed selection for the Water Supply and Demand Assessment Program hosted by State Water Resources Control Board (SWRCB) staff. Thank you for the opportunity to hear about this initiative, a summary of the work that has been done on the Russian River, and the three pilots under way. It looks like some useful tools will be developed.

I am writing to discourage the SWRCB from selecting the Carmel River in its next round of watershed selection. While the Carmel River appears to meet the priorities for selection – surface water demand, ecological significance, coastal location, and some water rights complexity – the District believes that selection now or in the near-term is not appropriate for the following reasons:

- The Carmel River already has tools that model the water availability under a series of hydrologic conditions and demands. In just the past few years, the District completed developing the Carmel River Basin Hydrologic Model (CRBHM) to help understand how changes in pumping impact Carmel River flows. In cooperation with, and calibrated by, 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 Carmel River is included in an ongoing Basin Study by the USGS and U.S. Bureau of Reclamation 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 U.S. Bureau of Reclamation has recently submitted a project extension request through May of 2026.

Mr. Erik Ekdahl

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May 31, 2024

- The largest appropriator, California American Water Company (Cal-Am) has only in the past three years reduced pumping to within its legal limit, but that creates a disjuncture or anomaly such that future conclusions may not be drawn from the historical record. Changing vastly from the historic record is one of the primary stresses in any model. It would be best to let more time pass and observe the changes to the system prior to modeling them.

It may be better to focus on other watersheds that are less studied, but still meet the selection priorities.

Sincerely yours,



David J. Stoldt
General Manager

cc: Erin Ragazzi, Assistant Deputy Director, SWRCB
Philip Dutton, Supply and Demand Assessment Section Chief, SWRCB
Jonathan Lear, MPWMD