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October 28, 2021

Erik Ekdahl, Deputy Director
Division of Water Rights
State Water Resources Control Board
1001 I Street
Sacramento, CA 95814

Re: SWRCB Order WR 2016-0016 / WR 2009-0060, 4th Quarterly Report for the 2020-2021 Water Year Addressing Operations for the Period of July 1, 2021 to September 30, 2021.

Dear Mr. Ekdahl:

Pursuant to Condition Eight of Order WR 2016-0016 and Condition Six of Order WR 2009-0060, this letter is California American Water's report for the 4th quarter of Water Year 2021 covering the period of July 1, 2021 to September 30, 2021. This report has been modified from previous quarterly reports submitted in accordance with Order WR 2016-0016. For ease of reference, the requirement of each subsection is summarized, followed by the requested information.

Condition 8(a)

Condition 8(a) requires California American to provide monthly summaries of the total quantity of water produced from the Carmel River, and other separate sources of water used by Cal-Am within the service area.

Compliance with Condition 8(a):

Table One summarizes the total quantity of water produced from the Carmel River, and other separate sources of water used by Cal-Am within the service area by month. This data is compiled from meter readings that are collected daily from California American Water's pumps, either through an employee manually reading each meter, or through an employee reading the data from the Supervisory Control and Data Acquisition ("SCADA") system. A California American Water employee manually enters those daily readings into a spreadsheet that is provided to the Monterey system General Manager. The spreadsheet is designed to automatically calculate the monthly total from the daily readings. At the end of each month, this daily summary is cross-checked against SCADA information that is separately maintained for each well.

Table One

Total Quantity of Water Produced from Carmel River and other separate sources of water used by Cal-Am within the service area by month

Month	Carmel Valley Wells ¹ (AF)	Eastwood-Cañada Well (AF)	Seaside Wells ² (AF)	Sand City Desal (AF)	Total Production (AF)
Oct 2020	287.45	5.57	530.18	10.27	833.46
Nov 2020	227.66	5.41	493.66	0.00	726.73
Dec 2020	309.02	5.23	362.39	6.80	683.44
Q1 Total	824.13	16.21	1,386.23	17.07	2,243.64
WYTD	824.13	16.21	1,386.23	17.07	2,243.64
Jan 2021	394.49	4.62	271.77	11.84	682.72
Feb 2021	553.72	3.23	51.57	19.86	628.38
Mar 2021	460.94	2.95	214.81	15.30	694.00
Q2 Total	1,409.15	10.80	538.15	47.00	2,005.10
WYTD	2,233.28	27.01	1,924.38	64.07	4,248.74
Apr 2021	353.21	2.58	419.38	0.00	775.17
May 2021	372.96	3.35	469.91	10.53	856.74
Jun 2021	401.80	3.09	460.02	27.62	892.53
Q3 Total	1,127.97	9.02	1,349.30	38.15	2,524.44
WYTD	3,361.24	36.03	3,273.68	102.22	6,773.18
Jul 2021	497.19	2.74	392.04	10.31	902.29
Aug 2021	478.68	2.38	426.75	17.68	925.49
Sep 2021	455.92	2.27	413.86	1.28	873.33
Q4 Total	1,431.79	7.40	1,232.64	29.27	2,701.10
WYTD	4,793.03	43.43	4,506.33	131.49	9,474.28

¹Includes ASR Injection

²Includes ASR Recovery, Pure Water Monterey (PWM) Recovery, and Water Wheeling Agreements with D.B.O. Development No. 30 and Cypress-Pacific.

Condition 8(b)

Condition 8(b) requires California American Water to provide monthly summaries of the total quantity of ASR project water diverted from the river under water right Permit 20808A and Permit 20808C and stored in the Seaside Groundwater Basin, including the separate accounting of the amounts pumped in excess of 600 afa. The monthly reporting shall also state the quantity of ASR water recovered from aquifer storage and beneficially used, and the current balance of ASR water remaining in storage in the Seaside Groundwater Basin.

Compliance with Condition 8(b):

Table Two summarizes by month the quantity of ASR project water diverted from the Carmel River under Permit 20808A and Permit 20808C and includes a separate accounting of the amounts pumped in excess of 600 afa. This summary is from a spreadsheet e-mailed to the General Manager for California American Water's Monterey system by a Monterey Peninsula Water Management District employee each business day during the diversion season. This spreadsheet shows the gallons of water injected into each of the four injection wells. California American Water understands that the daily injection data is a manual reading of the meters on the injection pumps by a Monterey Peninsula Water Management District employee. This spreadsheet also contains a formula that converts the number of acre-feet based on the gallons injected and also totals the daily readings for the month. The information in Table Two is taken directly from this spreadsheet.

The data regarding ASR water recovered is taken from the Quarterly Water Budget developed cooperatively between California American Water, the Monterey Peninsula Water Management District, NOAA Fisheries, and the California Department of Fish and Wildlife, and represents an accounting of water withdrawn from the Seaside Groundwater Basin.

**Table Two
Monthly Water Diverted to Storage and Storage Balance**

Month	Well 1 Diverted to Storage (AF)		Well 2 Diverted to Storage (AF)		Well 3 Diverted to Storage (AF)		Well 4 Diverted to Storage (AF)		ASR Injection (AF)	ASR Injection Balance in excess of 600 (AF)	ASR Recovery (AF)	Month End ASR Storage Balance (AF)
	Permit 20808A	Permit 20808C	Permit 20808A	Permit 20808C	Permit 20808A	Permit 20808C	Permit 20808A	Permit 20808C				Previous WY (AF)
Oct 2020	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,170.69
Nov 2020	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,170.69
Dec 2020	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,170.69
Q1 Total	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
WYTD	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,170.69
Jan 2021	0.00	0.00	0.00	0.00	0.00	17.51	0.00	26.05	43.56	0.00	0.00	1,214.25
Feb 2021	0.00	0.00	0.00	0.00	0.00	8.67	0.00	13.83	22.50	0.00	0.00	1,236.75
Mar 2021	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,236.75
Q2 Total	0.00	0.00	0.00	0.00	0.00	26.18	0.00	39.88	66.06	0.00	0.00	
WYTD	0.00	0.00	0.00	0.00	0.00	26.18	0.00	39.88	66.06	0.00	0.00	1,236.75
Apr 2021	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,236.75
May 2021	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,236.75
Jun 2021	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,236.75
Q3 Total	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
WYTD	0.00	0.00	0.00	0.00	0.00	26.18	0.00	39.88	66.06	0.00	0.00	1,236.75
Jul 2021	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,236.75
Aug 2021	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,236.75
Sep 2021	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,236.75
Q4 Total	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
WYTD	0.00	0.00	0.00	0.00	0.00	26.18	0.00	39.88	66.06	0.00	0.00	1,236.75

Condition 8(c)

Condition 8(c) requires California American Water to provide monthly summaries of the quantity of water being supplied by the Malpaso Water Company to Cal-Am and to Malpaso customers supplied using Cal-Am facilities. The reporting shall identify the amount of water used at Cal-Am's existing meter connections and within the Cal-Am service area, and the amounts at new service connections served by Malpaso Water Company. The monthly reports shall specify the quantity of water used to reduce diversions from the river during the reporting period.

Compliance with Condition 8(c):

Table Three summarizes by month the quantity of water supplied by the Malpas Water Company, the quantity of water used by new connections, and quantity of water used to reduce river diversions.

Table Three			
Malpas Water Company Monthly Production and Product Allocation			
Month	Malpas Production (AF)	Use by Malpas Connections* (AF)	Water Used to Reduce Diversions (AF)
Oct 2020	5.57	1.52	4.05
Nov 2020	5.41	1.52	3.89
Dec 2020	5.23	1.52	3.70
Jan 2021	4.62	1.55	3.07
Feb 2021	3.23	1.55	1.68
Mar 2021	2.95	1.55	1.40
Apr 2021	2.58	1.60	0.99
May 2021	3.35	1.60	1.75
Jun 2021	3.09	1.60	1.50
Jul 2021	2.74	1.62	1.12
Aug 2021	2.38	1.62	0.76
Sep 2021	2.27	1.62	0.65
Total	43.43	18.88	24.55

*See Attachment Three and Four

Condition 8(d)

Condition 8(d) requires California American Water to provide monthly summaries of the quantity of water produced by the City of Pacific Grove, and the quantity of water used to reduce diversions from the river during the reporting period. Cal-Am shall not deliver water produced by the City of Pacific Grove unless such use is consistent with Resolution 2015-0070, paragraph 4.

Compliance with Condition 8(d):

Table Four summarizes by month the quantity of water produced by the City of Pacific Grove, and the quantity of water used to reduce river diversions.

Table Four City of Pacific Grove Monthly Production and Product Allocation		
Month	City of Pacific Grove Production (AF)	Water Used to Reduce River Diversions (AF)
Oct 2020	12.83	12.49
Nov 2020	5.28	5.33
Dec 2020	2.09	2.12
Jan 2021	1.04	1.09
Feb 2021	0.80	0.86
Mar 2021	3.36	2.97
Apr 2021	9.36	9.34
May 2021	13.12	13.21
Jun 2021	16.34	16.40
Jul 2021	14.41	14.28
Aug 2021	15.86	14.82
Sep 2021	16.34	15.10
Total	110.83	108.02

Condition 8(e)

Condition 8(e) requires California American Water for the final quarter of each water year to report the quantification and basis of any credits earned and of any amount being carried over for future years.

Compliance with Condition 8(e):

Table Five (a) summarizes the Effective Diversion Limit adjustment calculation, Table Five (b) summarizes the adjusted Carmel Valley Well production calculation, and Table Five (c) summarizes the final quarter quantification and basis of credits earned to be carried over for future years.

Table Five (a) Effective Diversion Limit Adjustment Calculation (AF)	
Effective Diversion Limit	8,310
Penalty for Missed Milestones	(1,000.00)
Water Produced by Sand City not used by Sand City Customers	(54.10)
Pure Water Monterey Groundwater Replenishment Project Water Recovery	(3,027.17)
Instream Flow Agreement Carry Over Credit (50%) from previous water year	0.00
Adjusted Effective Diversion Limit	4,228.73

Table Five (b) Adjusted Carmel Valley Well Production Calculation (AF)	
Carmel Valley Well Production (excludes Malpaso Water)	4,793.03
Malpaso Water Produced not served to subscribers	24.55
Water served to Pebble Beach entitlements	(44.18)
ASR Injection in excess of 600AF	(0.00)
Adjusted Carmel Valley Well Production	4,773.41

Table Five (c) *Final Quarter Quantification and Basis of Credits earned and Amount Being Carried Over (AF)	
Adjusted EDL (from Table 5a)	4,228.73
Adjusted Carmel Valley Well Production (from Table 5b)	4,773.41
Production Exceeding Adjusted EDL	544.68
Carryover Credits from Prior Years applied to offset EDL Exceedance (Max 750 AF per year)	544.68
Adjusted Exceedance EDL	0.00
Production Less Than Adjusted EDL (Carryover Credits)	(544.68)
Unused Carryover Credits from Prior Years	6,001.60
Cumulative Carryover credit for Future Years	5,456.92

* Data in this table only populated in the Final (Fourth) Quarter of the WY.

Condition 8(f)

Condition 8(f) requires California American Water to provide an accounting of the progress towards completion of the Water Supply Project MPWSP Desalination Plant and Pure Water Monterey Project that identifies all progressive steps completed during the previous 12 months and the upcoming 12 month's anticipated progress, and discussion of potential setbacks that may be beyond the Applicant's control.

Compliance with Condition 8(f):

Past Progress Toward Completion of MPWSP:

- **Milestone 1, Water Year 2015-2016** - (CPUC approval of (1) the Water Purchase Agreement for Cal-Am's purchase of Pure Water Monterey water, and of (2) construction of the Cal-Am components of the Pure Water Monterey conveyance facilities, including the Monterey Pipeline and pump station): Milestone 1 was achieved on September 22, 2016, when the CPUC issued Decision 16-09-021. The SWRCB was provided notice on 9/27/2016.
- **Milestone 2, Water Year 2016-2017** - (Start of construction of the Cal-Am components of the Pure Water Monterey project, meaning commencement of physical work after issuance of required regulatory permits and authorizations to begin work): Milestone 2 was achieved, as Cal Am commenced construction of the Monterey pipeline and pump station project as part of the Pure Water Monterey project in October 2016, and commenced installation of the 36-inch pipeline on January 3, 2017.
- **Milestone 3, Water Year 2017-2018** - (Issuance of a Certificate of Public Convenience and Necessity to Construct the Monterey Peninsula Water Supply Project Desalination Plant ("MPWSP Desalination Plant") by the California Public Utilities Commission): Milestone 3 was achieved on September 13, 2018 when the CPUC issued Decision 18-09-017 that certified the MPWSP Final Environmental Impact Report (FEIR) and issued a CPCN to construct the MPWSP 6.4 MGD desalination project. Since that time, the City of Marina and Marina Coast Water District each filed Applications with the CPUC for Rehearing of the CPUC's decision, which were denied, and Petitions for Writ of Review with the California Supreme Court, which were **denied**.
- **Milestone 4, Water Year 2018-2019** - (Start of construction for any of the Cal-Am Components of the MSWSP Desalination Plant, meaning commencement of physical work after issuance of required regulatory permits and authorizations to begin work. Cal-Am Components of the MPWSP Desalination Plant include: source water production wells; desalination plant; brine disposal system; and transmission pipelines.)
 - On July 15, 2019, the County of Monterey approved a combined development permit for construction and operation of the MPWSP desalination plant.
 - The Monterey County Planning Commission approved the Use Permit for the construction of the Carmel Valley Pump Station at its August 8, 2019 Meeting
 - On September 10, 2019, the City of Seaside approved an encroachment permit for transmission pipeline installation.
 - On September 13, 2019, the CPUC approved Cal-Am's request for a Notice to Proceed with construction and installation of the Seaside Transmission Main.
 - Cal-Am commenced construction on the Desalination Transfer Pipeline Project on September 16, 2019 for installation of over 2,500 Linear feet of the 36" diameter pipeline.
 - An application for a coastal development permit for those portions of the MPWSP within the City of Marina's coastal zone was submitted to the City of Marina on June 22, 2018. The City's Planning Commission denied the application on March 7, 2019. Cal-Am, two interested parties and three Coastal Commission commissioners appealed the denial to the California Coastal Commission. The California Coastal Commission made a determination at its July 11, 2019 meeting that the City of Marina's Coastal Development Permit action is directly appealable to the Coastal Commission.
- **Milestone 5, Water Year 2019-2020** - ((1) Drilling activity for at least one MPWSP Desalination Plant source water production well complete; (2) foundation and structural

framing complete for MPWSP Desalination Plant pretreatment seawater reverse osmosis, and administration buildings at desalination plant; (3) excavation complete for MPWSP Desalination Plant brine and backwash storage basins; and (4) 25% of MPWSP Desalination Plant transmission pipelines installed based on total length, including 100% installation of the "Monterey Pipeline and other ASR related improvements.")

- On August 16, 2019, Marina Coast Water District filed a lawsuit challenging the County of Monterey's approval of a combined development permit for construction of the desalination plant and seeking a temporary restraining order and preliminary injunction. The court denied the request for a temporary restraining order and preliminary injunction, but on October 8, 2019, despite Cal-Am's opposition, granted MCWD's request for a stay pending the Coastal Commission's determination on Cal-Am's request for a coastal development permit for the desalination plant's slant wells. While the stay is in place, Cal-Am is prohibited from engaging in any physical construction of the desalination plant and from making any further changes to the land but may continue to obtain permits needed for the plant's construction.
- The California Department of Fish and Wildlife approved an Incidental Take Permit for the MPWSP desalination plant site on 12/19/2019.
- Cal-Am completed construction of 5,000 LF of the Desalination Transfer Pipeline Project within the City of Seaside Right of Way on January 17, 2020.
- The California Coastal Commission was scheduled to hear the appeals of the City of Marina's denial of Cal-Am's application for a coastal development permit, as well as Cal-Am's consolidated permit application for those portions of the MPWSP within the Coastal Commission's original jurisdiction and those portions of the MPWSP within the City of Seaside and unincorporated County of Monterey coastal zones, on November 14, 2019. The Coastal Commission issued a staff report on October 28, 2019, and an addendum to the staff report on November 4, 2019 (the addendum was delayed because the Coastal Commission's independent hydrogeologist was impacted by wildfires and was unable to complete a report by the time the original staff report was released). The staff report recommended denial of the project; the addendum recommended additional groundwater modeling be undertaken to assist the Coastal Commission in determining whether the project would conform to the groundwater protection provision of Coastal Act section 30231. Additionally, Coastal Commission staff met with staff of California Public Utilities Commission to discuss the staff report recommendation and determined that technical questions about water supply and demand, potential groundwater impacts, and the Pure Water expansion alternative all required further investigation. The Commission therefore opened the public hearing on the proposed project on November 14, 2019 but took no vote to approve or deny the project. Instead, the Commission continued the hearing to a later date.
- On March 11, 2020, the Coastal Commission released a scope and schedule of proposed work for additional groundwater monitoring and data collection. The schedule indicates that the proposed work would not be completed until at least September 2020, although given the extent of work proposed, including the collection of new groundwater data, it is unlikely that such work could even be completed within one year. Both Cal-Am and the Hydrogeologic Working Group have responded to the Coastal Commission's proposal, raising concerns about

the need for and extent of additional work. Cal-Am has also requested a meeting to further discuss the proposed work.

- On January 28, 2020, Coastal Commission staff sent a letter to Cal-Am recommending that Cal-Am withdraw its application for a permit within the Coastal Commission's original jurisdiction and resubmit at a later date. The requested withdrawal would not affect Cal-Am's appeal of the City of Marina's denial, which would remain pending. The withdrawal recommendation was based on staff's belief that the requested additional investigation could not be completed by the deadline for the Coastal Commission to vote on the application. Cal-Am declined to withdraw its application, and instead, on February 12, 2020, Cal-Am and the Coastal Commission entered into a stipulation extending by ninety days, to July 24, 2020, the deadline for the Coastal Commission to vote on Cal-Am's original jurisdiction application. On April 16, 2020, due to the COVID-19 crisis, the state issued an order suspending for 60 days all timelines under the Permit Streamlining Act, effectively extending the Coastal Commission's deadline to vote on Cal-Am's application to September 22, 2020.
- The Coastal Commission scheduled the continued hearing on Cal-Am's application and appeal for a special meeting on September 17, 2020. On August 25, 2020, Coastal Commission staff released a staff report again recommending denial of the project. Although the report concluded that the project would have a negligible impact on groundwater resources, the report also concluded that project would impact other coastal resources, such as environmentally sensitive habitat areas and wetlands, and the expansion of the Pure Water Monterey project remained a feasible alternative that would avoid those impacts. The staff report also noted disproportionate impacts to communities of concern. On September 16, 2020, Cal-Am withdrew its original jurisdiction application to allow additional time to address staff's environmental justice concerns, noting that it intended to refile the application as soon as possible. The appeal of the City of Marina's denial remains pending before the Coastal Commission.
- On February 3, 2020 Cal-Am was issued a Notice to Proceed from the Public Utilities Commission for the construction of the Ryan Ranch/Bishop intertie.
- Construction started on the Ryan Ranch/Bishop interconnection on February 17, 2020 and is complete.
- Monterey Peninsula Water Management District approved Cal-Am's Water Distribution Permit Amendment at their September 21st Board Meeting to allow Cal-Am to connect Ryan Ranch and Bishop Water Systems to the Monterey Main System by utilizing the Ryan Ranch/Bishop Interconnection.
- Cal-Am submitted an application to Monterey Peninsula Water Management District on May 15, 2020 to amend the Water Distribution Permit to allow the Ryan Ranch and Bishop satellite systems to be incorporated into the Monterey Main System.
- Cal-Am submitted Applications for the Carmel Valley Pump Station Grading and Building Permits to the County of Monterey on May 26, 2020.

- The California Public Utilities Commission Issued its approval of the Notice to Proceed for the construction of the Carmel Valley Pump Station (NTPR-3) on June 8, 2020.
- Cal-Am submitted the Habitat Mitigation and Monitoring Plan for the Carmel Valley Pump Station to the United States Fish and Wildlife Service on June 16, 2020.
- On September 11, 2020 the USFWS sent correspondence allowing CAW to proceed with construction of the Carmel Valley Pump Station while the HHMP is being reviewed.
- Cal-Am began construction activities on September 14, 2020 on the Carmel Valley Pump Station.

Past Progress Toward Completion of Pure Water Monterey:

- The Water Purchase Agreement for the Pure Water Monterey Project (Phase 1, 3,500 afy) among Cal-Am, Monterey One Water, and the Monterey Peninsula Water Management District provides for a Delivery Start Date of July 1, 2019 (the date that the District commences delivery of advanced treated recycled water to the delivery point), and a Performance Start Date of January 1, 2020 (the date the District's performance obligations commence). These milestones were not achieved, and Cal-Am has notified the Monterey Peninsula Water Management District and Monterey One Water that these events of default occurred.
- On July 30, 2020, MPWMD notified Cal-Am that the Performance Start Date for the Pure Water Monterey Project would be September 1, 2020. On August 25, 2020, MPWMD notified Cal-Am that projected deliveries of recycled water for the month of September 2020 for Cal-Am's use would be 129 acre feet.

Progressive Steps Completed During the Previous 12 Months – MPWSP

- **Milestone 6, Water Year 2020-2021** (For MPWSP Desalination Plant: (1) 50% of drilling activity complete for source water production wells based on total number of wells required; (2) mechanical systems for brine and backwash storage basins complete; (3) construction of filtered water tanks and finished water tanks complete; (4) 50% of transmission pipelines installed based on total length.)
 - Cal-Am submitted an application to the State Lands Commission for a lease of state lands at the slant well site, but at the request of the State Lands Commission, on October 2, 2020, Cal-Am withdrew its lease application and informed the State Lands Commission it would refile when Cal-Am refiles its application with the Coastal Commission for a coastal development permit.
 - On November 5th, 2020 Cal-Am refiled the original jurisdiction application. On December 3, the Coastal Commission sent a Notice of Incomplete application, identifying certain additional information needed to consider the application

complete. On March 5, 2021 Cal-Am submitted a partial response to staff's Notice of Incomplete, noting that additional information on the few remaining requested items would be submitted shortly. Cal-Am supplemented that response on May 19, 2021. On March 26, 2021, the City of Marina and MCWD each submitted a letter to the Coastal Commission urging rejection of Cal-Am's response as incomplete. On April 2, 2021, the Coastal Commission responded to Cal-Am's response, noting the receipt of additional information the Coastal Commission had requested and the few still outstanding items. Cal-Am supplemented its response to the Coastal Commission on May 19, 2021. On June 18, 2021, the Coastal Commission responded, acknowledging the responses and requesting certain additional information before the application could be considered complete.

- On September 25, 2020, Cal-Am sent a letter to the City of Marina asking if the City was interested in meeting with Cal-Am to discuss the City's concerns with the MPWSP, and to explore possible options that could be mutually beneficial to the City, Cal-Am, and the region as a whole. The City responded on October 6, 2020 that it was amendable to opening a dialogue to address concerns of the City and its stakeholders. Cal-Am and the City participated in three separate meetings, discussing in depth issues of concern and potential options to resolve those concerns. The City and Cal-Am were not able to reach a satisfactory resolution.
- The hearing on MCWD's challenge to the County's approval of a combined development permit for construction of the desalination plant took place on October 6, 2020. On October 21, 2020, the court requested supplemental briefing and argument on three discrete issues related to CEQA compliance. A supplemental hearing took place on November 18, 2020. On January 21, 2021, the court issued its decision granting in part and denying in part MCWD's petition for writ of mandate. The court found that the County did not completely comply with CEQA's requirements for a statement of overriding considerations and set aside the County's approval of the permit so that the County could come into compliance. The court denied all of MCWD's other claims. The court also lifted its stay on physical construction at the plant site. In late May, Cal-Am and the County each filed notices of appeal as to the court's decision on the county's statement of overriding considerations. On June 22, 2021, MCWD filed cross-appeals on those claims it had asserted but that the court had denied.
- On December 8, 2020 the Ryan Ranch Bishop Interconnection was placed in service, connecting the two systems to the Monterey Main System.
- On December 3, 2020 the USFWS approved the Habitat Mitigation Monitoring Plan for the Carmel Valley Pump Station.
- On December 18, 2020 the CPUC issued a Minor Project refinement for undergrounding the PG&E Utility lines from the Carmel Valley Pump Station to Rancho San Carlos Rd.
- On February 18, 2021 the Seaside City Council voted to approve sending a letter to the Coastal Commission authorizing a consolidated permit approach for MPWSP project components within the City of Seaside Coastal Zone.

- On March 26, 2021 the Monterey County Resource Management Agency issued project approval for the Forest Lake Pump Station.
- On April 1, 2021 Cal-Am submitted applications for Grading Permit and Building Permit approvals to Monterey County for the Forest Lake Pump Station.
- On April 28, 2021 the Monterey County Resource Management Agency issued a Building Permit for the Forest Lake Pump Station.
- On May 10, 2021 Cal-Am submitted an Outgrant Request to the US Army for construction of ASR 5&6 wells.
- On June 21, 2021 Cal-Am submitted a Permit Application to the Monterey Bay Air Resources District for the operation of an Emergency Stand By Generator.
- On August 6, 2021 Cal Am and Monterey Peninsula Engineering submitted the Soil Disposal and Construction Support Plan for the General Jim Moore Parallel Pipeline Project to the City of Seaside for approval.
- On September 24, 2021 Cal Am submitted an Encroachment Permit Application to Caltrans for the construction of a Test Well at the Armstrong Ranch Property in Marina to evaluate effects of slant well pumping on the ponds.
- On September 29, 2021 Denise Duffy & Associates submitted a minor project refinement memo to the CPUC to approve a minor modification to the Carmel Valley Pump Station.
- On September 29, 2021 the CPUC approved the minor project refinement for the Carmel Valley Pump Station.

Progressive Steps Completed During the Previous 12 Months—Pure Water Monterey

- Monterey One Water filed their Notice of completion for the Advanced Water Purification Facility on October 21, 2020.
- Monterey One Water completed stabilization of the two shallow wells and completed commissioning of the two deep injection wells.
- Monterey One Water awarded a construction contract for the construction of two additional deep injection wells at their October 26, 2020 Board Meeting to increase redundancy and bolster injection capacity, these two wells are expected to be online by early 2022.
- On January 25, 2021 the Monterey Peninsula Water Management District Board of Directors denied the Addendum to the previously approved ASR EIR for the construction of the Parallel Pipeline allowing simultaneous delivery of ASR water and extraction of water from the Pure Water project.
- Monterey One Water approved an extension to the short-term outfall capacity lease agreement with Cal-Am on February 22, 2021.

- On March 29, 2021 the Monterey One Water Board approved updating the Pure Water Monterey Expansion SEIR and directed staff to bring the document back for certification.
- On April 26, 2021 the Monterey One Water Board approved Pure Water Monterey Expansion SEIR.
- On June 29, 2021 in a meeting with Monterey Peninsula Water Management district and Monterey One Water. Cal Am was notified that there was an apparent failure of the Pure Water Monterey Project to comply with underground retention times required for groundwater replenishment reuse projects.
- On July 9, 2021 Monterey One Water submitted a letter to the Division of Drinking Water providing notice that the intrinsic tracer study conducted for the Pure Water Monterey Groundwater recharge project resulted in insufficient retention time for the recycled water reaching ASR wells #1 and #2.
- On August 25, 2021 CalAm entered into a contract with Valentine Engineers for Phase I of the Pure Water Monterey Expansion CAW Facilities Extraction Well 1 and 2 Project.
- On September 14, 2021 the State Water Resources Control Board Division of Drinking Water submitted a letter to Cal Am directing them to discontinue extraction of water from ASR #1 and putting the permit review process for ASR #2 on hold.
- On September 27, 2021 the Monterey One Board approved the Amended and Restated Water Purchase Agreement (ARWPA) for the Pure Water Monterey and Pure Water Monterey Expansion Project.

Anticipated Progress in the Upcoming 12 Months

- **Milestone 7, Water Year 2021-2022 and beyond**
 - On October 4, 2021 the Monterey Peninsula Water Management District Board of Directors approved the Amended and Restated Water Purchase Agreement (ARWPA) for the Pure Water Monterey and Pure Water Monterey Expansion Project.
 - On October 1, 2021 Cal Am and Monterey Peninsula Engineering submitted the Dig & Excavation Permit, the Encroachment Permit, and the Traffic Control Plan for the construction of the Parallel Pipeline.
 - On October 5, 2021 MPE began construction activities on the Pebble Beach Pump Station.
 - On October 5, 2021 the City of Seaside approved all permits for the construction of the Parallel Pipeline.

- Cal-Am continues to work with Coastal Commission staff to provide additional information requested by staff in order to obtain a completeness determination as to its application for a coastal development permit for the MPWSP slant wells.
- Cal-Am anticipates completion of the Parallel Pipeline project in the first quarter of 2022 to allow for simultaneous injection of ASR water and extraction of Seaside Basin water including Pure Water Monterey.
- Cal-Am anticipates that the Carmel Valley Pump Station will be completed by the third quarter of 2022 coinciding with completion of the Pebble Beach Pump Station.
- Cal-Am anticipates completion of its application to the Coastal Commission and is hopeful a hearing will be scheduled on a coastal development permit for the MPWSP slant wells later in 2021.
- Cal-Am anticipates finalizing the Civil drawings for the Expansion Wells EW1 and EW2 Project and anticipates construction of the Test Well to be completed by the second quarter of 2022.
- Cal Am anticipates completion of the Pebble Beach Pump Station in the 3rd quarter of 2022.

Setbacks to Meeting CDO Milestone 7

- CDO Milestone 7 requires substantial completion of certain desalination plant facilities to allow delivery of MPWSP Desalination Plant produced potable water to Cal-Am's Monterey Main system. The Monterey Superior Court's decision setting aside the County's approval of the combined development permit for the desalination plant precludes completion of these activities by December 31, 2021. This setback resulting from the court's stay is beyond Cal-Am's control. Additionally, the Coastal Commission's delay in considering Cal-Am's application for a coastal development permit has precluded drilling activity for the MPWSP source water production wells and is beyond Cal-Am's control. Cal-Am has refiled its application with the Coastal Commission, but although the application had been considered complete in 2019, Coastal Commission staff is now requesting additional information in order to consider the application complete. Cal-Am is working with the Coastal Commission to provide the requested information, but a hearing on the refiled application has not yet been set, precluding Cal-Am's ability to complete the activities required under CDO Milestone 7. This setback resulting from Coastal Commission staff delays is beyond Cal-Am's control.

Condition 6(a)

Condition 6(a) requires California American to provide monthly summaries of the quantity of water it diverts from the river.

Compliance with Condition 6(a):

See Table One, above (compliance with SWRCB Order WR 2016-0016 Condition 8(a)).

Condition 6(b)

Condition 6(b) requires California American Water to provide monthly summaries of the quantity of ASR project water diverted from the river under Permit 20808A and Permit 20808C and stored in the Seaside groundwater basin. The monthly report is to state the quantity of water beneficially used under Permit 20808A and Permit 20808C and the current balance of water in storage.

Compliance with Condition 6(b):

Condition 6(b) superseded by SWRCB Order WR 2016-0016 Condition 8(b).

Condition 6(c)

Condition 6(c) requires California American Water to provide monthly summaries of the quantity of water being produced by the Sand City desalination plant. The report is also to identify new service connections within Sand City and report the quantity of water being delivered to the new connections. The monthly report is also to specify the quantity of water used to reduce diversions from the river during the reporting period.

Compliance with Condition 6(c):

Table Six lists the number of new connections in the City of Sand City by month. This information is taken from Attachment One. Attachment One is manually compiled by a California American Water employee from the water connection permits issued by the Monterey Peninsula Water Management District and subsequently provided to California American Water by prospective customers. If a listing on Attachment One has no "Installed Date," the customer has provided California American Water with the water connection permit but has not requested a meter to be installed.

Month	New Connections	Installed Date
Oct 2020	0	
Nov 2020	0	
Dec 2020	0	
Jan 2021	0	
Feb 2021	0	
Mar 2021	0	
Apr 2021	0	
May 2021	0	
Jun 2021	0	
Jul 2021	15	7/23/21
Aug 2021	0	
Sep 2021	0	

Table Seven summarizes by month the quantity of water produced by the Sand City desalination plant, the quantity of water used by new connections, and quantity of water used to reduce river diversions.

Month	Sand City Production (AF)	Water Used by New Connections (AF)	Water Used to Reduce River Diversions (AF)
Oct 2020	10.27	0.179	10.09
Nov 2020	0.00	0.188	-0.19
Dec 2020	6.80	0.258	6.54
Jan 2021	11.84	0.317	11.52
Feb 2021	19.86	0.188	19.67
Mar 2021	15.30	0.120	15.18
Apr 2021	0.00	0.152	-0.15
May 2021	10.53	0.197	10.33
Jun 2021	27.62	0.193	27.43
Jul 2021	10.31	0.211	10.10
Aug 2021	17.68	0.216	17.47
Sep 2021	1.28	0.196	1.08
Total	131.49	2.416	129.08

Condition 6(d)

Condition 6(d) requires California American Water to provide monthly summaries of the quantity of water saved by reducing system losses.

Compliance with Condition 6(d):

Water systems typically calculate losses using a 12-month running average to smooth seasonal variations in the data. Table Eight lists the 12-month running average for Monterey Main System losses and compares the losses to an October 2008 through September 2009 base period. The 12-month running average is calculated by subtracting the cumulative metered consumption from the Monterey Main System production volumes which consist of Carmel Valley, Seaside, and Sand City production. The cumulative metered consumption is based on the individual monthly meter readings and is obtained from a report generated by our accounting system. The Monterey system General Manager calculates the difference from these two numbers to arrive at the monthly system loss, and then calculates the 12-month running average from the monthly data.

Table Eight		
12-Month Running Average of Unaccounted For Water		
12 Month Period	System Losses (AF)	Savings Compared to Base Year (AF)
Oct 08 - Sep 09	1276 (base year)	NA
Nov 19 - Oct 20	366.85	909.15
Dec 19 - Nov 20	462.72	813.28
Jan 20 - Dec 20	564.51	711.49
Feb 20 - Jan 21	420.23	855.77
Mar 20 - Feb 21	439.04	836.96
Apr 20 - Mar 21	532.76	743.24
May 20 - Apr 21	586.57	689.43
Jun 20 - May 21	464.82	811.18
Jul 20 - Jun 21	518.63	757.37
Aug 20 - Jul 21	422.73	853.27
Sep 20 - Aug 21	497.69	778.31
Oct 20 - Sep 21	491.36	784.64

It is difficult to identify the actual components of unaccounted-for-water as it is a combination of system leaks and actual water use not captured by meters. A high priority is being given to identifying and repairing leaks, meter replacement, and infrastructure replacement. Table Nine presents information on leaks detected and repaired. Each time a leak is detected, a California American Water repair crew responds to repair the leak. The assigned crew leader prepares a "leak report." The information in Table Nine is based on a manual count of the leak reports received by the Monterey system General Manager.

Table Nine		
Total Main and Service Leak Repairs		
Month	Main Leaks	Service Leaks
Oct 2020	13	26
Nov 2020	10	20
Dec 2020	18	21
Jan 2021	7	17
Feb 2021	14	19
Mar 2021	11	24
Apr 2021	5	26
May 2021	11	22
Jun 2021	3	26
Jul 2021	6	18
Aug 2021	5	19
Sep 2021	6	25
Total	109	263

Table Ten summarizes service, main, meter, and hydrant replacements. Please note that service, main, meter and hydrant replacements are performed by both California American Water's forces and contractors. Service replacements are tracked via work orders for various purposes, including accounting and system management. The service replacements are calculated by a California American Water Operations supervisor from these work orders. The quantity of water mains and fire hydrants replaced is compiled by a California American Water Operations supervisor from Engineering Department records, which in turn are based on information from contractors. California American Water maintains records regarding meter replacements for various purposes, including reporting to the California Public Utilities Commission and inventory control. The number of meters replaced was compiled by a California American Water Operations supervisor from these records. To the extent that the data in Table Ten includes contractor reports or data from invoices for contract services, this information: (a) is based on the representations made by our contractors; (b) may include field estimates for the lengths of pipe replaced.

Table Ten				
Monthly Totals of Water Service, Main, Meter and Fire Hydrant Replacements				
Month	Service Replacements Number	Main Replacements Feet	Meter Replacements Number	Fire Hydrant Replacements Number
Oct 2020	13	32	113	3
Nov 2020	8	8	89	4
Dec 2020	8	317	40	1
Jan 2021	8	0	109	5
Feb 2021	15	13	392	6
Mar 2021	10	21	534	6
Apr 2021	43	753	417	6
May 2021	13	338	298	1
Jun 2021	12	676	215	4
Jul 2021	20	847	99	0
Aug 2021	9	145	108	2
Sep 2021	17	226	80	1
Total	176	3,376	2,494	39

Condition 6(e)

Condition 6(e) requires California American Water to provide monthly summaries of reductions in demand for potable water due to conservation actions such as increased rates, the Monterey Peninsula Water Management District's retrofit program, programs to reduce potable water use for outdoor irrigation, and other demand reduction initiatives.

Compliance with Condition 6(e):

California American Water implemented a new conservation rate structure effective February 1, 2010. The change in the rate structure is shown in Table Eleven. The residential tiered conservation rate structure increases were directed at the top tier users and were designed to promote conservation practices and reduce overall water usage.

Table Eleven			
Main System Residential Rate Structure Effective			
Tier	Old Rates Per Unit February 2009	Current Rates Per 100 Gallons January 1, 2021	Percent Change
1	\$0.2298	\$0.8942	289.12%
2	\$0.4596	\$1.3414	191.86%
3	\$0.6894	\$3.1298	353.99%
4	\$0.9192	\$5.8125	532.34%
5	\$1.8385	\$7.1539	289.12%

A unit of water is equal to 100 gallons.

Table Twelve compares the five-year historical tier 4 and 5 usage with actual use. Tier 4 and 5 usage is almost exclusively outdoor watering. There are several factors that can affect water consumption: including price, weather, and conservation efforts. California American Water assumes that the changes in consumption shown in Table Twelve are, in part, a result of the conservation rates and the other conservation activities. Except for savings estimated by the Monterey Peninsula Water Management District for water appliance retrofitting, California American Water cannot attribute specific portions of reduced consumption to rates, weather, or other conservation efforts.

Table Twelve		
Tier 4 and 5 Average Historical Usage (WY 2005 - WY 2009) compared to WY 2021		
Month	Historical Usage (AF)	WY 20-21 (AF)
Oct	91.3	35.81
Nov	92.4	33.01
Dec	64.7	25.78
Jan	43.1	18.18
Feb	37.0	17.17
Mar	31.5	12.00
Apr	44.7	21.19
May	46.2	32.36
Jun	83.4	33.57
Jul	108.6	42.09
Aug	111.3	36.52
Sep	97.9	35.49

Table Thirteen reports the estimated annual water savings from the Monterey district retrofit program. The monthly rebate costs are dependent on the number and type of water conserving appliances. Examples of rebates include High Efficiency Toilet, High Efficiency Dishwasher, High Efficiency Washer, High Efficiency Urinal, Cistern Water Tank, Cooling Tower Conductivity Controller, and X-ray Film Processor Recirculation System. This information was specifically requested from the Monterey Peninsula Water Management District by California American Water's Monterey system General Manager for the purposes of this report. The data provided by the Monterey Peninsula Water Management District and reported in Table Thirteen included the retrofit expenditures and estimated water savings in acre-feet by month.

Table Thirteen		
Total Retrofit Rebate Payments and Estimated Water Savings by Month		
Month	Cost (\$)	Annual Savings (AF)
Oct 2020	25,144	0.62
Nov 2020	18,628	0.53
Dec 2020	23,306	0.62
Q1 Total	67,078	1.77
Jan 2021	18,999	0.89
Feb 2021	27,478	0.83
Mar 2021	41,623	1.28
Q2 Total	88,100	3.00
Apr 2021	19,025	0.60
May 2021	24,255	0.84
Jun 2021	26,847	0.92
Q3 Total	70,127	2.36
Jul 2021	42,317	1.24
Aug 2021	19,550	0.65
Sep 2021	45,024	2.52
Q4 Total	106,891	4.41

The Monterey Peninsula Water Management District and California American Water conduct water conservation audits for homes, businesses and landscape accounts. Table Fourteen shows the total number of audits conducted. The information in Table Fourteen was reported to the Monterey system General Manager by California American Water's local Conservation Manager, who manages the conservation contract with the Monterey Peninsula Water Management District.

Table Fourteen	
Total Water Conservation Audits By Month	
Month	Number of Audits
Oct 2020*	51
Nov 2020*	65
Dec 2020*	30
Q1 Total	146
Jan 2021*	23
Feb 2021*	30
Mar 2021*	31
Q2 Total	84
Apr 2021*	24
May 2021*	25
Jun 2021*	31
Q3 Total	80
Jul 2021*	33
Aug 2021*	28
Sep 2021*	23
Q4 Total	84

* Due to COVID-19 all Water Audits were suspended as of 3-15-2020
Water Audits done over the phone due to COVID-19

Both the Monterey Peninsula Water Management District and California American Water use contractors to perform some audits. Accordingly, the data in Table Fourteen is based, in part, on: (a) representations by those contractors as to the work performed; and (b) information provided by the Monterey Peninsula Water Management District.

The Monterey Peninsula Water Management District and California American Water conducted the following conservation programs and workshops during the reporting period:

California American Water (CAW) in conjunction with the Monterey Peninsula Water Management District (MPWMD), continues to offer and provide conservation programs to its customers, including residential water audits, landscape water audits, a rebate program, residential plumbing retrofit program, large landscape workshop program, and a public program.

The Water Wise House Call program for onsite audits was halted due to public safety shutdowns when the Corona Virus Pandemic began in late March of 2020. The Water Wise House Call program then shifted to Water Wise phone consultations with an option to speak virtually when the customer chose to do so. This enabled customers to make an appointment with the conservation staff to discuss their home or business water usage, potential water saving opportunities, instruction to perform DIY (do it your own) leak checks, to potentially spot water

waste on the property and promote water savings. All forms of technology were used to assist the customer such as face to face iPhone conversations where customers at times would display their irrigation controllers and review the settings. Google earth map was also utilized for the conservation staff to view the landscaping and meter location.

California American Water Activities:

- 84 Phone Residential Consultation Water Audits (By phone due to COVID-19)
- 148 Data Logs – Customer hourly usage reports downloaded from meters
- 3 Meetings with the Monterey County Water Awareness Committee
- Supported the Monterey County Fair in September

The Monterey Peninsula Water Management District participated in the Monterey County Fair, Carmel Valley Fiesta, and West End Festival events during the reporting period.

Condition 6(f)

Condition 6(f) requires California American Water to provide monthly summaries identifying all new service connections. The report is to include the California American Water account number, the service address, the name of each authority granting any approval required for connecting to California American Water's system and the name of each authority granting any approval required before commencing construction; the issuer of each approval and the date of each approval shall be separately listed for each service address.

Compliance with Condition 6(f):

In compliance with Monterey Peninsula Water Management District regulations, California American Water does not connect new customers unless the prospective customer provides California American Water with a water connection permit issued by the Monterey Peninsula Water Management District.

Attachment One is a list of all new connections authorized by the Monterey Peninsula Water Management District. Attachment One is being provided under separate cover as it contains confidential customer account information. California American Water requests the State Water Resources Control Board maintain this information as confidential. As discussed in Section 6(c) above, Attachment One is compiled by California American Water employees from the water connection permits issued by the Monterey Peninsula Water Management District and provided to California American Water by prospective customers. Prospective customers may elect to have a meter installed shortly after presentation of the water connection permit or may request the meter at a later date. This report includes prospective customers who have presented California American Water with a water connection permit, even if that customer has not requested a meter to be immediately installed. If the customer has provided California American Water with the water connection permit, but has not requested a meter to be installed, the entry on Attachment One has no "Installed Date."

The new connection count does not include emergency fire service connections or the splitting of master meter connections into individual accounts, as neither of these activities increases water use.

Condition 6(g)

Condition 6(g) requires California American Water to provide monthly summaries identifying existing service addresses that receive an increased supply of water due to a change in zoning or use. The report is to include the California American Water account number, the service address and the name of each authority authorizing the change of use or zoning and the date of such change.

Compliance with Condition 6(g):

Attachment Two is a list of permits issued by the Monterey Peninsula Water Management District authorizing changes to existing service addresses that will result in an increased use of water through a change in zoning or use. Attachment Two is being provided under separate cover as it contains confidential customer account information. California American Water requests the State Water Resources Control Board maintain this information as confidential. Although not clearly a "change in zoning or use," Attachment Two includes permits issued for additions to, or remodeling of, an existing service address where that addition or remodel has been determined by the Monterey Peninsula Water Management District to result in increased water consumption. California American Water requested this information from the Monterey Peninsula Water Management District specifically for this report. The Monterey Peninsula Water Management District provided a spreadsheet that the data from which is included in Attachment Two. This spreadsheet tracks the information by Assessor's Parcel Number. A California American Water employee correlated California American Water's records to the Monterey Peninsula Water Management District's spreadsheet based on Assessor's Parcel Number to obtain the California American Water account number and service address. Other than California American Water account number and service location, all data in Attachment Two was compiled or calculated by the Monterey Peninsula Water Management District. Where there were clear clerical errors in data entry, California American Water corrected those errors in compiling this report.

Conclusion

This concludes our report for the 4th quarter of Water Year 2021. Should you or your staff have any questions please call me at your earliest convenience at (831) 646-3241.

I declare under penalty of perjury, under the laws of the State of California, that all statements contained in this report and any accompanying documents are true and correct, with full knowledge that all statements made in this report are subject to investigation and that any false or dishonest statements may be grounds for prosecution.

Sincerely,



Christopher Cook, PE
Director, Operations
Coastal Division
California American Water

Attachments (4)