

# Appendix A

## Amended and Restated Water Purchase Agreement

**AMENDED AND RESTATED  
WATER PURCHASE AGREEMENT FOR  
PURE WATER MONTEREY PROJECT**

**THIS AMENDED AND RESTATED WATER PURCHASE AGREEMENT** (“Agreement”) is made this \_\_\_\_ day of \_\_\_\_\_, 2021 (the “Effective Date”) by and between California-American Water Company, a California corporation, hereinafter referred to as the “Company,” Monterey One Water (formerly the Monterey Regional Water Pollution Control Agency), hereinafter referred to as the “Agency,” and Monterey Peninsula Water Management District, hereinafter referred to as the “District.” The Company, the Agency, and the District are hereinafter referred to individually as a “Party” and collectively as the “Parties.”

**RECITALS**

- A. The Company has a statutory duty to serve water in certain cities on the Monterey Peninsula and in a portion of Monterey County for its service area, the boundaries of which are shown in Exhibit A attached hereto and incorporated herein.
- B. The Company has been ordered by the State Water Resources Control Board in orders WR 95-10, WR 2009-0060, and WR 2016-0016 to find alternatives to the Carmel River to fulfill its duty to serve, and to reduce Carmel River diversions to authorized limits by December 31, 2021.
- C. In 2012, the Company filed application 12-04-019 with the California Public Utilities Commission (“CPUC”), seeking an order issuing a Certificate of Public Convenience and Necessity (“CPCN”) for the construction of the Monterey Peninsula Water Supply Project (“MPWSP”) and authorizing the recovery of the costs for such construction in rates. The Company proposed the MPWSP as either a 9.6 million gallons per day (“mgd”) production capacity desalination plant or a reduced capacity 6.4 mgd production capacity desalination plant combined with a water purchase agreement for 3,500 acre-feet per year of product water from the Agency’s Groundwater Replenishment Project (also known as the Pure Water Monterey Project).
- D. In 2013, multiple parties, including the Company, the Agency, and the District, entered into a Comprehensive Settlement Agreement, providing for the development, construction, operation and financing of the MPWSP, and recovery of costs in rates for a desalination plant sized at either 9.6 mgd or 6.4 mgd.
- E. In 2016, in Decision 16-09-021, the CPUC authorized a water purchase agreement for the 3,500 acre-feet per year of product water from the Pure Water Monterey Project to be delivered to the Company.

- F. On September 20, 2018, the CPUC issued Decision 18-09-017, certifying the combined Final Environmental Impact Report/Environmental Impact Statement for the MPWSP and authorizing a CPCN for the MPWSP at a desalination plant size of 6.4 mgd. The Decision declined to adopt the Comprehensive Settlement Agreement, but adopted the framework set forth therein, including a cost cap, operations and maintenance financing provisions, ratemaking provisions, and contingency provisions.
- G. Between 2012 and the present, the Company incurred costs, including environmental review, permitting, and other costs, in proceeding with development of the MPWSP to provide a permanent, reliable water supply and allow reduction of unauthorized Carmel River and Seaside Basin diversions. Many of these costs were reviewed and discussed among the parties. Since July 2013, the Company has provided these incurred costs as part of its quarterly newsletter filings that are served on all parties in the CPUC proceeding.
- H. In September 2017, at the CPUC's request the Agency proposed expansion of the Pure Water Monterey Project to provide an additional incremental supply of 2,250 acre-feet per year of product water to be made available to the Company for delivery to its customers.
- I. In Decision 18-09-017, the CPUC required the Company to file an application if it sought to enter into a water purchase agreement for additional water supply to be provided by an expansion of the Pure Water Monterey Project.
- J. In Decision 18-09-017, the CPUC set forth the requirements for any water purchase agreement application to be filed with the CPUC for acquiring water from the Pure Water Monterey Expansion Project if the MPWSP desalination plant was delayed beyond December 31, 2021, stating: "To the extent Cal-Am files (or the Commission directs Cal-Am to file) an application seeking approval of a PWM expansion WPA, the application shall include sources of supply water, development costs, prices for sales of the developed water, contractual details, environmental effects, potential to obtain necessary permits, water quality, sources of funding, possible related facilities (e.g., additional pipelines or pump stations), and any other information relevant and necessary for the Commission to make an informed, just and reasonable decision including details as to supply and production including not only during average rainfall years but also during a multi-year drought and the timing of expanded production. The application will be considered only to the extent the desalination plant authorized in this decision (i.e., 6.4 million gallons per day) is delayed to the point that sufficient source water capacity is more likely than not to be unavailable after the December 31, 2021, deadline set by the State Water Resources Control Board in its amended CDO."
- K. Approval by the California Coastal Commission of a coastal development permit necessary for the MPWSP desalination plant slant wells was delayed, such that the desalination plant authorized by the CPUC will not be operational by December 31, 2021.

- L. At this time, the Company desires to buy advanced treated recycled water from the Pure Water Monterey Project, and the Pure Water Monterey Expansion project, from the District for the purpose of fulfilling its duty to serve its customers within its service area and the District is willing to sell advanced treated recycled water to the Company for this purpose on the terms and conditions provided for herein.
- M. The Company believes, based on expert advice, that the water available from the Pure Water Monterey Project and the Pure Water Monterey Expansion Project provides insufficient supplies to meet customer demand without the desalination component of the MPWSP and, therefore, intends to continue to seek all necessary approvals for development, construction and operation of the MPWSP desalination plant. Nevertheless, water supplied by the Pure Water Monterey Expansion Project will likely be available before the desalination plant is operational and would help meet current demand after December 31, 2021.
- N. The District believes, also based on expert advice and peer review, that supplies without the desalination plant are sufficient to satisfy customer demand for a couple decades if the Pure Water Monterey Expansion Project is built, and, therefore, supports entering into an agreement with the Company for water purchases from the Pure Water Monterey Expansion Project.
- O. The Agency will be responsible for the design, construction, operation, and ownership of facilities for the production, delivery, and injection of advanced treated recycled water into the Seaside Groundwater Basin, such facilities to be part of the Pure Water Monterey groundwater replenishment project.
- P. The District will buy advanced treated recycled water from the Agency for purpose of securing the financing of and paying the operating costs of the project. The District will sell the advanced treated recycled water to the Company subject to the terms of this Agreement.
- Q. The Company desires to buy advanced treated recycled water from the District for the purpose of fulfilling its duty to serve its customers within its service area and the District is willing to sell advanced treated recycled water to the Company for this purpose on the terms and conditions provided for herein.
- R. The Agency contends, and has so advised the District and the Company, that based on advice of counsel, (1) Agency assets and revenue derived from Agency ratepayers are not available for satisfying claims and judgments for any liability arising from this water project Agreement, and (2) therefore, the single source for so satisfying is insurance coverage described as Required Insurance in this Agreement.
- S. The Agency has separately entered into an agreement with the Monterey County Water

Resources Agency in Section 4.05 of which, the Monterey County Water Resources Agency may request additional irrigation water from Agency sources. Pursuant to that agreement the Agency has committed to produce no more than 200 acre-feet per year, up to a total quantity of 1,000 acre-feet, for delivery to the District as a drought reserve. When such a request is made, the District may make available to the Company Drought Reserve Water in order to satisfy the Company Allotment. Additionally, in order to ensure delivery of the Company Allotment in the event of an interruption in project operations, the District has established an Operating Reserve. Together the two reserves are called the Reserve Account and will be paid for by the District until deemed delivered to the Company if needed at a future date.

**NOW, THEREFORE**, the Parties agree as follows:

1. Purpose of Agreement.

The purpose of this Agreement is to provide for the sale of advanced treated recycled water from the Agency to the District and from the District to the Company derived from the Pure Water Monterey groundwater replenishment project owned and operated by the Agency, and to serve the Company's customers within its service area. The Parties confirm that this Agreement constitutes a contractual right to purchase advanced treated recycled water, that no water right is conferred to the Company, and that no additional rights in the Seaside Groundwater Basin are conferred to the District or the Agency.

2. Definitions

The following terms shall, for all purposes of this Agreement have the following meanings:

"Additional Project Participant" means any public district, agency, or entity, or any private water company, other than the Company, that executes a water purchase agreement in accordance with Section 19 hereof, together with its respective successors or assigns.

"Affected Party" means a Party claiming the occurrence of a Force Majeure Event and seeking relief under this Agreement as a result thereof.

"Agreement" means this Amended and Restated Water Purchase Agreement, as the same may be amended from time to time.

"Applicable Law" means any federal, state or local statute, local charter provision, regulation, ordinance, rule, mandate, order, decree, permit, code or license requirement or other governmental requirement or restriction, or any interpretation or administration of any of the foregoing by any governmental authority, which applies to the services or obligations of any of the Parties under this Agreement.

"AWT Facilities" means the advanced water treatment facilities portion of the Project that provides advanced treatment to source water that has undergone secondary treatment at the

Regional Treatment Plant, including any advanced water treatment facilities constructed as part of the Expansion.

“AWT Water” means advanced treated recycled water produced by the AWT Facilities. “Company Account” means the account managed by the District and the Company that tracks and records the quantity of Company Water delivered to the Delivery Point.

“Company Allotment” means 3,500 acre-feet of AWT Water until the Expansion Performance Start Date, after which it shall mean 5,750 acre-feet, or another quantity of AWT Water as agreed to, in writing, by the Parties.

“Company Facilities” means the necessary facilities funded and constructed by the Company for purposes of supporting water deliveries from the Project and other Company water supplies, including (a) injection/extraction wells and related appurtenances, (b) pipelines and transmission mains, and (c) real property, all as additionally described in Exhibit B.

“Company Water” means the AWT Water delivered to the Delivery Point to be used and owned by the Company and will be counted toward the Company Allotment.

“Company Water Payments” means payments made by the Company to the District pursuant to Section 16 hereof for the furnishing of Company Water.

“Company Water Rate” means the dollar amount per acre-foot of Company Water that the Company pays the District for delivery of Company Water, as calculated pursuant to Section 16.

“Company Water Shortfall” is measured in acre-feet and, for each Fiscal Year, means the Company Allotment (with respect to Section 20(c)(5)) or the Minimum Allotment (with respect to Section 20(c)(6)), as applicable, minus the quantity of Company Water delivered by the Agency or the District to the Delivery Point in the applicable Fiscal Year. With respect to an Event of Default under Section 20(c)(5), the Company Water Shortfall shall be an amount equal to the cumulative sum of the shortfall in each of the three consecutive Fiscal Years. With respect to an Event of Default under Section 20(c)(6), the Company Water Shortfall shall be an amount equal to the cumulative sum of the shortfall in each of the two consecutive Fiscal Years.

“CPUC” means the California Public Utilities Commission.

“Delivery Point” means any of the metered points of delivery identified in Exhibit C.

“Delivery Start Date” means the date that the District commences delivery of AWT Water to the Delivery Point.

“District Shortfall Payment” means a payment made by the District to the Company pursuant to Section 16 hereof.

“Drought Reserve” means one of the two sub-accounts that comprise the Reserve Account.

“Drought Reserve Minimum” means 1,000 acre-feet of Drought Reserve Water in the Drought Reserve.

“Drought Reserve Water” means Excess Water in the Drought Reserve Account at any given time.

“Event of Default” means each of the items specified in Section 20 which may lead to termination of this Agreement upon election by a non-defaulting Party.

“Excess Water” means a quantity of AWT Water in excess of the Company Allotment delivered by the District to the Delivery Point in any given Fiscal Year.

“Expansion” means the Pure Water Monterey groundwater replenishment project expansion, including (a) expansion to AWT Facilities, (b) additional Product Water Facilities, and (c) additional Injection Facilities, all as additionally described in Exhibit B.

“Expansion Delivery Start Date” means the date that the District commences delivery of AWT Water from the Expansion to the Delivery Point.

“Expansion Performance Start Date” means the date set forth in a written notice provided by the District to the Company upon which the District’s performance obligations with respect to the Water Availability Guarantee, the Water Delivery Guarantee, and the Water Treatment Guarantee shall commence with respect to the Expansion, such date not to be more than twelve months following the Expansion Delivery Start Date.

“Fiscal Year” means a twelve-month period from July 1 through June 30. Any computation made on the basis of a Fiscal Year shall be adjusted on a pro rata basis to take into account any Fiscal Year of less than 365 or 366 days, whichever is applicable.

“Fixed Project Costs” means all pre-construction, development, and capital costs of the Project, including debt service and reserves for the payment of debt service, incurred by the Agency or District in accordance with Section 6 hereof; provided, however, Fixed Project Costs shall not include any damages or other amounts paid by the Agency or the District to the Company as indemnification payments pursuant to Section 22 of this Agreement.

“Force Majeure Event” means any act, event, condition or circumstance that (1) is beyond the reasonable control of the Affected Party, (2) by itself or in combination with other acts, events, conditions or circumstances adversely affects, interferes with or delays the Affected Party’s ability to perform its obligations under this Agreement, and (3) is not the fault of, or the direct result of the willful or negligent act, intentional misconduct, or breach of this Agreement by, the Affected Party.

“Injection Facilities” means the injection wells and appurtenant facilities portion of the Project used to inject AWT Water into the Seaside Basin.

“Minimum Allotment” means 2,800 acre-feet of AWT Water until the Expansion Performance Start Date, after which it shall mean 4,600 acre-feet.

“Operating Reserve” means one of the two sub-accounts that comprise the Reserve Account.

“Operating Reserve Minimum” means (a) 1,000 acre-feet of Operating Reserve Water in the Operating Reserve prior to the date that is three (3) years following the Performance Start Date, (b) 1,750 acre-feet of Operating Reserve Water in the Operating Reserve after the date that is three (3) years following the Performance Start Date but prior to the Expansion Performance Start Date, and (c) 2,875 acre-feet of Operating Reserve Water in the Operating Reserve after the date that is three (3) years following the Expansion Performance Start Date.

“Operating Reserve Water” means Excess Water in the Operating Reserve at any given time.

“Performance Start Date” means the date set forth in a written notice provided by the District to the Company upon which the District’s performance obligations with respect to the Water Availability Guarantee, the Water Delivery Guarantee, and the Water Treatment Guarantee shall commence, such date not to be more than six months following the Delivery Start Date.

“Product Water Facilities” means the product water conveyance facilities portion of the Project used to transport the AWT Water from the AWT Facilities to the Injection Facilities.

“Project” means the Pure Water Monterey groundwater replenishment project, including (a) Source Water Facilities, (b) AWT Facilities, (c) Product Water Facilities, and (d) Injection Facilities, all as additionally described in Exhibit B. The Project also includes the Expansion beginning on the Expansion Delivery Start Date.

“Project Operation and Maintenance Expenses” means all expenses and costs of management, operation, maintenance, repair, replacement, renovation, or improvement of the Project incurred by the Agency and the District, including overhead costs, and properly chargeable to the Project in accordance with generally accepted accounting principles, including, without limitation (a) salaries, wages, and benefits of employees, contracts for professional services, power, chemicals, supplies, insurance, and taxes; (b) an allowance for depreciation, amortization, and obsolescence; (c) all administrative expenses; and (d) a reserve for contingencies, in each case incurred by the Agency or District with respect to the Project; provided, however, Project Operation and Maintenance Expenses shall not include any damages or other amounts paid by the Agency or the District to the Company as indemnification payments pursuant to Section 22 of this Agreement.

“Regional Treatment Plant” means the Agency’s Regional Wastewater Treatment Plant.

“Replenishment Assessment Rate” means a dollar value equal to the greater of (1) the



Replenishment Assessment amount, as defined in the Seaside Basin Amended Decision, as of the last day of the Fiscal Year for which a District Shortfall Payment becomes due, or (2) \$3,500 per acre-foot.

“Required Insurance” means, with respect to the Agency and the District, the insurance each Party is required to obtain and maintain during the term of this Agreement as set forth in Exhibit D.

“Reserve Account” means the account managed by the District that tracks and records (a) quantities of Excess Water delivered to the Delivery Point, and (b) quantities of Reserve Water debited from the Reserve Account to satisfy the Company Allotment.

“Seaside Basin” means the Seaside Groundwater Basin.

“Seaside Basin Amended Decision” means the Amended Decision of the Superior Court of the State of California in and for the County of Monterey, Case No. M66343, dated February 9, 2007.

“Service Area” means the Company’s service area as of the Effective Date of this Agreement, as shown in Exhibit A, and as amended from time-to-time by the CPUC.

“Storage and Recovery Agreement” means the storage and recovery agreement among the Company, the District and the Watermaster that allows for injection of AWT Water into the Seaside Basin for purposes of continued storage or withdrawal.

“Source Water Facilities” means the source water diversion and conveyance facilities portion of the Project used to divert and convey new source waters to the Regional Treatment Plant.

“Watermaster” means the Seaside Groundwater Basin Watermaster.

“Water Availability Guarantee” means the water availability guarantee set forth in Section 13.

“Water Delivery Guarantee” means the water delivery guarantee set forth in Section 12.

“Water Treatment Guarantee” means the water treatment guarantee set forth in Section 14.

## **OPERATIVE PROVISIONS**

### **3. Commencement of Service.**

The Performance Start Date occurred on September 1, 2020. The Expansion Delivery Start Date shall be no later than February 1, 2025, or other date as agreed to in writing by the Parties. Failure of the Agency and the District to meet this deadline shall constitute an Event of Default upon which the Company may terminate this Agreement in accordance with Section 20. The Company shall not incur any costs or be responsible for any payments under this Agreement prior to the Performance Start Date. The Company shall not incur any costs or be responsible for any payments under this Agreement relating to the Expansion prior to the Expansion Delivery Start

Date.

4. Term of Agreement.

This Agreement shall be effective as of the Effective Date and shall remain in effect until the date that is thirty (30) years after the Expansion Performance Start Date (the “Expiration Date”), unless earlier terminated as provided in this Agreement.

5. Option for Continued Service.

The Company may extend the Expiration Date of this Agreement for one or more periods not to exceed ten (10) years, in total. The Company shall notify the Agency and the District, in writing at least 365 days prior to the then-applicable Expiration Date, of its intent to extend the Expiration Date and such notice shall indicate the new Expiration Date. At the election of any Party, the Parties will meet and confer to consider the Parties’ interest in any additional extension or renewal of an arrangement similar to this Agreement. Such meet-and-confer sessions should take place approximately five (5) years prior to the then-applicable Expiration Date; provided, however, if pursuant to an extension under this Section 5 the new Expiration Date is less than five (5) years following the Company’s notification of the extension, the Parties will meet and confer within a reasonable time prior to the new Expiration Date.

6. Agency and District to Develop Project and Expansion.

Subject to all terms and conditions of the Agency’s water rights, permits and licenses, and all agreements relating thereto, the Agency and District will cause and complete the design, construction, operation, and financing of the Project and the Expansion, the production and delivery of AWT Water, the obtaining of all necessary authority and rights, consents, and approvals, and the performance of all things necessary and convenient therefor. The Agency will own and operate the Project and the Expansion.

As consideration for funding environmental, permitting, design, and other pre-construction costs, as well as for pledging revenues for repayment of future costs under this Agreement in the event Company Water Payments are insufficient, the District shall (i) own AWT Water for sale and delivery to the Company, (ii) have the right to sell AWT Water to the Company or any Additional Project Participant (if approved by the Company pursuant to Section 19), (iii) have the right to bill the Company for Company Water Payments or to bill any Additional Project Participant for AWT Water, and (iv) have the right to apply all Company Water Payments to payment of Fixed Project Costs and Project Operation and Maintenance Expenses.

7. Obligation to Pay Design and Construction Costs.

The Agency shall be solely responsible for the design, construction, implementation and performance of the Project, and shall bear all costs associated with such design, construction,

implementation and performance. Title to the structures, improvements, fixtures, machinery, equipment, materials, and pipeline capacity rights constituting the Project and the Expansion shall remain with the Agency as described in Exhibit B. The Agency shall bear all risk of loss concerning such structures, improvements, fixtures, machinery, equipment, and materials.

At the request of the Agency, the Company may assist the Agency in obtaining financing for Fixed Project Costs for the Project. Any such assistance will be evidenced in a writing agreed to by the Company and the Agency.

8. Obligation to Pay Operation and Maintenance Costs.

The Agency shall be solely responsible for the operation, maintenance, repair and replacement of the Project, and shall bear all costs associated with such operation, maintenance, repair and replacement.

9. Point of Delivery and Ownership of AWT Water.

All AWT Water shall be delivered to the Delivery Point. Water utilized to backflush an injection well that percolates into the ground is considered delivered AWT Water.

The Agency shall own the AWT Water until the point it leaves the AWT Facilities. The District shall own the AWT Water from the point it leaves the AWT Facilities to the Delivery Point. After the Delivery Point, if the water is Company Water, it will be owned by the Company. If, however, the water is Excess Water after the Delivery Point, then ownership of such water shall remain with the District. The District shall own any water in the Reserve Account, until such time as Operating Reserve Water or Drought Reserve Water is used to satisfy the Water Availability Guarantee at which point it shall become Company Water and be owned by the Company.

The Company recognizes and agrees that it acquires no interest in or to any portion of the District's system or any Agency facilities.

Delivery by the District and withdrawal by the Company shall be governed by the Storage and Recovery Agreement.

10. Points of Withdrawal.

All AWT Water furnished pursuant to this Agreement shall be taken from storage by the Company at the points of withdrawal controlled by the Company and permitted by the California Department of Public Health. The Company shall be solely responsible for operating and maintaining all of its facilities for withdrawal of water.

11. Measurement.

All AWT Water furnished pursuant to this Agreement shall be measured by the Agency at the

Delivery Point. Such measurement shall be with equipment chosen by the Agency, installed by the Agency on Agency facilities, and approved by the District and Company in writing. All measuring equipment shall be installed, maintained, repaired and replaced by the Agency. The Agency will provide annual meter calibration by an outside contractor and provide a copy of results of such calibrations to District and Company. The Agency shall have the primary obligation to measure the quantity of AWT Water delivered to the Delivery Point. The Company may request, at any time, investigation and confirmation by the District or Agency of the measurement being made as well as the charges associated with those measurements. Errors in measurement and charges discovered by the investigation will be corrected in a timely manner by the Agency and the District. The Company may, at its own expense, at any time, inspect the measuring equipment and the record of such measurements for the purpose of determining the accuracy of the equipment and measurements.

12. Water Delivery Guarantee.

- (a) Beginning on the Performance Start Date and in every Fiscal Year throughout the term of this Agreement, the Agency shall use its best efforts to deliver AWT Water to the District in quantities at least equal to the Company Allotment.
- (b) Beginning on the Performance Start Date and in every Fiscal Year throughout the term of this Agreement, the District shall use its best efforts to deliver Company Water to the Delivery Point in quantities at least equal to the Company Allotment.
- (c) Beginning on the Performance Start Date and in every Fiscal Year throughout the term of this Agreement, the Agency shall deliver AWT Water to the District in quantities at least equal to the Minimum Allotment (the "Water Delivery Guarantee").
- (d) Beginning on the Performance Start Date and in every Fiscal Year throughout the term of this Agreement, the District shall deliver Company Water to the Delivery Point in quantities at least equal to the Minimum Allotment (also, the "Water Delivery Guarantee").
- (e) All AWT Water delivered by the District to the Delivery Point between the Delivery Start Date and the Performance Start Date shall be deemed Operating Reserve Water and allocated to the Operating Reserve. The Performance Start Date shall not occur until the Operating Reserve Minimum has been allocated to the Operating Reserve. Beginning on the Performance Start Date and in every Fiscal Year throughout the term of this Agreement, all AWT Water delivered to the Delivery Point each Fiscal Year shall be Company Water until an amount equal to the Company Allotment has been delivered.

13. Water Availability Guarantee.

- (a) Beginning on the Performance Start Date and throughout the term of this Agreement, the

Agency must deliver enough AWT Water to the District so that the Company may draw AWT Water (including Company Water, Operating Reserve Water, and Drought Reserve Water released by the District to the Company) from the Seaside Basin every Fiscal Year in an amount at least equal to the Company Allotment (the “Water Availability Guarantee”).

- (b) Beginning on the Performance Start Date and throughout the term of this Agreement, the District must deliver enough AWT Water to the Delivery Point so that the Company may draw AWT Water (including Company Water, Operating Reserve Water, and Drought Reserve Water released by the District to the Company) from the Seaside Basin every Fiscal Year in an amount at least equal to the Company Allotment (also, the “Water Availability Guarantee”).
- (c) If in any Fiscal Year the District delivers Excess Water, any such amount shall be credited to the Reserve Account. The Reserve Account will have two sub-accounts: the Operating Reserve and the Drought Reserve. The District will allocate all Excess Water into either the Operating Reserve or the Drought Reserve as it shall determine in its sole discretion.
- (d) If the amount of Operating Reserve Water in the Operating Reserve at any time is less than the Operating Reserve Minimum, then all Excess Water in a Fiscal Year must be allocated to the Operating Reserve until the Operating Reserve Minimum is achieved, except for up to 200 acre-feet of Excess Water that may, at the District’s election, be allocated to the Drought Reserve but only if the balance in the Drought Reserve is less than the Drought Reserve Minimum. In no instance shall the District reduce Company Water deliveries to make available additional irrigation water to the Monterey County Water Resources Agency from Agency sources in an amount exceeding the balance available in the Drought Reserve.
- (e) If in any Fiscal Year the District delivers Company Water to the Delivery Point in quantities less than the Company Allotment, the Company shall have the right, but not the obligation, to draw Operating Reserve Water from the Operating Reserve to make up for any such shortfall in Company Water. In addition, if a shortfall still exists after Operating Reserve Water is drawn by the Company, the District may, in its sole discretion, use Drought Reserve Water available in the Drought Reserve to satisfy the Water Availability Guarantee. Upon the occurrence of the Expiration Date, or the earlier termination of this Agreement as contemplated herein, the Company shall have the right to draw Drought Reserve Water from the Drought Reserve.
- (f) At least every three (3) months during the term of this Agreement, beginning on the Performance Start Date, the District will report to the Company the balances and activity in the Operating Reserve and Drought Reserve. In addition, the District shall, with ten (10) days following the Company’s request, provide to the Company the balances and activity in the Operating Reserve and Drought Reserve.

#### 14. Water Treatment Guarantee.

All AWT Water delivered by the Agency to the District and by the District to the Delivery Point must meet the water quality requirements set forth in Applicable Law (the “Water Treatment Guarantee”). If at any time the Agency or the District fails to meet the Water Treatment Guarantee, the Agency or the District shall give the Company immediate notice thereof and shall promptly meet with the Company to discuss the circumstances of such failure and the District’s and the Agency’s proposed action plan for remediation so that the Water Treatment Guarantee will be met. AWT Water delivered by the Agency to the District or by the District to the Delivery Point that does not meet the Water Treatment Guarantee shall not be considered Company Water or Excess Water.

#### 15. Budgeting.

Not later than May 1 each year, the Fixed Project Costs and Project Operation and Maintenance Expenses shall be estimated by the Agency and the District for the following Fiscal Year. Such estimates shall be made available for review by the Parties at least fifteen (15) days prior to adoption by the Agency’s or District’s respective boards.

#### 16. Rate of Payment for Company Water.

For Company Water furnished to the Company under this Agreement, the Company shall pay Company Water Payments to the District on a monthly basis determined as the Company Water Rate multiplied by the quantity of Company Water delivered the previous month. The Company shall not pay for deliveries to the Operating Reserve and the Drought Reserve until such reserves are designated by the Company or the District, as applicable, as Company Water.

The Company Water Rate in each Fiscal Year of the Agreement shall be the sum of the Fixed Project Costs and Project Operation and Maintenance Expenses budgeted for production and delivery of AWT Water in such Fiscal Year, divided by the amount of AWT Water expected to be produced during such Fiscal Year. The Parties agree that the fundamental rate-setting principles of this Agreement shall be (a) the Company does not pay for water it does not receive, (b) the cost of water shall only reflect the true cost of service consistent with California public agency laws and regulations, and (c) the Company shall pay only its proportionate share of the costs of the Agency and the District producing AWT Water.

In the first year following the Performance Start Date, the Company Water Rate shall not exceed \$1,720 per acre foot (the “Soft Cap”). Prior to the Performance Start Date, if the first-year Company Water Rate as calculated is expected to exceed the Soft Cap, the Company shall apply to the CPUC through a Tier 2 advice letter for approval of such rate before the Company shall be required under this Agreement to pay an amount greater than the Soft Cap as the Company Water Rate. Unless and until the CPUC approves a Company Water Rate in an amount greater than the

Soft Cap, the Company shall only be required to pay an amount equal to the Soft Cap as the Company Water Rate. In no circumstance shall the District's or the Agency's obligations under this Agreement to deliver Company Water to the Company be affected by the pendency of the Company's application to the CPUC for approval of a rate greater than the Soft Cap or a decision by the CPUC to deny any such application.

As Project Operation and Maintenance Expenses are projected or budgeted for an upcoming Fiscal Year, the Parties agree there will be a "true-up" or reconciliation at the end of every Fiscal Year following the Performance Start Date to ensure the principles set forth in this section are met. Such "true-up" shall mean: if actual Project Operation and Maintenance Expenses are more or less than budgeted Project Operation and Maintenance Expenses used to calculate the Company Water Rate paid during the Fiscal Year, a corresponding adjustment (up or down) will be provided against the subsequent Fiscal Year budget and computed Company Water Rate for that Fiscal Year.

The Parties agree that, given the status of the Agency and the District as governmental agencies and the requirements under law that they incur only reasonable and prudent costs and expenses for purposes related to their governmental duties and the fact that such costs and expenses are subject to public review and scrutiny, all Fixed Project Costs and Project Operation and Maintenance Expenses incurred by the Agency and/or the District in compliance with the terms of this Agreement shall reflect only the actual cost of service consistent with California public agency laws and regulations and shall be subject to CPUC review consistent with that used for existing water purchase agreements by CPUC-regulated Class A investor-owned water utilities.

The District covenants and agrees to pay to the Agency the revenues received from the Company from the Company Water Payments provided, however, it will reduce the payment amount by any portion of the Fixed Project Costs and Project Operation and Maintenance Expenses directly paid or incurred by the District.

In addition to any other right or remedy available pursuant to this Agreement, if an Event of Default should occur under Section 20(c)(5) or Section 20(c)(6) at any time after the Expansion Performance Start Date, then the District shall pay a District Shortfall Payment to the Company determined as the Replenishment Assessment Rate multiplied by the cumulative Company Water Shortfall for each applicable Fiscal Year. The District shall pay the District Shortfall Payment to the Company within sixty days following last day of the Fiscal Year for which such payment becomes due. The Company, in its sole discretion, may elect any District Shortfall Payment to be credited against any Company Water Payment payable to the District pursuant to Section 17.

#### 17. Time and Method of Payments.

The District shall send the Company a detailed monthly statement of charges due for all Company Water delivered to the Delivery Point during the preceding month as measured by the Agency meters, which shall be read on a monthly basis, and all Operating Reserve Water and Drought Reserve Water used to satisfy the Water Availability Guarantee, The Company shall not

be billed for Excess Water that goes into the Reserve Account.

The Company shall pay to the District all undisputed portions of statements, within forty-five (45) days after receipt. Statements shall be mailed to the Company at the following address:

California American Water Company  
Director of Operations  
511 Forest Lodge Rd # 100  
Pacific Grove, CA 93950

The Agency shall send the District a monthly statement of charges due for all AWT Water actually delivered to the District during the preceding month as measured by the meters, which shall be read on a monthly basis. The District shall pay all statements within forty-five (45) days after receipt. Statements shall be mailed to the District at the following address:

Monterey Peninsula Water Management District  
Administrative Services Division Manager  
5 Harris Court, Building G  
Monterey, CA 93940

If payment of any amount due hereunder is not made when due, excluding disputed amounts, simple interest will be payable on such undisputed amount at the legal rate of interest charged on California judgments, as provided in California Code of Civil Procedure Section 685.010, and shall be calculated on the basis of a 365-day year from the date such payment is due under this Agreement until paid.

The Company is obligated to pay to the District the undisputed amounts becoming due under this Agreement, notwithstanding any individual default by its water users or others in the payment to the Company of assessments or other charges levied by the Company.

## **GENERAL PROVISIONS**

### **18. CPUC Rate Recovery Process.**

All costs that the Company pays to the District pursuant to this Agreement shall be considered purchased water costs that are a pass-through to customers to be recovered via the Modified Cost Balancing Account ("MCBA") mechanism.

At least six (6) months prior to the Performance Start Date, at least one time between May 1 and June 1 of every year thereafter, and at any time throughout the term of this Agreement the District deems necessary, the District shall provide the Company with written notice of the Company Water Rate, supported by detailed information relating to the Fixed Project Costs and the estimated Operation and Maintenance Expenses to be incurred in the upcoming Fiscal Year that were used to determine the Company Water Rate. Within sixty (60) days following receipt of the written



notice containing the Company Water Rate, the Company shall file a Tier 1 advice letter for rate recovery with the CPUC to update its rates and tariffs, and in doing so establish a surcharge rate to reflect the Company Water Rate.

All changes to the Company Water Rate resulting from annual increases or decreases to the Fixed Project Costs or Project Operation and Maintenance Expenses, as reflected in the Company Water Rate, shall be requested for rate recovery through a Tier 1 advice letter in accordance with Section 3.2 of Water Industry Rules in General Order 96-B, as amended from time to time, for processing expense offset rate changes. The rate change will be applied to the surcharge to ensure that the Company's customer rates remain aligned with the Company Water Rate under the Agreement.

The Company shall have no obligation to make Company Water Payments unless and until the CPUC approves payment and recovery of those payments in rates through the process set forth in General Order 96-B, including a Tier 1 advice letter, which is effective upon filing pending CPUC approval, or another process resulting in CPUC approval of such costs, which shall be diligently pursued by the Company. Failure of the Company to pay amounts in excess of the amount approved by the CPUC shall not constitute a breach, and the District and Agency shall not be relieved of any obligations hereunder as a result thereof.

Access to the books and records of the Agency and the District will be made available to the Company for purposes of reviewing the accuracy and reasonableness of all costs relating to the Project and determination of the Company Water Rate.

Notwithstanding the Company's commitments under this Agreement, the Company intends to implement the MPWSP as authorized by the CPUC. Neither the District nor the Agency shall oppose the Company's efforts to obtain CPUC approval to recover in rates the Company's costs incurred relating to the MPWSP on or prior to August 31, 2019. Neither the District nor the Agency is currently taking a position relating to the Company's efforts to obtain CPUC approval to recover in rates the Company's costs incurred relating to the MPWSP after August 31, 2019.

#### 19. Additional Project Participants.

After giving sixty (60) days' prior written notice to the Company, the District and Agency may enter into water purchase agreements for AWT Water with Additional Project Participants subsequent to the Effective Date of this Agreement to the extent the District determines sufficient capacity exists (after accounting for the need to maintain the Operating Reserve Minimum and the Drought Reserve Minimum), to the extent there is no additional cost to the Company as a result of any such agreement, and to the extent any such agreement does not adversely affect the Agency's or the District's ability to meet their performance obligations under this Agreement.

In order to not diminish the source waters available to produce AWT Water under this Agreement, the Company shall have the right, prior to the District or the Agency entering into any

water purchase agreement for AWT Water and in the Company's sole discretion, to approve or not approve in writing any Additional Project Participants deriving water from the water sources identified for the Project, specifically source waters identified in Sections 1.04 and 2.02 of the Amended and Restated Water Recycling Agreement between the Agency and Monterey County Water Resources Agency, dated November 3, 2015.

The Company shall not have the right to approve Additional Project Participants deriving water from prior existing rights to wastewater flows to the Regional Treatment Plant pursuant to Section 4.01 of the Agency's agreement with Monterey County Water Resources Agency or from future additional sources, as yet unidentified, such as wastewater systems annexed to the Agency's service area.

Any Additional Project Participant will pay for all additional capital costs necessitated by existence of the new water purchase agreement, its proportionate share of both the unamortized capital costs of the Project, and its proportionate share of future operation and maintenance expenses of the Project. The District and Agency will provide supporting documentation to the Company to ensure the Company Water Payments do not include any costs properly allocable to an Additional Project Participant.

## 20. Breach, Event of Default and Termination.

- (a) Remedies for Breach – The Parties agree that, except as otherwise provided in this section with respect to termination rights, if any Party breaches this Agreement, any other Party may exercise any legal rights it may have under this Agreement and under Applicable Law to recover damages or to secure specific performance. No Party shall have the right to terminate this Agreement for cause except upon the occurrence of an Event of Default. If a Party exercises its rights to recover damages upon a breach of this Agreement or upon a termination due to an Event of Default, such Party shall use all reasonable efforts to mitigate damages. If a Force Majeure Event occurs, the Affected Party shall be entitled to relief from determination of a breach pursuant to Section 23 of this Agreement.
- (b) If the District fails to exercise, and diligently pursue, any legal rights it may have against the Agency pursuant to subsection (a) of this section 20 within forty-five (45) days after the Company's written request that the District do so, the District shall be deemed to have assigned to the Company all such legal rights. The Agency shall not object to any such assignment, but shall not waive any defense it may otherwise assert to any claim brought by the Company.
- (c) Event of Default – The following shall each constitute an "Event of Default" under this Agreement:

- (1) The Delivery Start Date does not occur on or before July 1, 2019<sup>1</sup>;
  - (2) The Performance Start Date does not occur on or before January 1, 2020<sup>2</sup>;
  - (3) The Expansion Delivery Start Date does not occur on or before February 1, 2025;
  - (4) The Expansion Performance Start Date does not occur on or before February 1, 2026;
  - (5) The failure of the Agency or the District to deliver Company Water to the Delivery Point in quantities at least equal to the Company Allotment in each of three consecutive Fiscal Years;
  - (6) The failure of the Agency or the District to meet the Water Delivery Guarantee in each of two consecutive Fiscal Years;
  - (7) The failure of the Agency or the District to deliver Company Water to the Delivery Point in quantities at least equal to 2,960 acre-feet in any Fiscal Year;
  - (8) The failure of the Agency or the District to meet the Water Availability Guarantee in any Fiscal Year;
  - (9) The failure of any Party to perform any material term, covenant, or condition of this Agreement, and the failure continues for more than thirty (30) days following the defaulting Party's receipt of written notice of such default from a non-defaulting Party; provided, however, that if and to the extent such default cannot reasonably be cured with such thirty (30) day period, and if the defaulting Party has diligently attempted to cure the same within such thirty (30) period and thereafter continues to diligently attempt to cure the same, then the cure period provided for herein shall be extended from thirty (30) days to one-hundred twenty (120) days;
  - (10) The failure of the Agency or the District to meet the Water Treatment Guarantee on a repeated basis; and
  - (11) The Company no longer has a statutory duty to serve water in the Service Area.
- (d) Termination for Event of Default – If an Event of Default occurs, any non-defaulting Party may terminate this Agreement immediately upon written notice to the other Parties. A non-

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<sup>1</sup> This Event of Default occurred prior to execution of this Amended and Restated Agreement and shall no longer be a basis for termination under Section 20(d).

<sup>2</sup> This Event of Default occurred prior to execution of this Amended and Restated Agreement and shall no longer be a basis for termination under Section 20(d).

defaulting Party may enforce any and all rights and remedies it may have against a defaulting Party under Applicable Law.

21. Dispute Resolution.

Representatives from each Party shall meet and use reasonable efforts to settle any dispute, claim, question or disagreement (a “Dispute”) arising from or relating to this Agreement. To that end, the Parties’ representatives shall consult and negotiate with each other in good faith and, recognizing their mutual interests, attempt to reach a just and equitable solution satisfactory to the Parties. If the Parties do not reach such a solution within a period of thirty (30) days after the first notice of the Dispute is received by the non-disputing Parties, then the Parties shall pursue non-binding mediation to be completed within one-hundred twenty (120) days after the notice of the Dispute is received by the non-disputing Parties. If the Parties do not settle the Dispute within the one-hundred twenty (120) day period, any Party may pursue any and all available legal and equitable remedies.

22. Indemnification.

Each Party (an “Indemnifying Party”) shall fully indemnify the other Parties and their respective officers, directors, employees, consultants, contractors, representatives and agents (the “Indemnified Persons”) against, and hold completely free and harmless from, all liability and damages including any cost, expense, fine, penalty, claim, demand, judgment, loss, injury and/or other liability of any kind or nature, including personal or bodily injury, death or property damage, that are incurred by or assessed against the Indemnified Persons and directly or indirectly caused by, resulting from, or attributable to the fault, failure, breach, error, omission, negligent or wrongful act of the Indemnifying Party, or its officers, directors, employees, consultants, contractors, representatives and agents, in the performance or purported performance of the Indemnifying Party’s obligations under this Agreement, but only to the extent of and in proportion to the degree of fault, failure, breach, error, omission, negligent or wrongful act of the Indemnifying Party, or its officers, directors, employees, consultants, contractors, representatives and agents.

23. Force Majeure Event Relief.

- (a) If a Force Majeure Event occurs, the Affected Party shall be entitled to (1) relief from its performance obligations under this Agreement to the extent the occurrence of the Force Majeure Event prevents or adversely affects Affected Party’s performance of such obligations, and (2) an extension of schedule to perform its obligations under this Agreement to the extent the occurrence of the Force Majeure Event prevents or adversely affects Affected Party’s ability to perform such obligations in the time specified in this Agreement. The occurrence of a Force Majeure Event shall not, however, excuse or delay the other Parties’ obligation to pay monies previously accrued and owing to Affected Party

under this Agreement, or for Affected Party to perform any obligation under this Agreement not affected by the occurrence of the Force Majeure Event.

- (b) Upon the occurrence of a Force Majeure Event, Affected Party shall notify the other Parties in accordance with the notice provisions set forth herein promptly after Affected Party first knew of the occurrence thereof, followed within fifteen (15) days by a written description of the Force Majeure Event, the cause thereof (to the extent known), the date the Force Majeure Event began, its expected duration and an estimate of the specific relief requested or to be requested by the Affected Party. Affected Party shall use commercially reasonable efforts to reduce costs resulting from the occurrence of the Force Majeure Event, fulfill its performance obligations under the Agreement and otherwise mitigate the adverse effects of the Force Majeure Event. While the Force Majeure Event continues, the Affected Party shall give the other Parties a monthly update of the information previously submitted. The Affected Party shall also provide prompt written notice to the other Parties of the cessation of the Force Majeure Event.

#### 24. Amendments.

No change, alteration, revision or modification of the terms and conditions of this Agreement shall be made, and no verbal understanding of the Parties, their officers, agents or employees shall be valid, except through a written amendment to this Agreement duly authorized and executed by the Parties.

#### 25. Remedies Not Exclusive.

The use by any Party of any remedy for the enforcement of this Agreement is not exclusive and shall not deprive the Party using such remedy of, or limit the application of, any other remedy provided by law.

#### 26. Mitigation of Damages.

In all situations arising out of this Agreement, the Parties shall attempt to avoid and minimize the damages resulting from the conduct of another Party.

#### 27. Failure of CPUC Approval.

If this Agreement is not approved by the CPUC in a manner acceptable to the Parties, any Party may, within sixty (60) days after the effective date of the decision or order of the CPUC relating to the approval of this Agreement, give written notice to the other Parties that the Agreement will terminate ten (10) days after receipt of such notice. Those acts and obligations that are to be performed on or after the Execution Date shall be discharged and no Party shall thereafter be obligated to continue to perform this Agreement or any provision hereof. Whether this Agreement is approved by the CPUC in a manner acceptable to the Parties or not, those acts and obligations

performed prior to the date of termination shall be final and no party shall have any claim to be restored to its pre-Execution Date status with regard to any of those acts or obligations.

28. Insurance.

The Agency and District will each obtain the applicable Required Insurance, as set forth in Exhibit D. If insurance proceeds fail to satisfy the obligations of the Agency or the District under this Agreement, the District and the Agency will utilize their own resources, including Prop 218 revenue raising capacity, to the extent allowable by law, to satisfy their obligations.

29. No Waiver.

Failure by a Party to insist upon the strict performance of any of the provisions of this Agreement by another Party, irrespective of the length of time for which such failure continues, shall not constitute a waiver of such Party's right to demand strict compliance by such other Party in the future. No waiver by a Party of any default or breach shall affect or alter this Agreement, and each and every covenant, term, and condition hereof shall continue in full force and effect to any existing or subsequent default or breach.

30. Successors in Interest, Transferees, and Assignees.

- (a) This Agreement and all the rights and obligations created by this Agreement shall be in full force and effect whether or not any of the Parties to this Agreement have been succeeded by another entity, or had their interests transferred or assigned to another entity, and all rights and obligations created by this Agreement shall be vested and binding on any Party's successor in interest, transferee, or assignee. If the Company, the Agency or the District is succeeded by another entity, it shall assign this Agreement to its successor. If the District ceases to exist, the Agency and the Company shall continue their obligations hereunder in a manner that will substantively comply with the intent of this Agreement. Except as provided in subsection (b) of this Section 30, no succession, assignment or transfer of this Agreement, or any part hereof or interest herein, by a Party shall be valid without the prior written consent of the other Parties, such consent not to be unreasonably withheld.
- (b) In the event of the creation of a local governmental agency duly established for the sole purpose of succeeding to, assuming, and performing all obligations and rights of Agency or District created by this Agreement, Agency or District may assign this Agreement and all those obligations and rights to such local governmental agency without consent, written or otherwise, of any other Party.

31. Covenants and Conditions.

All provisions of this Agreement expressed either as covenants or conditions on the part of the

District, Agency, or the Company shall be deemed to be both covenants and conditions.

32. Governing Law.

This Agreement and the rights and obligations of the Parties shall be governed, controlled and interpreted in accordance with the laws of the State of California.

33. Headings.

All headings are for convenience only and shall not affect the interpretation of this Agreement.

34. Construction of Agreement Language.

The provisions of this Agreement shall be construed as a whole according to its common meaning and purpose of providing a public benefit and not strictly for or against any Party. The Agreement shall be construed consistent with the provisions hereof, in order to achieve the objectives and purposes of the Parties. Wherever required by the context, the singular shall include the plural and vice versa, and the masculine gender shall include the feminine or neutral genders or vice versa.

35. Drafting Ambiguities.

This Agreement is the product of negotiation and preparation between the Parties. The Parties and their counsel have had the opportunity to review and revise this Agreement. The Parties waive the provisions of Section 1654 of the Civil Code of California and any other rule of construction to the effect that ambiguities are to be resolved against the drafting Party, and the Parties warrant and agree that the language of this Agreement shall neither be construed against nor in favor of any Party unless otherwise specifically indicated.

36. Partial Invalidity; Severability.

If any provision of this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions will nevertheless continue in full force without being impaired or invalidated in any way.

37. No Third Party Beneficiaries.

Nothing in this Agreement is intended to create any third Party beneficiaries to the Agreement, and no person or entity other than the Parties and the permitted successors, transferees and assignees of either of them shall be authorized to enforce the provisions of this Agreement.

38. Relationship of the Parties.

The relationship of the Parties to this Agreement shall be that of independent contractors. Each Party shall be solely responsible for any workers compensation, withholding taxes, unemployment insurance, and any other employer obligations associated with the described work or obligations

assigned to them under this Agreement.

39. Signing Authority.

The representative of each Party signing this Agreement hereby declares that authority has been obtained to sign on behalf of the Party such person is representing.

40. Further Acts and Assurances.

The Parties agree to execute, acknowledge and deliver any and all additional papers, documents and other assurances, and shall perform any and all acts and things reasonably necessary in connection with the performance of the obligations hereunder and to carry out the intent of the Parties.

41. Opinions and Determinations.

Where the terms of this Agreement provide for action to be based upon opinion, judgment, approval, review or determination of any Party hereto, such terms are not intended to be and shall never be construed as permitting such opinion, judgment, approval, review or determination to be arbitrary, capricious or unreasonable.

42. Interpretation of Conflicting Provisions.

If there is any conflict, discrepancy or inconsistency between the provisions of this Agreement and the provisions of any exhibit or attachment to this Agreement, the provisions of this Agreement shall prevail and control.

43. Integration.

This Agreement, including the exhibits, represent the entire Agreement between the Parties with respect to the subject matter of this Agreement and shall supersede all prior negotiations, representations, or agreements, either written or oral, between the Parties as of the Effective Date.

44. Counterparts.

All signatures need not appear on the same counterpart of this Agreement and all counterparts of this Agreement shall constitute one and the same instrument.

45. Notices.

All notices to a Party required or permitted under this Agreement shall be in writing and shall be deemed delivered (i) when delivered in person; (ii) on the third day after mailing, if mailed, postage prepaid, by registered or certified mail (return receipt requested); or (iii) on the day after mailing if sent by a nationally recognized overnight delivery service which maintains records of



the time, place, and recipient of delivery. Notices to the Parties shall be sent to the following addresses or to other such addresses as may be furnished in writing by one Party to the other Parties:

Monterey Peninsula Water Management District  
5 Harris Court, Building G  
Monterey, CA 93940  
Attention: General Manager

Monterey One Water  
5 Harris Court, Building D  
Monterey, CA 93940  
Attention: General Manager

California American Water  
Attn: President  
655 W. Broadway, Suite 1410  
San Diego, CA 92101

**SIGNATURE PAGE FOLLOWS**

**IN WITNESS WHEREOF**, the Parties hereto have executed this Agreement as of the date first above written.

**MONTEREY ONE WATER,**

By: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Board Chair, Agency Board of Directors

**MONTEREY PENINSULA WATER MANAGEMENT DISTRICT,**

By: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Chair, District Board of Directors

**CALIFORNIA-AMERICAN WATER COMPANY,**

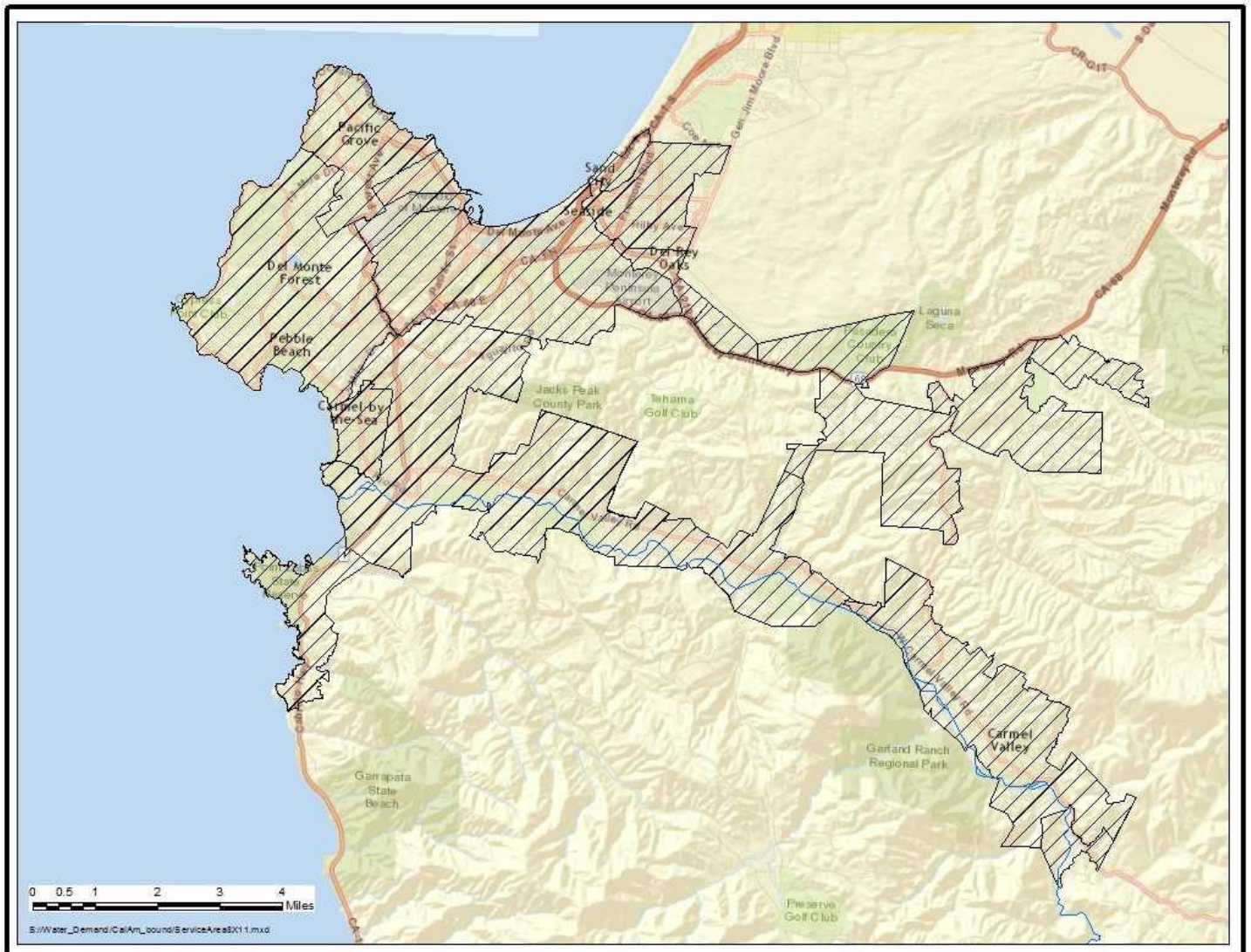
By: \_\_\_\_\_

Printed Name: \_\_\_\_\_

President

## EXHIBIT A

### Service Area



## EXHIBIT B

### Description of Project

***Source Water Facilities*** – facilities to enable diversion of new source waters to the existing municipal wastewater collection system and conveyance of those waters as municipal wastewater to the Regional Treatment Plant to increase availability of wastewater for recycling. Modifications would also be made to the existing Salinas Industrial Wastewater Treatment Facility to allow the use of the existing treatment ponds for storage of excess winter source water flows and later delivery to the Regional Treatment Plant for recycling.

***AWT Facilities*** – use of existing primary and secondary treatment facilities at the Regional Treatment Plant, as well as new pre-treatment, advanced water treatment (AWT), product water stabilization, product water pump station, and concentrate disposal facilities.

***Product Water Facilities*** – new pipelines, pipeline capacity rights, booster pump station(s), appurtenant facilities along one of two optional pipeline alignments to move the product water from the Regional Treatment Plant to the Seaside Groundwater Basin injection well facilities.

***Injection Facilities*** – new deep and vadose zone wells to inject Proposed Project product water into the Seaside Groundwater Basin, along with associated back-flush facilities, pipelines, electricity/ power distribution facilities, and electrical/motor control buildings.

### Description of Expansion

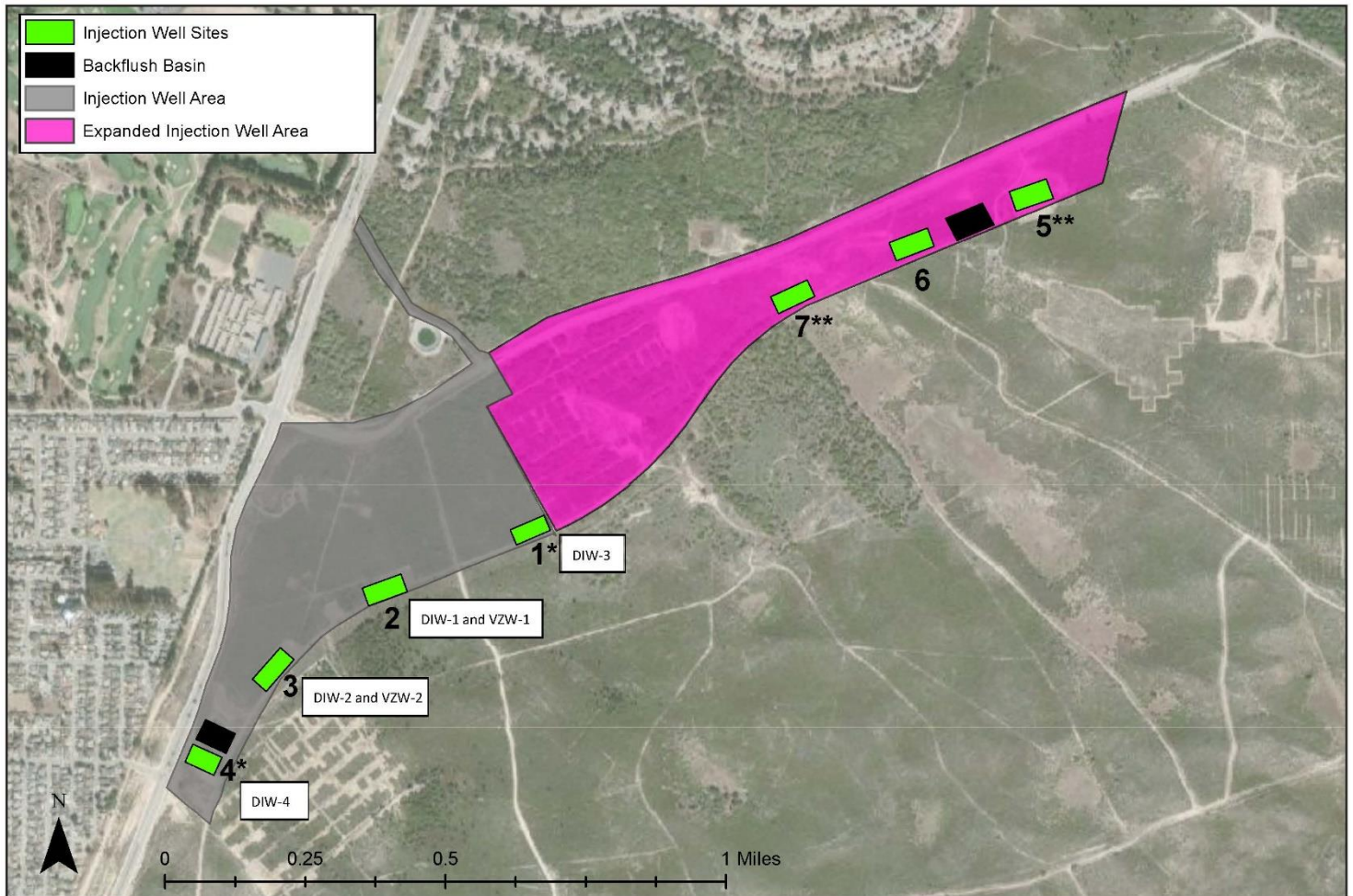
“Expansion” means the Pure Water Monterey groundwater replenishment project expansion, including (a) expansion to AWT Facilities, (b) additional Product Water Facilities, and (c) additional Injection Facilities. The proposed expansion to AWT Facilities will include additions of equipment, pipelines, and appurtenances to the approved and existing buildings and concrete/asphalt areas at the Advanced Water Purification Facility (also referred to herein as AWT Facilities).

### Description of Company Facilities

“Company Facilities” means the necessary facilities funded and constructed by the Company for purposes of supporting water deliveries from the Project and other Company water supplies, including (a) injection/extraction wells and related appurtenances, (b) pipelines and transmission mains, and (c) real property, including up to two extraction wells near Fitch Park on Presidio of Monterey property and two extraction wells just north of the Seaside Middle School, in the City of Seaside, conveyance pipelines serving the extraction wells and interconnecting with the Company distribution system in General Jim Moore Boulevard, and potential treatment facilities.

**EXHIBIT C****Delivery Point**

AWT Water will be injected into the Seaside Groundwater Basin using existing and new injection wells. The proposed Injection Well Facilities will be located east of General Jim Moore Boulevard, south of Eucalyptus Road in the City of Seaside, including injection wells (deep injection wells, vadose zone wells, as identified in the figure below), plus monitoring wells, and back-flush facilities.



Well sites 1-4 have been approved and constructed. Well site 6 is the primary site for expansion, but sites 5 and 7 may be made available for redundancy or future replacement.



## **EXHIBIT D**

### **Required Insurance**

As provided in Section 28 of this Agreement, Agency and District shall, to the extent it continues to be available and applicable to the insured risk, obtain and keep in force during the term of this Agreement the following minimum insurance limits and coverage (or greater where required by Applicable Law). Such coverage will be in place not later than the inception of the covered activity, or such time as the Agency's and the District's insurable interest exists.

The cost of Project insurance obtained pursuant to this Exhibit is a Project Operation and Maintenance Expense as defined in Section 2 of this Agreement.

Upon request, Agency and District will provide Company with a certificate of insurance or memorandum of coverage as to any Project insurance and/or complete copies of policies.

Company shall be provided at least 30 days' written notification of cancellation, material reduction in coverage or reduction in limits.

Project insurance may be issued by a public agency Joint Powers Authority Program or insurance companies authorized to do business in California with a current A. M. Best rating of A or better.

All commercial general liability insurance, including completed operations-products liability, automobile liability, and pollution liability insurance obtained pursuant to this Agreement shall designate Company, its parent and affiliates, their respective directors, officers, employees and agents, as additional covered parties. All such insurance should be primary and non-contributory, and is required to respond and pay prior to any other insurance or self-insurance available to Company. In addition to the liability limits available, such insurance will pay on behalf or will indemnify Company for defense costs. Any other coverage available to Company applies on a contingent and excess basis. All such insurance shall include appropriate clauses pursuant to which the insurance companies shall waive their rights of subrogation against Company, its parent and affiliates, their respective directors, officers, employees and agents.

Agency shall require that the contractors and subcontractors of all tiers as appropriate provide insurance during the pre-construction and construction (as covered activities begin) of the AWT Facilities as described in "Pure Water Monterey – Insurance Requirements for Construction and Design Professional Contracts," attached to this Exhibit D as Attachment 1. Approval of any deviation or exception from these insurance requirements resides solely with the Agency.

**Coverages:**

## i. The Agency will provide coverage as follows:

(a) General liability insurance, including coverage for auto, errors and omissions and employment practices, and for the Water Delivery Guarantee, Water Availability Guarantee, and Water Treatment Guarantee at Sections 12, 13, and 14, respectively, of this Agreement. Total general and excess liability coverage limits shall be no less than \$15,000,000 per occurrence.

(b) "All Risk" Property Insurance (including coverage for Builders' Risk, with additional coverage for loss or damage by water, earthquake, flood, collapse, and subsidence) with a total insured value equal to replacement cost of the AWT Facilities during the term of this Agreement

(c) Cyber Liability Insurance with \$2,000,000 coverage limits for first and third party limits.

(d) (1) Public Entity Pollution Liability (claims made and reported) with coverage limits in the amounts of \$25,000,000 policy aggregate and \$2,000,000 per pollution condition with a \$75,000 per pollution condition retention; (2) Pollution & Remediation Legal Liability with coverage limits in the amounts of \$1,000,000 each pollution condition and \$5,000,000 aggregate liability limits including a self-insured retention not to exceed \$25,000 each pollution condition; and (3) TankAdvantage Pollution Liability with coverage limits in the amounts of \$1,000,000 each claim and \$2,000,000 aggregate.

(e) Workers' Compensation/Employers' Liability. Workers' Compensation and Employer's Liability insurance and excess insurance policy(s) shall be written on a policy form providing workers' compensation statutory benefits as required by California law. Employers' liability limits shall be no less than one million dollars (\$1,000,000) per accident or disease.

## ii. The District will provide coverage as follows:

(a) General Liability Coverage: \$10,000,000 per Occurrence  
Personal injury and Property Damage Coverage

(b) Automobile Liability Coverage: \$10,000,000 per Occurrence  
Personal Injury and Property Damage Coverage

(c) Workers' Compensation Coverage  
A. Statutory Workers Compensation Coverage;  
B. Employers' Liability Coverage: \$5,000,000 each Occurrence

(d) Public Officials' and Employees Errors and Omissions: \$10,000,000 per Occurrence

(e) Property Coverage: \$1,000,000,000 (pooled limit)

Includes Fire, Theft and Flood Coverage with property replacement values

(f) Public Entity Pollution Liability with coverage limits in the amounts of \$10,000,000 per occurrence with a not-to-exceed \$75,000 per-pollution-condition retention; and (2) Pollution & Remediation Legal Liability with coverage limits in the amounts of \$10,000,000 per occurrence including a self-insured retention not to exceed \$25,000 each pollution condition.



**Attachment 1****Pure Water Monterey  
Proposed Insurance Requirements for Construction  
and Design Professional Contracts**

Contractors and design professionals (as that term is used in California Civil Code §2782.8) shall procure and maintain for the duration of the contract, and for twelve (12) years thereafter, insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder by the contractor or design professional, his/her agents, representatives, employees, or subcontractors.<sup>1</sup>

**MINIMUM SCOPE AND LIMIT OF INSURANCE**

Coverage shall be at least as broad as:

- 1. Commercial General Liability (CGL):** Insurance Services Office Form CG 00 01 covering CGL on an “occurrence” basis, including products and completed operations, property damage, bodily injury and personal & advertising injury with limits no less than \$5,000,000 per occurrence. If a general aggregate limit applies, either the general aggregate limit shall apply separately to this project/location or the general aggregate limit shall be twice the required occurrence limit.
- 2. Automobile Liability:** Insurance Services Office Form Number CA 0001 covering Code 1 (any auto), with limits no less than \$5,000,000 per accident for bodily injury and property damage.
- 3. Workers’ Compensation** insurance as required by the State of California, with Statutory Limits, and Employers’ Liability insurance with a limit of no less than \$1,000,000 per accident for bodily injury or disease.
- 4. Builder’s Risk (Course of Construction)** insurance utilizing an “All Risk” (Special Perils) coverage form, with limits equal to the completed value of the project and no coinsurance penalty provisions.
- 5. Surety Bonds** as described below.

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<sup>1</sup> The coverages herein are understood to be representative only and the Agency and District retain the right to modify the insurance and indemnity requirements based upon the scope of services for any engagement.

6. **Professional Liability** (for all design professionals and contractors for design/build projects), with limits no less than \$2,000,000 per occurrence or claim, and \$4,000,000 policy aggregate.
7. **Contractors' Pollution Legal Liability and Errors and Omissions** (if project involves environmental hazards) with limits no less than \$2,000,000 per occurrence or claim, and \$4,000,000 policy aggregate.

If the contractor or design professional maintains higher limits than the minimums shown above, the Entity<sup>2</sup> requires and shall be entitled to coverage for the higher limits maintained by the contractor or design professional. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to the Entity.

***Deductibles and Self-Insured Retentions***

Any deductibles or self-insured retentions must be declared to and approved by the Entity. At the option of the Entity, either: the contractor shall cause the insurer to reduce or eliminate such deductibles or self-insured retentions as respects the Entity, its officers, officials, employees, and volunteers; or the contractor or design professional shall provide a financial guarantee satisfactory to the Entity guaranteeing payment of losses and related investigations, claim administration, and defense expenses.

The insurance policies are to contain, or be endorsed to contain, the following provisions<sup>3</sup>:

1. The Entity, its officers, officials, employees, and volunteers are to be covered as additional insureds on the CGL policy with respect to liability arising out of with respect to liability arising out of work or operations performed by or on behalf of the Contractor including materials, parts, or equipment furnished in connection with such work or operations and automobiles owned, leased, hired, or borrowed by or on behalf of the Contractor. General liability coverage can be provided in the form of an endorsement to the Contractor's insurance (at least as broad as ISO Form CG 20 10 10 93, CG 00 01 11 85 or both CG 20 10 10 01 and CG 20 37 10 01 forms if later revisions used).
2. For any claims related to this project, the Contractor's insurance coverage shall be primary insurance as respects the Entity, its officers, officials, employees, and volunteers. Any insurance or self-insurance maintained by the Entity, its officers, officials, employees, or volunteers shall be excess of the Contractor's insurance and shall not contribute with it.

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<sup>2</sup> The term "Entity" as used herein means the Agency or the District.

<sup>3</sup> The term "Contractor" as used herein also means Design Professional in context of an agreement for services by a design professional as that term is used in CA CC 2782.8.

3. Each insurance policy required by this clause shall provide at least thirty (30) days' written notification of cancellation, material reduction in coverage or reduction in available limits.

***Builder's Risk (Course of Construction) Insurance***

Contractor may submit evidence of Builder's Risk insurance in the form of Course of Construction coverage. Such coverage shall name the Entity as a loss payee as their interest may appear.

If the project does not involve new or major reconstruction, at the option of the Entity, an Installation Floater may be acceptable. For such projects, a Property Installation Floater shall be obtained that provides for the improvement, remodel, modification, alteration, conversion or adjustment to existing buildings, structures, processes, machinery and equipment. The Property Installation Floater shall provide property damage coverage for any building, structure, machinery or equipment damaged, impaired, broken, or destroyed during the performance of the Work, including during transit, installation, and testing at the Entity's site.

***Claims Made Policies***

If any coverage required is written on a claims-made coverage form:

1. The retroactive date must be shown, and this date must be before the execution date of the contract or the beginning of contract work.
2. Insurance must be maintained and evidence of insurance must be provided for at least twelve (12) years after completion of contract work.
3. If coverage is canceled or non-renewed, and not replaced with another claims-made policy form with a retroactive date prior to the contract effective, or start of work date, the Contractor must purchase extended reporting period coverage for a minimum of five (5) years after completion of contract work.
4. A copy of the claims reporting requirements must be submitted to the Entity for review.
5. If the services involve lead-based paint or asbestos identification/remediation, the Contractors Pollution Liability policy shall not contain lead-based paint or asbestos exclusions. If the services involve mold identification/remediation, the Contractors Pollution Liability policy shall not contain a mold exclusion, and the definition of Pollution shall include microbial matter, including mold.

***Acceptability of Insurers***

Insurance is to be placed with insurers authorized to do business in California with a current A.M. Best rating of no less than A: VII, unless otherwise acceptable to the Entity.

***Waiver of Subrogation***

Contractor hereby agrees to waive rights of subrogation which any insurer of Contractor may acquire from Contractor by virtue of the payment of any loss. Contractor agrees to obtain any endorsement that may be necessary to affect this waiver of subrogation. The Workers' Compensation policy shall be endorsed with a waiver of subrogation in favor of the Entity for all work performed by the Contractor, its employees, agents and subcontractors.

***Verification of Coverage***

Contractor shall furnish the Entity with original certificates and amendatory endorsements, or copies of the applicable insurance language, effecting coverage required by this contract. All certificates and endorsements are to be received and approved by the Entity before work commences. However, failure to obtain the required documents prior to the work beginning shall not waive the Contractor's obligation to provide them. The Entity reserves the right to require complete, certified copies of all required insurance policies, including endorsements, required by these specifications, at any time.

***Subcontractors***

Contractor shall require and verify that all subcontractors maintain insurance meeting all the requirements stated herein, and Contractor shall ensure that Entity is an additional insured on insurance required from subcontractors. For CGL coverage subcontractors shall provide coverage with a format least as broad as CG 20 38 04 13.

***Surety Bonds***

Contractor shall provide the following Surety Bonds:

1. Bid bond
2. Performance bond
3. Payment bond
4. Maintenance bond

The Payment Bond and the Performance Bond shall be in a sum equal to the contract price. If the Performance Bond provides for a one-year warranty a separate Maintenance Bond is not necessary. If the warranty period specified in the contract is for longer than one year a Maintenance Bond equal to 10% of the contract price is required. Bonds shall be duly executed by a responsible corporate surety, authorized to issue such bonds in the State of California and secured through an authorized agent with an office in California.

***Special Risks or Circumstances***

Entity reserves the right to modify these requirements, including limits, based on the nature of the risk, prior experience, insurer, coverage, or other circumstances.

***Hold Harmless - Contractor***

To the fullest extent permitted by law, Contractor shall hold harmless, immediately defend, and indemnify Entity and its officers, officials, employees, and volunteers from and against all claims, damages, losses, and expenses including attorney fees arising out of the performance of the work described herein, caused in whole or in part by any negligent act or omission of the Contractor, any subcontractor, anyone directly or indirectly employed by any of them, or anyone for whose acts any of them may be liable, except to the extent caused by the active negligence, sole negligence, or willful misconduct of the Entity.

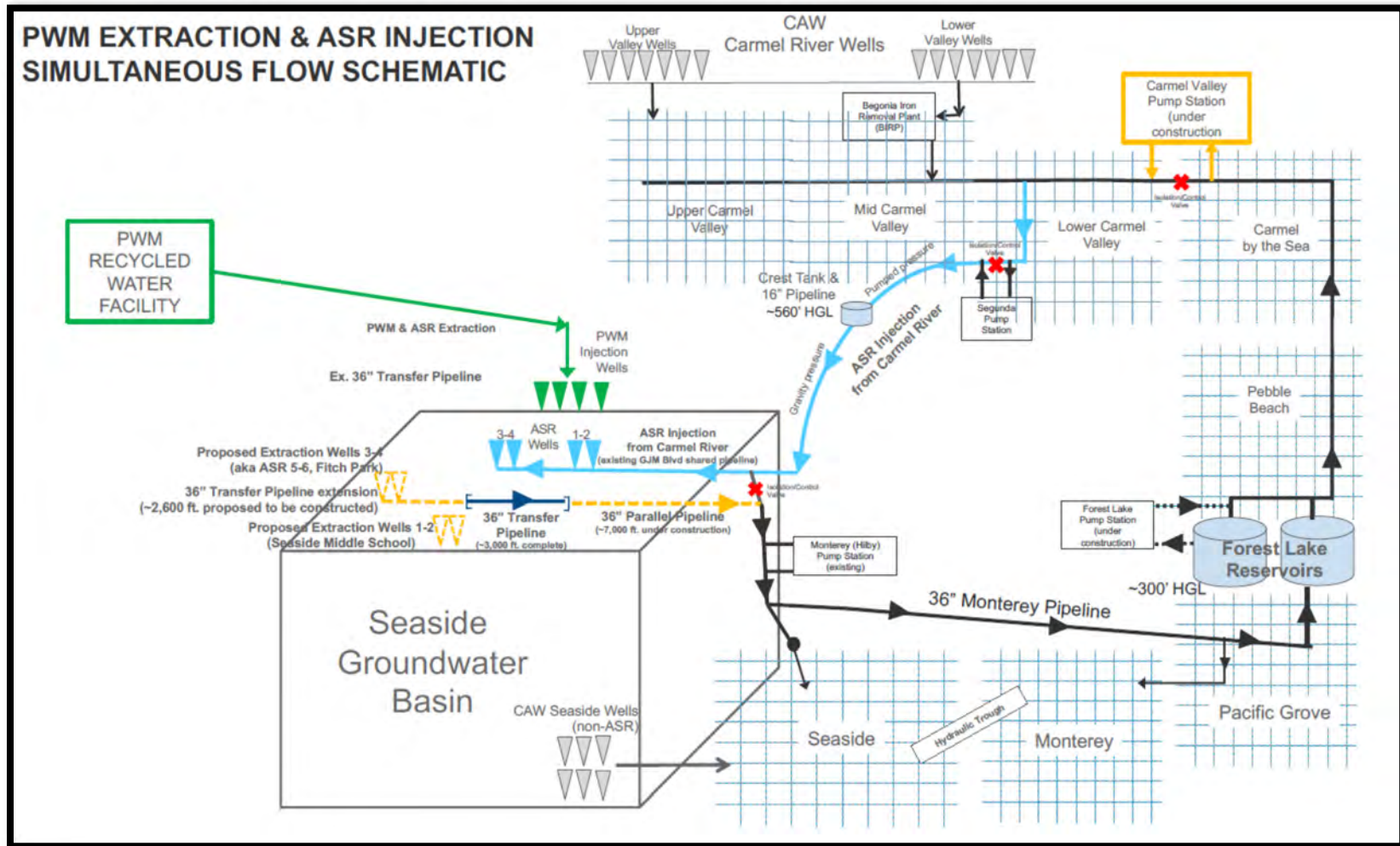
***Hold Harmless – Design Professional***

To the fullest extent permitted by law, Design Professional shall hold harmless, immediately defend, and indemnify Entity and its officers, officials, employees, and volunteers from and against all claims, damages, losses, and expenses including attorney fees that arise out of, pertain to, or relate to the negligence, recklessness, or willful misconduct of the Design Professional, or its employees, agents or subcontractors, except to the extent caused by the active negligence, sole negligence, or willful misconduct of the Entity.

# Appendix B

## System Schematics

1 Second Revised Schematic (dated February 4, 2022)<sup>1</sup>



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<sup>1</sup> Cal Am's response to Public Advocates Office Data Request DR DG-001, Q.2, Attachment 1, Amended,

## Appendix C

# Mitigation and Monitoring Requirements



Impacts	Mitigation Measures	Applicable Components	Timing of Implemen- tation	Implemen- tation Respon- sibility <sup>1</sup>	Timing of Monitoring	Responsibility for Compliance Monitoring <sup>1</sup>
Impact AE-2: Construction Impacts due to Temporary Light and Glare	<b>Mitigation Measure AE-2: Minimize Construction Nighttime Lighting.</b> As part of its contract specifications, CalAm and M1W shall require its construction contractors to implement site-specific nighttime construction lighting measures for nighttime construction at the Injection Well Facilities, Extraction Wells, and Conveyance Pipelines. The measures shall, at a minimum, require that lighting be shielded, directed downward onto work areas to minimize light spillover, and specify that construction lighting use the minimum wattage necessary to provide safety at the construction sites. M1W shall ensure these measures are implemented at all times during nighttime construction.	CalAm Extraction Wells and Conveyance Pipelines	In contract specifications and during project construction	M1W, CalAm, construction contractors	During project construction	M1W and CalAm
Impact AE-3: Degradation of Visual Quality of Sites and Surrounding Areas	<b>Mitigation Measure AE-3: Provide Aesthetic Screening for New Above-Ground Structures.</b> The aboveground features at the proposed CalAm Extraction Wells, shall be designed to minimize visual impacts by incorporating screening with vegetation, or other aesthetic design treatments, subject to review and approval of the City of Seaside, which has also requested that the buildings be designed with Monterey/Mission style architecture to match the design of the structures that have been built on the Santa Margarita ASR site and the Seaside Middle School ASR Site. All pipelines placed within the City of Seaside on General Jim Moore Boulevard shall be placed underground. CalAm shall coordinate with the City of Seaside on the location of Extraction Wells. Use of standard, commercial-grade, chain link fencing and barbed wire should be discouraged.	CalAm Extraction Wells	Prior to City of Seaside and City of Marina issuance of grading, easements/ ROW permits	M1W project engineers and contractors	During project construction	M1W; Cities of Seaside and Marina (public works directors)
Impact AE-4: Impacts due to Permanent Light and Glare during Operations	<b>Mitigation Measure AE-4: Exterior Lighting Minimization.</b> To prevent exterior lighting from affecting nighttime views, the design and operation of lighting at the Injection Well Facilities and CalAm Extraction Wells, shall adhere to the following requirements: <ul style="list-style-type: none"><li>• Use of low-intensity street lighting and low-intensity exterior lighting shall be required.</li><li>• Lighting fixtures shall be cast downward and shielded to prevent light from spilling onto adjacent offsite uses.</li><li>• Lighting fixtures shall be designed and placed to minimize glare that could affect users of adjacent properties, buildings, and roadways.</li><li>• Fixtures and standards shall conform to state and local safety and illumination requirements.</li></ul>	Injection Well Facilities and CalAm Extraction Wells	Prior to City of Seaside and Marina issuance of grading and easements/ ROW permits	M1W project engineers and contractors	During project operation	M1W; Cities of Seaside and Marina (public works directors)
Impact AQ-1: Construction Criteria Pollutant Emissions	<b>Mitigation Measure AQ-1: Construction Fugitive Dust Control Plan.</b> The following standard Dust Control Measures shall be implemented during construction to help prevent potential nuisances to nearby receptors due to fugitive dust and to reduce contributions to exceedances of the state ambient air quality standards for PM <sub>10</sub> , in accordance with MBARD’s CEQA Guidelines. <ol style="list-style-type: none"><li>a. Water all active construction areas as required with non-potable sources to the extent feasible; frequency should be based on the type of operation, soil, and wind exposure and minimized to prevent wasteful use of water.</li><li>b. Prohibit grading activities during periods of high wind (over 15 mph).</li><li>c. Cover all trucks hauling soil, sand, and other loose materials and require trucks to maintain at least 2 feet of freeboard.</li><li>d. Sweep daily (with water sweepers) all paved access roads, parking areas, and staging areas at construction sites.</li><li>e. Sweep streets daily (with water sweepers) if visible soil material is carried onto adjacent public streets.</li><li>f. Enclose, cover, or water daily exposed stockpiles (dirt, sand, etc.).</li><li>g. Replant vegetation in disturbed areas as quickly as possible.</li><li>h. Wheel washers shall be installed and used by truck operators at the exits of the construction sites to the Advanced Water Purification Facility site, and the Injection Well Facilities.</li><li>i. Post a publicly visible sign that specifies the telephone number and person to contact regarding dust complaints. This person shall respond to complaints and take corrective action within 48 hours. The phone number of the MBARD shall also be visible to ensure compliance with MBARD rules.</li><li>j. Per Monterey Bay Air Resources District recommendations, when feasible, the project shall use construction and tree remover equipment that conforms to ARB’s Tier 3 or Tier 4 emission standards or construction equipment that uses alternative fuels such as</li></ol>	All Proposed Modifications	During project construction	M1W, CalAm project engineers and contractors	During project construction	M1W, CalAm, and MBARD

<sup>1</sup> CalAm Extraction Wells and Conveyance Pipelines and the associated mitigation measures would be the responsibility of CalAm to implement and the local jurisdictions and/or the California Public Utilities Commission to monitor.

Proposed Modifications to the PWM/GWR Project

Mitigation Monitoring and Reporting Program

Impacts	Mitigation Measures	Applicable Components	Timing of Implemen- tation	Implemen- tation Respon- sibility <sup>1</sup>	Timing of Monitoring	Responsibility for Compliance Monitoring <sup>1</sup>
	compressed natural gas (CNG), propane, electricity or biodiesel to reduce diesel exhaust emissions.					
<b>Impact BT-1: Construction Impacts to Special-Status Species and Habitat</b>	<p><b>Mitigation Measure BT-1a: Implement Construction Best Management Practices.</b> The following best management practices shall be implemented during all identified phases of construction (i.e., pre-, during, and post-) to reduce impacts to special-status plant and wildlife species:</p> <ol style="list-style-type: none"><li>1. A qualified biologist must conduct an Employee Education Program for the construction crew prior to any construction activities. A qualified biologist must meet with the construction crew at the onset of construction at the site to educate the construction crew on the following: 1) the appropriate access route(s) in and out of the construction area and review project boundaries; 2) how a biological monitor will examine the area and agree upon a method which would ensure the safety of the monitor during such activities, 3) the special-status species that may be present; 4) the specific mitigation measures that will be incorporated into the construction effort; 5) the general provisions and protections afforded by the USFWS and CDFW; and 6) the proper procedures if a special-status species is encountered within the site.</li><li>2. Trees and vegetation not planned for removal or trimming shall be protected prior to and during construction to the maximum extent possible through the use of exclusionary fencing, such as hay bales for herbaceous and shrubby vegetation, and protective wood barriers for trees. Only certified weed-free straw shall be used, to avoid the introduction of non-native, invasive species. A biological monitor shall supervise the installation of protective fencing and monitor at least once per week until construction is complete to ensure that the protective fencing remains intact.</li><li>3. Protective fencing shall be placed prior to and during construction to keep construction equipment and personnel from impacting vegetation outside of work limits. A biological monitor shall supervise the installation of protective fencing and monitor at least once per week until construction is complete to ensure that the protective fencing remains intact.</li><li>4. Following construction, disturbed areas shall be restored to pre-construction contours to the maximum extent possible and revegetated using locally-occurring native species and native erosion control seed mix, per the recommendations of a qualified biologist.</li><li>5. Grading, excavating, and other activities that involve substantial soil disturbance shall be planned and carried out in consultation with a qualified hydrologist, engineer, or erosion control specialist, and shall utilize standard erosion control techniques to minimize erosion and sedimentation to native vegetation (pre-, during, and post-construction).</li><li>6. No firearms shall be allowed on the construction sites at any time.</li><li>7. All food-related and other trash shall be disposed of in closed containers and removed from the project area at least once a week during the construction period, or more often if trash is attracting avian or mammalian predators. Construction personnel shall not feed or otherwise attract wildlife to the area.</li><li>8. To protect against spills and fluids leaking from equipment, the project proponent shall require that the construction contractor maintains an on-site spill plan and on-site spill containment measures that can be easily accessed.</li><li>9. Refueling or maintaining vehicles and equipment should only occur within a specified staging area that is at least 100 feet from a waterbody (including riparian and wetland habitat) and that has sufficient management measures that will prevent fluids or other construction materials including water from being transported into waters of the state. Measures shall include confined concrete washout areas, straw wattles placed around stockpiled materials and plastic sheets to cover materials from becoming airborne or otherwise transported due to wind or rain into surface waters.</li><li>10. The project proponent and/or its contractors shall coordinate with the City of Seaside on the location the Expanded Injection Well Area and the removal of sensitive biotic material.</li></ol>	All Proposed Modifications, except the Advanced Water Purification Facility	Prior to, during and after project construction	M1W, CalAm, construction contractors and qualified biologist	Prior to and during project construction	M1W, CalAm, qualified biologist and construction biological monitor; City of Seaside for Injection Well Facilities
<b>Impact BT-1: Construction Impacts to Special-Status</b>	<p><b>Mitigation Measure BT-1b: Implement Construction-Phase Monitoring.</b> The project proponents shall retain a qualified biologist to monitor all ground disturbing construction activities (i.e., vegetation removal, grading, excavation, or similar activities) to protect any special-status species encountered. Any handling and relocation protocols of special-status wildlife species shall be determined in coordination with CDFW prior to any ground disturbing activities and conducted by a qualified biologist with appropriate scientific collection permit. After</p>	All Proposed Modifications, except the Advanced Water Purification Facility	Prior to and during project construction	M1W, qualified biologists	Prior to and during project construction	M1W qualified biologist and construction biological

Impacts	Mitigation Measures	Applicable Components	Timing of Implemen- tation	Implemen- tation Respon- sibility <sup>1</sup>	Timing of Monitoring	Responsibility for Compliance Monitoring <sup>1</sup>
Species and Habitat (continued)	ground disturbing project activities are complete, the qualified biologist shall train an individual from the construction crew to act as the on-site construction biological monitor. The construction biological monitor shall be the contact for any specialstatus wildlife species encounters, shall conduct daily inspections of equipment and materials stored on site and any holes or trenches prior to the commencement of work, and shall ensure that all installed fencing stays in place throughout the construction period. The qualified biologist shall then conduct regular scheduled and unscheduled visits to ensure the construction biological monitor is satisfactorily implementing all appropriate mitigation protocols. Both the qualified biologist and the construction biological monitor shall have the authority to stop and/or redirect project activities to ensure protection of resources and compliance with all environmental permits and conditions of the project. The qualified biologist and the construction monitor shall complete a daily log summarizing activities and environmental compliance throughout the duration of the project. The log shall also include any special-status wildlife species observed and relocated.					monitor; CDFW
	<b>Mitigation Measure BT-1c: Implement Non-Native, Invasive Species Controls.</b> The following measures shall be implemented to reduce the introduction and spread of non-native, invasive species: <div><div>1.</div><div>Any landscaping or replanting required for the project shall not use species listed as noxious by the California Department of Food and Agriculture (CDFA).</div><div>2.</div><div>Bare and disturbed soil shall be landscaped with CDFA recommended seed mix or plantings from locally adopted species to preclude the invasion on noxious weeds in the Biological Study Area.</div><div>3.</div><div>Construction equipment shall be cleaned of mud or other debris that may contain invasive plants and/or seeds and inspected to reduce the potential of spreading noxious weeds, before mobilizing to arrive at the construction site and before leaving the construction site.</div><div>4.</div><div>All non-native, invasive plant species shall be removed from disturbed areas prior to replanting.</div></div>	All Proposed Modifications, except the Advanced Water Purification Facility	During project construction	Construction contactors	During project construction	M1W qualified biologist and construction biological monitor

Impacts	Mitigation Measures	Applicable Components	Timing of Implemen- tation	Implemen- tation Respon- sibility <sup>1</sup>	Timing of Monitoring	Responsibility for Compliance Monitoring <sup>1</sup>
Impact BT-1: Construction Impacts to Special-Status Species and Habitat (continued)	<p><b>Mitigation Measure BT-1d: Conduct Pre-Construction Surveys for California Legless Lizard.</b> The project proponents shall retain a qualified biologist to prepare and implement a legless lizard management plan in coordination with CDFW, which shall include, but is not limited to, the protocols for pre-construction surveys, construction monitoring, and salvage and relocation. The management plan shall include, but is not limited to, the following:</p> <ul style="list-style-type: none"><li>• Pre-Construction Surveys. Pre-construction surveys for legless lizards shall be conducted in all suitable habitat proposed for construction, ground disturbance, or staging. The qualified biologist shall hold or obtain a CDFW scientific collection permit for this species. The pre-construction surveys shall use a method called “high-grading.” The high grading method shall include surveying the habitat where legless lizards are most likely to be found, and the survey must occur under the conditions when legless lizards are most likely to be seen and captured (early morning, high soil moisture, overcast, etc.). The intensity of a continued search may then be adjusted, based on the results of the first survey in the best habitat.</li><li>• A “three pass method” shall be used to locate and remove as many legless lizards as possible. A first pass shall locate as many legless lizards as possible, a second pass should locate fewer lizards than the first pass, and a third pass should locate fewer lizards than the second pass. All search passes shall be conducted in the early morning when legless lizards are easiest to capture. Vegetation may be removed by hand to facilitate hand raking and search efforts for legless lizards in the soil under brush. If lizards are found during the first pass, an overnight period of no soil disturbance must occur before the second pass, and the same requirement shall be implemented after the second pass. If no lizards are found during the second pass, a third pass is not required. Installation of a barrier, in accordance with the three-pass method, shall be required if legless lizards are found at the limits of construction (project boundaries) and sufficient soft sand and vegetative cover are present to suspect additional lizards are in the immediate vicinity on the adjacent property. A barrier shall prevent movement of legless lizards into the property. All lizards discovered shall be handled according to the salvage procedures outlined below.</li><li>• Construction Monitoring. Monitoring by a qualified biologist shall be ongoing during construction. The onsite monitor shall be present during all ground-disturbing construction activities. To facilitate the careful search for lizards during construction, vegetation may need to be removed. If removal by hand is impractical, equipment such as a chainsaw, string trimmer, or skid-steer may be used, if a monitor and crew are present. The task of the vegetation removal is to remove plants under the direction of the monitor, allowing the monitor to watch for legless lizards. After plants are removed, the monitor and crew shall search the exposed area for legless lizards. If legless lizards are found during pre-construction surveys or construction monitoring, the protocols for salvage and relocation identified below shall be followed. Upon completion of pre-construction surveys, construction monitoring, and any resulting salvage and relocation actions, a report shall be submitted to the CDFW. The CDFW must be notified at least 48 hours before any field activity begins.</li><li>• Salvage and Relocation. Only experienced persons may capture or handle legless lizards. The monitor must demonstrate a basic understanding, knowledge, skill, and experience with this species and its habitat. Once captured, a lizard shall be placed in a lidded, vented box containing clean sand. Areas of moist and dry sand need to be present in the box. The boxes must be kept out of direct sunlight and protected from temperatures over 72°F. The sand must be kept at temperatures under 66°F. Ideal temperatures are closer to 60°F. On the same day as capture, the lizards shall be examined for injury and data recorded on location where found as well as length, color, age, and tail condition. Once data is recorded, lizards shall be relocated to appropriate habitat, as determined through coordination with the CDFW, qualified biologist, and potential landowners.</li><li>• Suitability of habitat for lizard release must be evaluated and presented in a management plan. The habitat must contain habitat factors most important to the health and survival of the species such as appropriate habitat based on soils, vegetated cover, native plant species providing cover, plant litter layer and depth, soil and ambient temperature, quality and composition of invertebrate population and prey availability. Potential relocation sites that contain the necessary conditions may exist within the habitat reserves on the former Fort Ord, including the Fort Ord National Monument. Lizards shall be marked with a unique tag (pit or tattoo) prior to release. Release for every lizard shall be recorded with GPS. GPS locations shall be submitted as part of the survey result report to document the number and locations of lizards relocated.</li></ul>	Product Water Conveyance Pipelines, Injection Well Facilities, and Extraction Wells	Prior to and during project construction	M1W, qualified biologist	Prior to and during project construction	M1W, qualified biologist

Impacts	Mitigation Measures	Applicable Components	Timing of Implementation	Implementation Responsibility <sup>1</sup>	Timing of Monitoring	Responsibility for Compliance Monitoring <sup>1</sup>
	<p><b>Mitigation Measure BT-1e: Prepare and Implement Rare Plant Restoration Plan to Mitigate Impacts to Kellogg’s Horkelia.</b> Impacts to rare plant species individuals shall be avoided through project design and modification, to the extent feasible while taking into consideration other site and engineering constraints. If avoidance is not possible, the species shall be replaced at a 1:1 ratio for area of impact through preservation, restoration, or combination of both. A Rare Plant Restoration Plan, approved by the Lead Agency prior to commencing construction on the component site upon which the rare plant species would be impacted, shall be prepared and implemented by a qualified biologist. The plan shall include, but is not limited to, the following:</p> <p>a. A detailed description of on-site and/or off-site mitigation areas, salvage of seed and/or soil bank, plant salvage, seeding and planting specifications, including, if appropriate, increased planting ratio to ensure the applicable success ratio. Specifically, seed shall be collected from the on-site individuals that would be impacted and grown in a local greenhouse, and then transplanted within the mitigation area. Plants shall be transplanted while they are young seedlings in order to develop a good root system. Alternatively, the mitigation area may be broadcast seeded in fall; however, if this method is used, some seed shall be retained in the event that the seeding fails to produce viable plants and contingency measures need to be employed.</p> <p>b. A description of a 3-year monitoring program, including specific methods of vegetation monitoring, data collection and analysis, restoration goals and objectives, success criteria, adaptive management if the criteria are not met, reporting protocols, and a funding mechanism.</p> <p>The mitigation area shall be preserved in perpetuity through a conservation easement or other legally enforceable land preservation agreement. Exclusionary fencing shall be installed around the mitigation area to prevent disturbance until success criteria have been met.</p>	Product Water Conveyance Pipeline and Injection Well Facilities	Prior to project construction	Project engineers, project biologist, M1W	For 3 years upon completion of construction	M1W qualified biologist
Impact BT-1: Construction Impacts to Special-Status Species and Habitat (continued)	<p><b>Mitigation Measure BT-1f: Conduct Pre-Construction Protocol-Level Botanical Surveys within the remaining portion of the Biological Study Area.</b> The project proponents shall retain a qualified biologist to conduct protocol-level surveys for special-status plant species within the Biological Study Area not yet surveyed. Protocol-level surveys shall be conducted by a qualified biologist at the appropriate time of year for species with the potential to occur within the site. A report describing the results of the surveys shall be provided to the project proponents prior to any ground disturbing activities. The report shall include but is not limited to 1) a description of the species observed, if any; 2) map of the location, if observed; and 3) recommended avoidance and minimization measures, if applicable. The avoidance and minimization measures shall include, but are not limited to, the following:</p> <ul style="list-style-type: none"><li>Impacts to species individuals shall be avoided through project design and modification, to the extent feasible while taking into consideration other site and engineering constraints.</li><li>If impacts to State listed plant species cannot be avoided, the project proponents shall comply with the CESA and consult with the CDFW to determine whether authorization for the incidental take of the species is required prior to commencing construction. If it is determined that authorization for incidental take is required from the CDFW, the project proponents shall comply with the CESA to obtain an incidental take permit prior to commencing construction on the site upon which State listed plant species could be taken. Permit requirements typically involve preparation and implementation of a mitigation plan and mitigating impacted habitat at a 3:1 ratio through preservation and/or restoration. At a minimum, the impacted plant species shall be replaced at a 1:1 ratio through preservation and/or restoration, as described below. The project proponents shall retain a qualified biologist to prepare a mitigation plan, which shall include, but is not limited to identifying; avoidance and minimization measures; mitigation strategy, including a take assessment, avoidance and minimization measures, compensatory mitigation lands, and success criteria; and funding assurances. The project proponents shall be required to implement the approved plan and any additional permit requirements.</li><li>If impacts to non-State listed, special-status plant species cannot be avoided, the species shall be replaced at a 1:1 ratio for acreage and/or individuals impacted through preservation, restoration, or combination of both. A Rare Plant Restoration Plan, approved by the project proponents prior to commencing of construction on the site upon which the rare plant would be impacted, shall be prepared and implemented by a qualified biologist. The plan shall include, but is not limited to, the following:</li><li>A detailed description of on-site and/or off-site mitigation areas, salvage of seed and/or soil bank, plant salvage, seeding and planting specifications, including, if appropriate, increased planting ratio to ensure the applicable success ratio. Specifically, seed shall be collected from the on-site individuals that will be impacted and grown in a local greenhouse, and then transplanted within the mitigation</li></ul>	All Proposed Modifications, except the Advanced Water Purification Facility	Prior to project construction	M1W, qualified biologist	During construction and 3 years following completion of construction	M1W qualified biologist

Impacts	Mitigation Measures	Applicable Components	Timing of Implemen- tation	Implemen- tation Respon- sibility <sup>1</sup>	Timing of Monitoring	Responsibility for Compliance Monitoring <sup>1</sup>
	<p>area. Plants shall be transplanted while they are young seedlings in order to develop a good root system. Alternatively, the mitigation area may be broadcast seeded in fall; however, if this method is used, some seed shall be retained in the event that the seeding fails to produce viable plants and contingency measures need to be employed.</p> <ul style="list-style-type: none"><li>A description of a three-year monitoring program, including specific methods of vegetation monitoring, data collection and analysis, restoration goals and objectives, success criteria, adaptive management if the criteria are not met, reporting protocols, and a funding mechanism.</li><li>The mitigation area shall be preserved in perpetuity through a conservation easement or other legally enforceable land preservation agreement. Exclusionary fencing shall be installed around the mitigation area to prevent disturbance until success criteria have been met.</li></ul>					
Impact BT-1: Construction Impacts to Special-Status Species and Habitat (continued)	<b>Mitigation Measure BT-1h: Implementation of Mitigation Measures BT-1a and BT-1b to Mitigate Impacts to the Monterey Ornat</b> <b>Shrew, Coast Horned Lizard, Coast Range Newt, Two-Striped Garter Snake, and Salinas Harvest Mouse.</b> If these species are encountered, implementation of Mitigation Measures BT-1a and BT-1b, which avoid and minimize impacts through implementing construction best management practices and monitoring, would reduce potential impacts to these species to a less-than-significant level.	Injection Well Facilities and Extraction Wells	Prior to and during project construction	M1W contractors and qualified biologists	Prior to and during project construction	M1W qualified biologist
	<p><b>Mitigation Measure BT-1i: Conduct Pre-Construction Surveys for Monterey Dusky- Footed Woodrat.</b> To avoid and reduce impacts to the Monterey dusky-footed woodrat, the project proponents shall retain a qualified biologist to conduct pre-construction surveys in suitable habitat proposed for construction, ground disturbance, or staging within three days prior to construction for woodrat nests within the project area and in a buffer zone 100 feet out from the limit of disturbance. All woodrat nests shall be flagged for avoidance of direct construction impacts and protection during construction, where feasible. Nests that cannot be avoided shall be manually deconstructed prior to land clearing activities to allow animals to escape harm. If a litter of young is found or suspected, nest material shall be replaced, and the nest left alone for two to three weeks before a re-check to verify that young are capable of independent survival before proceeding with nest dismantling.</p> <p>The following specific requirements of MPWSP Final EIR/EIS (MMs 4.6-1k) shall also be required.</p> <p>If woodrat nests are found during the preconstruction surveys, the wildlife biologist shall conduct additional surveys throughout the duration of construction activities at the potentially affected facility site to identify any newly constructed woodrat nests.</p> <p>If nests are observed outside of the construction area, the qualified biologist shall demarcate a minimum 50-foot buffer area with orange construction fencing and require that all construction activities and disturbance remain outside of the fencing.</p> <p>Active woodrat nests located within the anticipated construction disturbance areas shall be relocated. Nests shall be relocated outside of the peak breeding season, (peak breeding season is typically February through November) to minimize disturbance to young woodrats.</p> <p>Protocol for relocation of woodrats and/or their nests by qualified biologists shall be followed, as described below:</p> <ol style="list-style-type: none"><li>Clear understory vegetation from around the nest using hand tools.</li><li>After all vegetative cover has been cleared around the nest, the biologist shall gently disturb the nest to encourage the woodrat(s) to abandon the nest and seek cover in adjacent habitat.</li><li>Once the woodrats have left the nest, the biologist shall carefully relocate the nest sticks to suitable habitat outside of the construction disturbance area, piling the sticks at the base of trees or large shrubs if available. If multiple nests are relocated, the stick piles shall be placed at least 25 feet from one another.</li><li>The qualified biologist shall ensure potential health hazards to the biologists moving nests are addressed to minimize the risk of contracting diseases associated with woodrats and woodrat nests.</li><li>If young are encountered during dismantling of the nest, nest material shall be replaced and a 50-foot no- disturbance buffer shall be established around the active nest. The buffer shall remain in place until young have matured enough to disperse on their own accord and the nest is no longer active. Nesting substrate shall then be collected and relocated to suitable oak woodland habitat outside of the project area.</li></ol>	Injection Well Facilities and Extraction Wells	Prior to project construction	M1W contractors and qualified biologists	Prior to project construction	M1W qualified biologist

Impacts	Mitigation Measures	Applicable Components	Timing of Implemen- tation	Implemen- tation Responsi- bility <sup>1</sup>	Timing of Monitoring	Responsibility for Compliance Monitoring <sup>1</sup>
Impact BT-1: Construction Impacts to Special-Status Species and Habitat (continued)	<p><b>Mitigation Measure BT-1j: Conduct Pre-Construction Surveys for American Badger.</b> To avoid and reduce impacts to the American badger, the project proponents shall retain a qualified biologist to conduct focused pre-construction surveys for badger dens in all suitable habitat proposed for construction, ground disturbance, or staging no more than two weeks prior to construction. Surveys shall be conducted wherever suitable habitat exist within 100 feet of the project area boundary. Vegetation communities in the project area include non-native grasslands. Along pipeline alignments, surveys shall be phased to occur within 14 days prior to disturbance along that portion of the alignment. Game cameras shall be used to record any movements at potentially active dens for no less than three (3) nights. If no potential badger dens are present, no further mitigation is required. If potential dens are observed, the following measures are required to avoid potential significant impacts to the American badger:</p> <ol style="list-style-type: none"><li>If the qualified biologist determines that potential dens are inactive, the biologist shall excavate these dens by hand with a shovel to prevent badgers from re-using them during construction.</li><li>If the qualified biologist determines that potential dens may be active, the den shall be monitored for a period sufficient (as determined by a qualified biologist) to determine if the den is a maternity den occupied by a female and her young, or if the den is occupied by a solitary badger.</li><li>Maternity dens occupied by a female and her young shall be avoided during construction and a minimum buffer of 200 feet in which no construction activities shall occur shall be maintained around the den. After the qualified biologist determines that badgers have stopped using active dens within the project boundary, the dens shall be hand-excavated with a shovel to prevent re-use during construction.</li><li>Solitary male or female badgers shall be passively relocated by blocking the entrances of the dens with soil, sticks, and debris for three to five days to discourage the use of these dens prior to project construction disturbance. The den entrances shall be blocked to an incrementally greater degree over the three to five-day period. After the qualified biologist determines that badgers have stopped using active dens within the project boundary, the dens shall be hand-excavated with a shovel to prevent re-use during construction.</li></ol> <p>The following applicable requirements of MPWSP Final EIR/EIS (MM 4.6-1j)), Item 6, shall also be required.</p> <p>If active badger dens are found during the course of preconstruction surveys, the following measures shall be taken to avoid and minimize adverse effects on American badger:</p> <ol style="list-style-type: none"><li>Relocation shall be prohibited during the badger pupping season (typically February 15 to June 1).</li><li>Construction activities shall not occur within 50 feet of active badger dens observed outside of the project area.</li><li>The qualified biologist shall contact CDFW immediately if natal badger dens are detected. The 200-foot buffer area identified in 3) above, may be reduced, if approved by CDFW, and if construction would not alter the behavior of the adult or young in a way that would cause injury or death to those individuals.</li><li>If the biologist determines that potential dens within the project area, and outside the breeding season, may be active, the biologist shall notify the CDFW.</li></ol>	Injection Well Facilities and Extraction Wells	Prior to project construction	M1W construction contractors and qualified biologists	Prior to project construction	M1W qualified biologist
	<p><b>Mitigation Measure BT-1k: Conduct Pre-Construction Surveys for Protected Avian Species, including, but not limited to, white-tailed kite and California horned lark.</b> Prior to the start of construction activities at each project component site, a qualified biologist shall conduct pre-construction surveys for active nests. Pre-construction surveys shall be conducted no more than 10 days prior to the start of ground disturbance to maximize the probability that nests that could potentially be impacted are detected. Surveys shall cover a sufficient area around the work site to identify nests and determine their status. A sufficient area means any area potentially affected (including direct impacts (i.e., nest destruction), noise, vibration, and movement of workers or equipment) by the project.</p> <ol style="list-style-type: none"><li>No preconstruction surveys or avoidance measures are required for construction activities that would be completed entirely during the non-nesting season (September 16 to January 31).</li><li>For all construction activities scheduled to occur during the nesting season (February 1 to September 15), the qualified biologist shall conduct a preconstruction avian nesting survey no more than 10 days prior to the start of staging, site clearing, and/or ground disturbance.</li><li>Because some bird species nest early in spring and others nest later in summer, surveys for nesting birds may be required to continue</li></ol>	All Proposed Modifications, except the Advanced Water Purification Facility	Prior to project construction and if found establish and comply with no-disturbance buffer	M1W, CalAm, construction contractors, and qualified biologists	Prior to project construction	M1W, CalAm, qualified biologist(s), USFWS

Impacts	Mitigation Measures	Applicable Components	Timing of Implemen- tation	Implemen- tation Respon- sibility <sup>1</sup>	Timing of Monitoring	Responsibility for Compliance Monitoring <sup>1</sup>
	<p>during construction to address new arrivals, and because some species breed multiple times in a season. The necessity and timing of these continued surveys shall be determined by the qualified biologist based on review of the final construction plans.</p> <p>4. If there is a break of 10 days or more in construction activities during the breeding season, a new nesting bird survey shall be conducted before reinitiating construction.</p> <p>5. The qualified biologist shall be capable of determining the species and nesting stage without causing intrusive disturbance. The surveys shall cover all potential nesting sites within 500 feet of the project area for raptors and within 300 feet for other birds.</p> <p>6. If active nests are found in the project area or vicinity (500 feet for raptors and 300 feet for other birds), the nests shall be continuously surveyed for the first 24 hours prior to any construction related activities to establish a behavioral baseline and, once work commences, all nests shall be continuously monitored to detect any behavioral changes as a result of the project, if feasible. If behavioral changes are observed, . avoidance and minimization measures shall be applied to ensure that the construction activities do not cause the adult to abandon an active nest or young or change an adult’s behavior so it could not care for an active nest or young.</p> <p>If continuous monitoring is not feasible, a no-disturbance buffer (at least 500 feet for raptors and 250 feet for other birds [or as otherwise determined in consultation with CDFW] shall be created around the active nests). These buffers will remain in place until the breeding season has ended or until a qualified biologist has determined that the birds have fledged and are no longer reliant upon the nest or parental care for survival. If the nest(s) are found in an area where ground disturbance is scheduled to occur, the project operator shall require that ground disturbance be delayed until after the birds have fledged. The buffer distance can be reduced with authorization from CDFW if construction activities would not cause an adult to abandon an active nest or young or change an adult’s behavior so it could not care for an active nest or young.</p>					
<b>Impact BT-1: Construction Impacts to Special-Status Species and Habitat (continued)</b>	<b>Mitigation Measure BT-1m: Minimize Effects of Nighttime Construction Lighting.</b> Nighttime construction lighting shall be focused and downward directed to preclude night illumination of the adjacent open space area.	Injection Well Facilities and Extraction Wells	During project construction	M1W and CalAm construction contractors	During project construction	M1W, CalAm, City of Seaside, City of Monterey
<b>Impact BT-3: Construction Conflicts with Local Policies, Ordinances, or Approved Habitat Conservation Plan.</b>	<b>Mitigation Measure BT-4. Fort Ord HMP Plant Species Salvage.</b> For impacts to the Fort Ord HMP plant species within the Biological Study Area that do not require take authorization from USFWS or CDFW, salvage efforts for these species shall be evaluated by a qualified biologist per the requirements of the Fort Ord HMP and Biological Opinion. A salvage plan shall be prepared and implemented by a qualified biologist, which shall include, but is not limited to: a description and evaluation of salvage opportunities and constraints; a description of the appropriate methods and protocols of salvage and relocation efforts; identification of relocation and restoration areas; and identification of qualified biologists approved to perform the salvage efforts, including the identification of any required collection permits from USFWS and/or CDFW. Where proposed, seed collection shall occur from plants within the Biological Study Area and topsoil shall be salvaged within occupied areas to be disturbed. Seeds shall be collected during the appropriate time of year for each species by qualified biologists. At the time of seed collection, a map shall also be prepared that identifies the specific locations of the plants for any future topsoil preservation efforts. The collected seeds shall be used to revegetate temporarily disturbed construction areas and reseeded and restoration efforts on- or off-site, as determined appropriate in the salvage plan.	Product Water Conveyance Pipeline, Expanded Injection Well Facilities, Extraction Wells, and CalAm Conveyance Pipelines	Prior to, during, and after construction	M1W Biologist	During, and after construction	M1W qualified biologist



Impacts	Mitigation Measures	Applicable Components	Timing of Implemen- tation	Implemen- tation Responsi- bility <sup>1</sup>	Timing of Monitoring	Responsibility for Compliance Monitoring <sup>1</sup>
Impact CR-1: Construction Impacts on Archaeological Resources or Human Remains	<p><b>Mitigation Measure CR-2b: Discovery of Archaeological Resources or Human Remains.</b> If archaeological resources or human remains are unexpectedly discovered during any construction, work shall be halted within 50 meters (±160 feet) of the find until it can be evaluated by a qualified professional archaeologist. If the find is determined to be significant, an archaeologist shall inspect the find within 24 hours of discovery. The archaeologist, in consultation with the project proponent and the appropriate Native American Representative, determine whether preservation in place is feasible. Consistent with CEQA Guidelines Section 15126.4(b)(3), this may be accomplished through planning construction to avoid the resource; incorporating the resource within open space; capping and covering the resource; or deeding the site into a permanent conservation easement. If avoidance is determined to be infeasible, a qualified archaeologist, in consultation with M1W and the appropriate Native American Representative, shall prepare and implement an Archaeological Research Design and Treatment Plan (ARDTP). Treatment of unique archaeological resources shall follow the applicable requirements of Public Resources Code Section 21083.2 and be implemented with the oversight and concurrence of the Lead Agency.</p> <p>Treatment for most resources would consist of (but would not be not limited to) sample excavation, artifact collection, site documentation, and historical research, with the aim to target the recovery of important scientific data contained in the portion(s) of the significant resource to be impacted by the project. The ARDTP shall include provisions for analysis of data in a regional context, reporting of results within a timely manner and subject to review and comments by the appropriate Native American representative before being finalized, curation of artifacts and data at a local facility acceptable to the appropriate Native American representative, and dissemination of final confidential reports to the appropriate Native American representative, the Northwest Information Center of the California Historical Resources Information System, the Lead Agency and interested professionals.</p> <p>The County Coroner shall be notified in accordance with provisions of Public Resources Code 5097.98-99 in the event human remains are found and the Native American Heritage Commission shall be notified in accordance with the provisions of Public Resources Code Sec. 5097 if the remains are determined to be of Native American origin.</p>	All Proposed Modifications components	During project construction	M1W, CalAm, and qualified archaeologists	During project construction	M1W, CalAm, and qualified archaeologist
	<p><b>Mitigation Measure CR-2c: Native American Notification</b> Because of their continuing interest in potential discoveries during construction, all listed Native American Contacts shall be notified of any and all discoveries of archaeological resources in the project area.</p>	All Proposed Modifications	During project construction	M1W, CalAm and qualified archaeologist	During project construction	M1W, CalAm and qualified archaeologist
Impact EN-1: Construction Impacts due to Temporary Energy Use	<p><b>Mitigation Measure EN-1: Construction Equipment Efficiency Plan.</b> M1W (for all components) or CalAm (for the CalAm Extraction Facilities and Distribution System) shall contract with a qualified professional (i.e., construction manager, planner or energy efficiency consultant) to prepare a Construction Equipment Efficiency Plan that identifies the specific measures that M1W or CalAm (and its construction contractors) will implement as part of project construction to increase the efficient use of construction equipment. Such measures shall include, but not necessarily be limited to: procedures to ensure that all construction equipment is properly tuned and maintained at all times; a commitment to utilize existing electricity sources where feasible rather than portable diesel-powered generators; consistent compliance with idling restrictions of the State; and identification of procedures (including the use of routing plans for haul trips) that will be followed to ensure that all materials and debris hauling is conducted in a fuel-efficient manner. Compliance with reduction of heavy equipment idling onsite to a maximum of 5 minutes per the California Air Resources Board requirement on Heavy Duty Diesel Vehicles shall be enforced by on-site construction monitors. More specifically, the plan will conform to Per California Code of Regulations Title 13, Motor Vehicles, section 2449(d)(3) Idling, which limits idling times of construction vehicles to no more than five minutes, thereby precluding unnecessary and wasteful consumption of fuel due to unproductive idling of construction equipment. Grading plans shall reference this requirement and a sign shall be posted on-site stating that construction workers need to shut off engines at or before five minutes of idling. The plan (including the use of routing plans for haul trips) shall be submitted to the permitting agency and/or lead agency (M1W or local jurisdictions responsible for individual permits) at least 20 days prior to the beginning of construction activities.</p>	All Proposed Modification components	Prior to project construction	M1W, CalAm. energy efficiency expert, construction contractors	During project construction	M1W and CalAm
Impact LU-1: Operational Consistency with Plans, Policies, and	All other mitigation measures (see Table 4.12-4 in Section 4.12, Land Use, Agriculture, and Forest Resources).	All Proposed Modifications components	See other rows for specific timing of each mitigation measure	See other lines for responsibilities for each mitigation	See other rows for specific timing of each	See other rows for responsibilities for each mitigation measure

Impacts	Mitigation Measures	Applicable Components	Timing of Implemen- tation	Implemen- tation Responsi- bility <sup>1</sup>	Timing of Monitoring	Responsibility for Compliance Monitoring <sup>1</sup>
Regulations				measure	mitigation measure	
Impact NV-1: Construction Noise	<b>Mitigation Measure NV-1a: Drilling Contractor Noise Measures.</b> Contractor specifications shall include a requirement that drill rigs located within 700 feet of noise-sensitive receptors shall be equipped with noise reducing engine housings or other noise reducing technology and the line of sight between the drill rig and nearby sensitive receptors shall be blocked by portable acoustic barriers and/or shields to reduce noise levels such that drill rig noise levels are no more 75 dBA at 50 feet. This would reduce the nighttime noise level to less than 60 dBA Leq at the nearest residence.  The contractor shall submit to the M1W and the Seaside Building Official, a “Well Construction Noise Control Plan” for review and approval. The plan shall identify all feasible noise control procedures that would be implemented during night-time construction activities. At a minimum, the plan shall specify the noise control treatments to achieve the specified above noise performance standard.	Expanded Injection Well Facilities, CalAm Extraction Wells	Prior to and during project construction	Construction contractors	During project construction	M1W, Seaside building official
	<b>Mitigation Measure NV-1c: Neighborhood Notice.</b> Residences and other sensitive receptors within 900 feet of a nighttime construction area shall be notified of the construction location and schedule in writing, at least two weeks prior to the commencement of construction activities. The notice shall also be posted along the proposed pipeline alignments, near the proposed facility sites, and at nearby recreational facilities. The contractor shall designate a noise disturbance coordinator who would be responsible for responding to complaints regarding construction noise. The coordinator shall determine the cause of the complaint and ensure that reasonable measures are implemented to correct the problem. A contact number for the noise disturbance coordinator shall be conspicuously placed on construction site fences and included in the construction schedule notification sent to nearby residences.	Expanded Injection Well Facilities, CalAm Extraction Wells	Prior to project construction	M1W, CalAm, construction contractor, noise disturbance coordinator	Prior to project construction	M1W and CalAm
	<b>Mitigation Measure NV-1e: Additional Noise Controls for Nighttime Construction of Wells.</b> The construction contractor(s) shall identify feasible noise controls for implementation during well drilling development activities within 500 feet of the Fitch Park military housing community. The construction contractor(s) shall locate all stationary noise-generating equipment as far as possible from nearby noise-sensitive receptors. Drill rigs within 500 feet of noise-sensitive receptors shall be equipped with noise-reducing engine housings or other noise-reducing technology. Additionally, acoustic barriers and/or enclosures shall be used with a goal of reducing noise from well drilling activities to 60 dBA Leq or less at residences. There are a number of options available to achieve this performance standard. Barrier blankets are available with a sound transmission class rating of 32, which can provide 16 to 40 dBA of sound transmission loss, depending on the frequency of the noise source (ENC, 2014). The realized sound transmission reduction of barrier blankets needs to be sufficient to achieve the performance standard of 60 dBA Leq or less at residences.	CalAm Extraction Wells	Prior to and during construction	CalAm, construction contractor, noise disturbance coordinator	During project construction	CalAm, MPWMD, and Seaside Building official working with the U.S. Army and Monterey Peninsula Unified School District
	<b>Mitigation Measure NV-1f: Offsite Accommodations for Substantially Affected Nighttime Receptors near Wells.</b> CalAm shall provide temporary hotel accommodations for all residences and any other nighttime sensitive receptors:  1. That would be exposed to 24-hour project construction activities and 2. Where nighttime construction noise would exceed 60 dBA with windows closed or 35 dBA with windows open, even with implementation of acoustic barriers and/or shielding measures.  The accommodations shall be provided for the duration of 24-hour construction activities. CalAm shall provide accommodations reasonably similar to those of the impacted residents in terms of number of beds and amenities. If identified accommodations do not include typical residential kitchen facilities (e.g., cooktop, oven, full size refrigerator), then CalAm shall provide displaced individuals with a per diem allowance to offset costs of meals for the period of relocation.	CalAm Extraction Wells	During construction	CalAm, construction contractor, noise disturbance coordinator	Prior to project construction	CalAm, MPWMD, and/or Seaside Building official working with the U.S. Army and Monterey Peninsula Unified School District
Impact NV-2: Operational Noise	<b>Mitigation Measure NV-2: Stationary-Source Noise Controls.</b> CalAm shall retain an acoustical engineer to design stationary-source noise controls and ensure the applicable noise standards are met. At a minimum, all stationary noise sources at EW-3 and EW-4 shall be located within enclosed structures and with adequate noise control to maintain noise levels to no greater than 55 CNEL (or 48 dBA Leq assuming 24-hour per day operation), at the property lines of nearby residences. Once the stationary noise sources have been installed, the contractor(s) shall conduct a single long-term (24-hour) monitoring of noise levels to ensure that noise levels resulting from the operation of the well comply recommended noise limits.	EW-3 and EW-4	During project construction	M1W construction contractor	During project construction	CalAm and Seaside building officials (working with U.S. Army)

Impacts	Mitigation Measures	Applicable Components	Timing of Implemen- tation	Implemen- tation Respon- sibility <sup>1</sup>	Timing of Monitoring	Responsibility for Compliance Monitoring <sup>1</sup>
Impact PS-3: Construction Solid Waste Policies and Regulations	<b>Mitigation Measure PS-3: Construction Waste Reduction and Recycling Plan.</b> The construction contractor(s) shall prepare and implement a construction waste reduction and recycling plan identifying the types of construction debris generated and the manner in which those waste streams will be handled. In accordance with the California Integrated Waste Management Act of 1989, the plan shall emphasize source reduction measures, followed by recycling and composting methods, to ensure that construction and demolition waste generated is managed consistent with applicable statutes and regulations. In accordance with the California Green Building Standards Code and local regulations, the plan shall specify that all trees, stumps, rocks, and associated vegetation and soils, and 50% of all other nonhazardous construction and demolition waste, be diverted from landfill disposal. The plan shall be prepared in coordination with the Monterey Regional Waste Management District and be consistent with Monterey County’s Integrated Waste Management Plan. Upon project completion, M1W and CalAm shall collect the receipts from the contractor(s) to document that the waste reduction, recycling, and diversion goals have been met.	All Proposed Modifications	Prior to, during, and after project construction	M1W and CalAm construction contractors	Upon project completion	M1W and CalAm
Impact TR-2: Construction- Related Traffic Delays, Safety and Access Limitations	<b>Mitigation Measure TR-2: Traffic Control and Safety Assurance Plan.</b> Prior to construction, MW1 and CalAm shall prepare and implement a traffic control plan for the roadways and intersections affected by the Product Water Conveyance Pipeline, Injection Well Facilities, and CalAm Conveyance Pipeline. The traffic control plan(s) shall comply with the affected jurisdiction’s encroachment permit requirements and shall be based on detailed design plans. The plan shall include measures that would provide for continuity of vehicular, pedestrian, and bicyclist access; reduce the potential for traffic accidents; and ensure worker safety in construction zones. Where project construction activities could disrupt mobility and access for bicyclists and pedestrians, the plan shall include measures to ensure safe and convenient access would be maintained. The traffic control and safety assurance plan shall be developed on the basis of detailed design plans for the approved project. The plan shall include, but not necessarily be limited to, the elements listed below: <i>General</i> a. Develop circulation and detour plans to minimize impacts on local streets. As necessary, signage and/or flaggers shall be used to guide vehicles to detour routes and/or through the construction work areas. b. Implement a public information program to notify motorists, bicyclists, nearby residents, and adjacent businesses of the impending construction activities (e.g., media coverage, email notices, websites, etc.). Notices of the location(s) and timing of lane closures shall be published in local newspapers and on available websites to allow motorists to select alternative routes. <i>Roadways</i> c. Haul routes that minimize truck traffic on local roadways and residential streets shall be used to the extent feasible. d. Schedule truck trips outside of peak morning and evening commute hours to minimize adverse impacts on traffic flow. e. Limit lane closures during peak hours. Travel lane closures, when necessary, shall be managed such that one travel lane is kept open at all times to allow alternating traffic flow in both directions along affected two-lane roadways. In the City of Marina, one-way traffic shall be limited to a maximum of 5 minutes of traffic delay. f. Restore roads and streets to normal operation by covering trenches with steel plates outside of normal work hours or when work is not in progress. g. Comply with roadside safety protocols to reduce the risk of accidents. Provide “Road Work Ahead” warning signs and speed control (including signs informing drivers of state legislated double fines for speed infractions in a construction zone) to achieve required speed reductions for safe traffic flow through the work zone. Train construction personnel to apply appropriate safety measures as described in the plan. h. Provide flaggers in school areas at street crossings to manage traffic flow and maintain traffic safety during the school drop-off and pickup hours on days when pipeline installation would occur in designated school zones. i. Maintain access to private driveways. j. Coordinate with MST so the transit provider can temporarily relocate bus routes or bus stops in work zones as deemed necessary. <i>Pedestrian and Bicyclists</i> k. Perform construction that crosses on street and off street bikeways, sidewalks, and other walkways in a manner that allows for safe access for bicyclists and pedestrians. Alternatively, provide safe detours to reroute affected bicycle/pedestrian traffic. <i>Recreational Trails</i> l. At least two weeks prior to construction, post signage along all potentially affected recreational trails; Class I, II, and II bicycle routes; and	CalAm Conveyance Pipeline	Prior to project construction	M1W and CalAm construction contractor	During project construction	M1W, CalAm, and City of Seaside

Impacts	Mitigation Measures	Applicable Components	Timing of Implementation	Implementation Responsibility <sup>1</sup>	Timing of Monitoring	Responsibility for Compliance Monitoring <sup>1</sup>
	<p>pedestrian pathways, to warn bicyclists and pedestrians of construction activities. The signs shall include information regarding the nature of construction activities, duration, and detour routes. Signage shall be composed of or encased in weatherproof material and posted in conspicuous locations, including on park message boards, and existing wayfinding signage and kiosks, for the duration of the closure period. At the end of the closure period, CalAm, M1W or either of its contractors shall retrieve all notice materials.</p> <p><i>Emergency Access</i></p> <p>m. Maintain access for emergency vehicles at all times. Coordinate with facility owners or administrators of sensitive land uses such as police and fire stations, transit stations, hospitals, and schools.</p> <p>n. Provide advance notification to local police, fire, and emergency service providers of the timing, location, and duration of construction activities that could affect the movement of emergency vehicles on area roadways.</p> <p>o. Avoid truck trips through designated school zones during the school drop-off and pickup hours.</p>					
Impact TR-3: Construction-Related Roadway Deterioration	<p><b>Mitigation Measure TR-3: Roadway Rehabilitation Program.</b> Prior to commencing project construction, M1W and CalAm shall detail the preconstruction condition of all local construction access and haul routes proposed for substantial use by project-related construction vehicles. The construction routes surveyed must be consistent with those identified in the construction traffic control and safety assurance plan developed under Mitigation Measure TR-2. After construction is completed, the same roads shall be surveyed again to determine whether excessive wear and tear or construction damage has occurred. Roads damaged by project-related construction vehicles shall be repaired to a structural condition equal to, or greater than, that which existed prior to construction activities.</p>	All Proposed Modifications	Prior to project construction, after project construction	M1W and CalAm construction contractors	After project construction	M1W, CalAm, and City of Seaside
Impact TR-4: Construction Parking Interference	<p><b>Mitigation Measure TR-4: Construction Parking Requirement.</b> Prior to commencing project construction, the construction contractor(s) shall coordinate with the City of Seaside to identify designated worker parking areas that would avoid or minimize parking displacement in congested areas of Seaside. The contractors shall provide transport between the designated parking location and the construction work areas. The construction contractor(s) shall also provide incentives for workers that carpool or take public transportation to the construction work areas. The engineering and construction design plans shall specify that contractors limit time of construction within travel lanes and public parking spaces and provide information to the public about locations of alternative spaces to reduce parking disruptions.</p>	CalAm Conveyance Pipeline	Prior to project construction	M1W and CalAm construction contractor	During project construction	M1W, City of Seaside

**RESOLUTION NO. 2021-06**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF MONTEREY ONE WATER  
APPROVING THE PROPOSED MODIFICATIONS TO THE PURE WATER  
MONTEREY GROUNDWATER REPLENISHMENT PROJECT AS DESCRIBED IN  
THE 2021 FINAL SUPPLEMENTAL IMPACT REPORT FOR THE PROPOSED  
MODIFICATIONS AND ADOPTING CONDITIONS FOR PROJECT FUNDING AND  
IMPLEMENTATION**

**WHEREAS**, On October 8, 2015, the Board of Directors of Monterey One Water (“M1W”), as lead agency under the California Environmental Quality Act (“CEQA”), approved the Pure Water Monterey Groundwater Replenishment Project (“PWM/GWR Project”) per Resolution 2015-24 and certified the Environmental Impact Report (“PWM/GWR Project EIR”) (State Clearinghouse No. 2013051094).

**WHEREAS**, the PWM/GWR Project is a water supply project that will serve northern Monterey County. The project provides: (1) purified recycled water for recharge of a groundwater basin that serves as drinking water supply; and (2) recycled water to augment the existing Castroville Seawater Intrusion Project’s agricultural irrigation supply. The PWM/GWR Project also includes a drought reserve component to support use of the new supply for crop irrigation during dry years.

**WHEREAS**, the M1W Board now wishes to consider approval of proposed modifications to the PWM/GWR Project to expand the project yield (“Proposed Modifications”). In partnership with, and with funding from, the Monterey Peninsula Water Management District (“MPWMD”) and California American Water Company (“CalAm”), M1W has completed the Final Supplemental EIR for the Proposed Modifications to the Pure Water Monterey Groundwater Replenishment Project (“2021 Final SEIR”). The 2021 Final SEIR analyzes and discloses the changes to the PWM/GWR Project EIR’s analysis and conclusions associated with the construction, operation, and maintenance of M1W’s Proposed Modifications to expand the water supply yield of the approved PWM/GWR Project. The Proposed Modifications evaluated in the 2021 Final SEIR would result in the “Expanded PWM/GWR Project” as further described below. These modifications have been referred to as a backup to CalAm’s Monterey Peninsula Water Supply Project (“MPWSP”).

**WHEREAS**, the Proposed Modifications would result in an Expanded PWM/GWR Project that would provide an additional 2,250 AFY of purified recycled water for injection into the Seaside Groundwater Basin and subsequent extraction to replace the same quantity of CalAm’s existing potable water supplies. In order to provide an additional 2,250 AFY of treated water, the Proposed Modifications would require new and expanded facilities, including improvements at the existing Advanced Water Purification Facility to increase peak capacity; additional product water conveyance facilities; additional and relocated injection well facilities, including the relocation of previously approved facilities into an expanded injection well area; additional monitoring wells, including the relocation of a previously approved monitoring well; and new potable water extraction and delivery facilities consisting of four new extraction wells, conveyance pipelines, and treatment facilities.

**WHEREAS**, a Draft Supplemental Environmental Impact Report for the Proposed Modifications to the Pure Water Monterey Groundwater Replenishment Project (“Draft SEIR”) was released for public and agency review on November 7, 2019. The Draft SEIR assesses the changes to environmental effects of implementation of the Proposed Modifications compared to the environmental effects of the approved PWM/GWR Project, identifies means to eliminate or reduce significant adverse impacts of the Proposed Modifications, and evaluates a reasonable range of alternatives to the Proposed Modifications.

**WHEREAS**, a Final Supplemental Environmental Impact Report document for the Proposed Modifications was prepared and presented to the M1W Board in April 2020 (“2020 Final SEIR”). At that time, the M1W Board did not certify the Final Supplemental Environmental Impact Report or approve the project.

**WHEREAS**, after completion of the 2020 Final SEIR, some minor changes to the Proposed Modifications became necessary. The changes to the Proposed Modifications are specific to the Injection Well Facilities. Namely, after completion of the 2020 Final SEIR, M1W proceeded with construction of two of the previously approved injection wells in the same geographic area as was evaluated in the certified PWM/GWR Final EIR. By contrast, the Proposed Modifications described in the 2020 Final SEIR had included relocation of these two injection wells. Those relocations are no longer necessary. This change results in the need for constructing only one additional deep well at the Expanded Injection Well Area that was evaluated in the 2020 Final SEIR for a total of nine approved wells (the same number as was evaluated in the 2020 Final SEIR). The Expanded Injection Well Area also could serve as a location for potential future replacement wells if replacement of existing wells is needed, but no replacement wells are proposed for approval at this time.

**WHEREAS**, on February 22, 2021, the M1W Board considered and discussed potential actions on the Final SEIR to support a potential Expanded PWM/GWR Project approval. The Board discussed staff recommendations and received comments from members of the public. The Board directed staff to proceed with updates to the 2020 Final SEIR to reflect the change described above and requested staff to bring the item back for potential action.

**WHEREAS**, on March 29, 2021, the M1W Board approved amending a cost sharing agreement with the MPWMD, a budget and contracts for additional consultant and staff services to update the Final SEIR and for development of a regional water balance model to enhance stakeholder outreach for concerns about M1W water volumes.

**WHEREAS**, an Environmental Memorandum was prepared by Denise Duffy & Associates to analyze the changes to the 2020 Final SEIR that would be needed due to the change in the Proposed Modifications since the 2020 Final SEIR was completed. The Environmental Memorandum found that there would be no additional significant impacts and no worsening in severity of previously identified significant impacts compared to those disclosed in the 2020 Final SEIR for the Proposed Modifications.

**WHEREAS**, the 2021 Final SEIR for the Proposed Modifications is comprised of the Draft SEIR together with two additional volumes. One volume (referred to as the “2020 Final SEIR”) includes the comments on the Draft SEIR submitted by interested public agencies, organizations,

and members of the public during the noticed public review period November 7, 2019 to January 31, 2020; written responses to the environmental issues raised in those comments; revisions to the text of the Draft SEIR reflecting changes made in response to comments and other information; other minor changes to the text of the Draft SEIR; and additional appendices prepared in response to comments on the Draft SEIR. The second volume includes the Environmental Memorandum prepared to analyze the change in the Proposed Modifications since April 2020.

**WHEREAS**, prior to considering this Resolution, this Board approved Resolution 2021-05, and thus, this Board has certified the 2021 Final SEIR for the Proposed Modifications to the PWM/GWR Project, adopted California Environmental Quality Act findings, approved mitigation measures and a mitigation monitoring and reporting program, and adopted a Statement of Overriding Considerations.

**NOW, THEREFORE BE IT RESOLVED** by the Board of Directors of the Monterey One Water as follows:

### **PROJECT APPROVAL**

1. The Board hereby approves the Proposed Modifications as described in the 2021 Final SEIR subject to the conditions described below.

2. The Board hereby authorizes M1W staff to engage in exploratory discussions with CalAm and MPWMD regarding their interest in funding the Proposed Modifications and the potential terms of a Water Purchase Agreement or an amendment to the existing Water Purchase Agreement for the expanded quantities of water that could be delivered to CalAm by the Proposed Modifications.

3. The Board hereby conditions its approval of the Proposed Modifications as follows:

a. M1W staff shall not enter into a Water Purchase Agreement without an additional Board approval. Prior to entering into any Water Purchase Agreement or amending or modifying the existing Water Purchase Agreement with CalAm and the Monterey Peninsula Water Management District concerning the Proposed Modifications to the PWM/GWR Project, M1W staff shall bring the terms of such agreement to the Recycled Water Committee of this Board for its recommendation, and to the full Board for its approval. This Board retains full discretion as to whether to enter into a Water Purchase Agreement, and upon which terms.

b. M1W staff shall not commit to make substantial expenditures or enter into any contracts relating to the engineering design, permitting, construction or operation of the following components of the PWM/GWR Expansion Project: Modifications to the Advanced Water Purification Facility; Modifications to the Product Water Conveyance Pipeline; and Modifications to the Injection Well Facilities. Prior to committing to make such expenditures or entering into such contracts, M1W staff shall bring the expenditure requests and/or contracts to the Recycled Water Committee of this Board for its recommendation, and to the full Board for its approval. This Board retains full discretion as to whether to prepare engineering designs and bid documents, permitting reports and applications, and to construct such components of the Proposed Modifications.

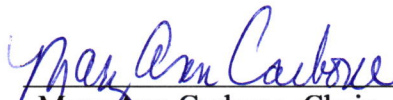
4. As a further condition of its approval, the Board requires that if any of the components of the Proposed Modifications are undertaken, the mitigation measures described in the adopted Mitigation Monitoring and Reporting Program for the Proposed Modifications must be implemented.

**PASSED, APPROVED AND ADOPTED** by the Board of Directors of the Monterey One Water at a regular meeting duly held on April 26, 2021 by the following roll call vote:

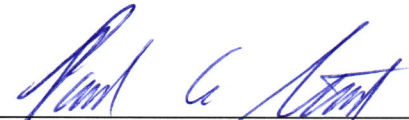
AYES: **CARBONE, MOORE, GRIER, STEFANI, PHILLIPS, DONALDSON,  
WILLIAMSON, SMITH, CROMEENES, CAMPBELL**

NOES: **NONE**

ABSENT: **NONE**

  
\_\_\_\_\_  
Mary Ann Carbone, Chair  
M1W Board of Directors

ATTEST:

  
\_\_\_\_\_  
Paul A. Sciuto, General Manager  
Secretary to Board of Directors



# Notice of Determination

# FILED

**To:**

☒ Office of Planning and Research  
 U.S. Mail: Street Address:  
 P.O. Box 3044 1400 Tenth St., Rm 113  
 Sacramento, CA 95812-3044 Sacramento, CA 95814

☒ County Clerk  
 County of: Monterey  
 Address: 168 West Alisal Street, 1st Floor  
Salinas, CA 93901

**From:**

 Public Agency: Monterey One Water

 Address: 5 Harris Court, Bldg. D
Monterey, CA 93940

 Contact: Alison Imamura, PE, AICP

 Phone: (831)883-6176
**APR 27 2021**

 STEPHEN L. VAGNINI  
 MONTEREY COUNTY CLERK  
 DEPUTY

Lead Agency (if different from above):

Address:

Contact:

Phone:

**SUBJECT: Filing of Notice of Determination in compliance with Section 21108 or 21152 of the Public Resources Code.**

 State Clearinghouse Number (if submitted to State Clearinghouse): 2013051094

 Project Title: Modifications to Pure Water Monterey Groundwater Replenishment Project (or "Expanded PWM/GWR Project")

 Project Applicant: Monterey One Water

 Project Location (include county): Unincorporated Monterey County & City of Seaside, Monterey County

Project Description: The approved modifications to the Pure Water Monterey Groundwater Replenishment (PWM/GWR) Project (modifications) will create an Expanded PWM/GWR Project for northern Monterey County water supply. The Expanded PWM/GWR Project will provide additional purified recycled water for recharge of a groundwater basin that serves as drinking water supply and will augment recycled water supply for agricultural irrigation. The modifications will expand the Advanced Water Purification Facility (AWPF) peak capacity to up to 7.6 mgd and increase recharge of the Seaside Groundwater Basin by an additional 2,250 acre-feet per year. The modifications include improvements to the AWPF, addition of up to 2 miles of new product water conveyance pipelines, addition of one new injection well in an expanded injection well area and associated infrastructure, and relocation of monitoring well sites. Modifications will also enable California American Water Company to extract additional groundwater from the Seaside Groundwater Basin and deliver it to meet system demands and provide for redundancy/back-up. These modifications include 4 new extraction wells and associated infrastructure (e.g., treatment facilities, electrical buildings, and pipelines) and addition of potable and raw water pipelines.

(see w  
attached  
map)

This is to advise that the Monterey One Water has approved the above  
 ( ☒ Lead Agency or ☐ Responsible Agency )

described project on April 26, 2021 and has made the following determinations regarding the above described project.

1. The project [☒ will ☐ will not] have a significant effect on the environment.
2. ☒ An Environmental Impact Report was prepared for this project pursuant to the provisions of CEQA.  
☐ A Negative Declaration was prepared for this project pursuant to the provisions of CEQA.
3. Mitigation measures [☒ were ☐ were not] made a condition of the approval of the project.
4. A mitigation reporting or monitoring plan [☒ was ☐ was not] adopted for this project.
5. A statement of Overriding Considerations [☒ was ☐ was not] adopted for this project.
6. Findings [☒ were ☐ were not] made pursuant to the provisions of CEQA.

This is to certify that the final EIR with comments and responses and record of project approval, or the negative Declaration, is available to the General Public at:

www.purewatermonterey.org/reports-docs/ or by calling Monterey One Water at (831)645-4603

Signature (Public Agency): Alison Imamura Title: Associate Engineer

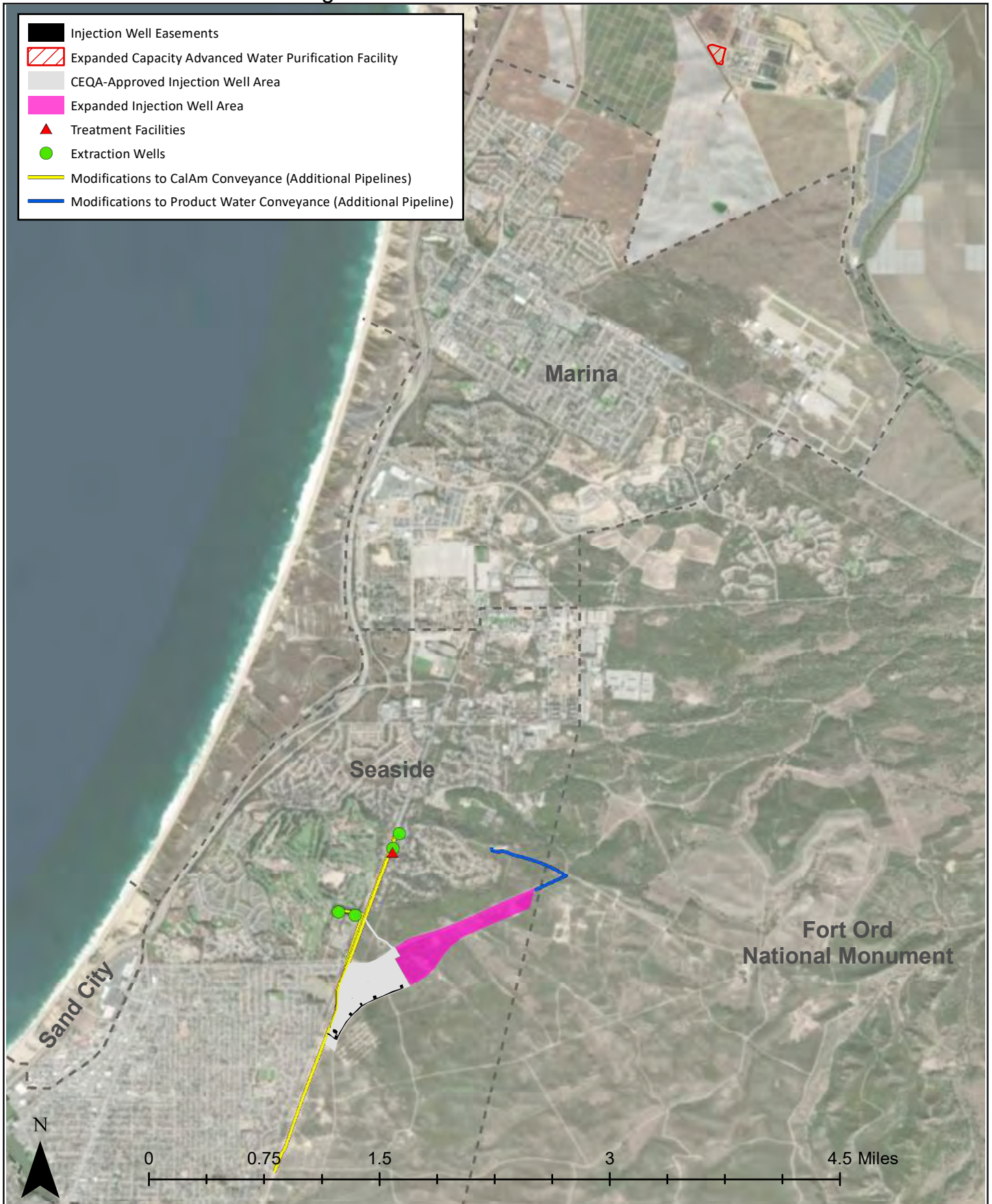
 Date: 4/27/2021

Date Received for filing at OPR:

Authority cited: Sections 21083, Public Resources Code. Reference Section 21000-21174, Public Resources Code.

Per California Code of Regulation 14, § 753.5 (e)(3), this Notice of Determination filing is not subject to the California Department of Fish and Wildlife (CDFW) environmental document fee. 14 CCR § 753.5 (e)(3) stipulates that only one fee is required when an existing certified EIR is used for multiple project approvals that would result in no additional effect to fish and wildlife. This Notice of Determination for the project approval described herein does not require the CDFW fee because the approval relied upon the PWM/GWR Project EIR (State Clearinghouse No. 2013051094). The NOD for the PWM/GWR Project EIR was filed on October 8, 2015, and the California Fish and Wildlife environmental document fees were paid at those times. See attached stamped Notice of Determination and the receipt of fees paid.





## Proposed Modifications to PWM/GWR Project

November 2019

Expanded PWM/GWR Project  
Supplemental EIR

Figure  
**2-3**

## Appendix D

### Permits Required for Company Related Facilities

**B. Permitting and Approvals**

Q32. Are there any permits or approvals necessary for these facilities? If so, please discuss what is needed and how California American Water will obtain the necessary permits and approvals.

A32. Provided in Table 1 below is a list of the anticipated permits and approvals needed for the Company Related Facilities. Regarding the CVPS and Parallel Pipeline, those facilities are under construction with necessary permits and approvals already obtained. For the remaining facilities related to the Extraction Wells 1, 2, 3 & 4, California American Water is working to expedite and obtain the necessary permits and approvals.

**Table 1 – Company Related Facilities - Anticipated Permits & Approvals**

CalAm Project Permits & Approvals <sup>7</sup>		
November 24, 2021		
Project Component	Jurisdiction	Permit/Approval Required
<b>Extraction Wells Nos. 1 &amp; 2</b>	<i>City of Seaside</i>	<ul style="list-style-type: none"> <li>▪ Grading Permit</li> <li>▪ Building Permit</li> <li>▪ Encroachment Permit</li> </ul>
	<i>Seaside Groundwater Basin Watermaster</i>	<ul style="list-style-type: none"> <li>▪ Permit for Injection/Extraction</li> </ul>
	<i>County of Monterey</i>	<ul style="list-style-type: none"> <li>▪ Well Construction Permit</li> </ul>
	<i>State Water Resources Control Board</i>	<ul style="list-style-type: none"> <li>▪ Division of Drinking Water Approval</li> </ul>
	<i>Other</i>	<ul style="list-style-type: none"> <li>▪ Mitigation Monitoring &amp; Reporting Program</li> <li>▪ California Environmental Quality Act</li> </ul>
<b>Extraction Wells Nos. 3 &amp; 4 and Pipelines (aka ASR 5 &amp; 6)</b>	<i>Presidio of Monterey</i>	<ul style="list-style-type: none"> <li>▪ National Environmental Policy Act               <ul style="list-style-type: none"> <li>○ Environmental Assessment/Finding of No Significant Impact</li> <li>○ Mitigation Monitoring &amp; Reporting Program</li> </ul> </li> <li>▪ Outgrant Approval               <ul style="list-style-type: none"> <li>○ Land Lease (ASR Wells)</li> <li>○ Easement (Pipelines)</li> </ul> </li> </ul>
	<i>City of Seaside</i>	<ul style="list-style-type: none"> <li>▪ Encroachment Permit</li> </ul>

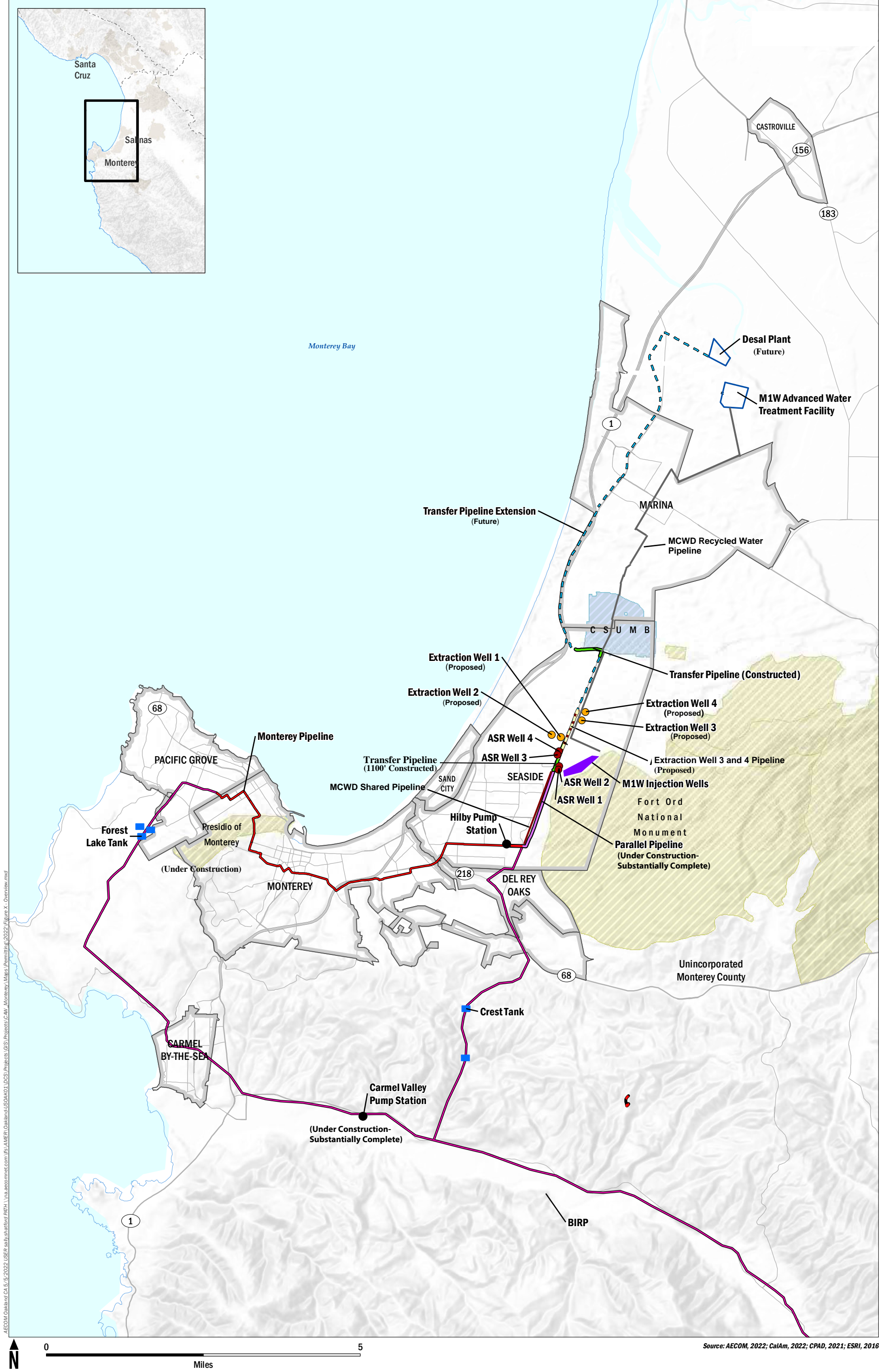
<sup>7</sup> The information contained in this list is from the PWM Expansion SEIR and Monterey Peninsula Water Supply Project EIR/EIS. These permits are subject to verification and this list may not be all encompassing.

	<i>County of Monterey</i>	<ul style="list-style-type: none"> <li>Well Construction Permit</li> </ul>
	<i>Seaside Groundwater Basin Watermaster</i>	<ul style="list-style-type: none"> <li>Permit for Injection/Extraction</li> </ul>
	<i>Monterey Peninsula Water Management District</i>	<ul style="list-style-type: none"> <li>Water Distribution System Expansion</li> </ul>
	<i>California Public Utilities Commission</i>	<ul style="list-style-type: none"> <li>Notice to Proceed Request</li> <li>Minor Project Refinement(s)</li> <li>Mitigation Monitoring &amp; Reporting Program</li> </ul>
	<i>State Water Resources Control Board</i>	<ul style="list-style-type: none"> <li>Division of Drinking Water Approval</li> </ul>
	<i>U.S. Fish and Wildlife</i>	<ul style="list-style-type: none"> <li>Habitat Mitigation and Monitoring Program</li> </ul>
	<i>State Historic Preservation Office</i>	<ul style="list-style-type: none"> <li>National Historic Preservation Act (NHPA) Section 106 Compliance</li> </ul>
<b>Carmel Valley Pump Station</b>	<i>County of Monterey</i>	<ul style="list-style-type: none"> <li>Use Permit (Approved 8/27/2019)</li> <li>Grading Permit (Approved 9/11/2020)</li> <li>Building Permit (Approved 10/29/2020)</li> <li>Encroachment Permit (Approved 8/9/2019)               <ul style="list-style-type: none"> <li>Encroachment Permit Extension (Approved 12/21/2020)</li> <li>Amended Encroachment Permit for CV Road Tie-In</li> </ul> </li> </ul>
	<i>California Public Utilities Commission</i>	<ul style="list-style-type: none"> <li>Notice to Proceed Request (Approved 6/8/2020)</li> <li>Minor Project Refinement Memorandum No. 1 (Approved 10/2/2020)</li> <li>Minor Project Refinement Memorandum No. 2 (Approved 12/16/2020)</li> <li>Minor Project Refinement Memorandum No. 3 (Approved 10/5/2021)</li> <li>Mitigation Monitoring &amp; Reporting Program</li> </ul>
	<i>State Water Resources Control Board</i>	<ul style="list-style-type: none"> <li>Division of Drinking Water Approval (Approved 7/10/2020)</li> </ul>
	<i>U.S. Fish and Wildlife</i>	<ul style="list-style-type: none"> <li>Habitat Mitigation and Monitoring Program (Approved 9/11/2020)</li> </ul>
<b>Parallel Pipeline</b>	<i>City of Seaside</i>	<ul style="list-style-type: none"> <li>Encroachment Permit (Approved 10/26/2021)</li> <li>Digging &amp; Excavation on the Former Fort Ord Grading Permit</li> </ul>
	<i>State Water Resources Control Board</i>	<ul style="list-style-type: none"> <li>Division of Drinking Water Approval</li> </ul>
	<i>Other</i>	<ul style="list-style-type: none"> <li>Mitigation Monitoring &amp; Reporting Program</li> </ul>

## Appendix E

### Map of Water Purchase Agreement and Company-Related Facilities





AECOM Oakland CA 5/5/2022 USER sally.sharford PWT1 \\na.aecomnet.com\\fs\\AMER\\Oakland\\USQAWO1\\DCS\\Projects\\US\\Projects\\CA\\Monterey\\Maps\\Permitting\\2022\\Figure X- Overview.mxd

# Appendix F

## Detailed Cost Estimate



**Project Cost Estimate:** Note that the following cost estimates show more detailed information than California American Water routinely provides in a general rate case.

<b>COMMON ACTUALS THRU OCT. 2021</b>		\$	21,333,409				
<b>PERCENT ALLOCATION TO PROJECTS</b>			9%	12%	28%	51%	
<b>ALLOCATION OF ACTUALS TO PROJECTS</b>		\$	1,953,321	\$	2,665,124	\$	5,917,900
						\$	10,797,064
<b>ALLOCATED COMMON ACTUALS THRU OCT. 2021</b>	<b>CVPS</b>	<b>Parallel PL</b>	<b>EW1 &amp; EW2</b>	<b>EW 3 &amp; 4</b>	<b>Total</b>		
Contract Svc							
AECOM/URS	\$ 1,004,390	\$ 1,370,396	\$ 3,042,960	\$ 5,551,807	\$ 10,969,553		
Michael Baker International	\$ 91,981	\$ 125,499	\$ 278,670	\$ 508,427	\$ 1,004,578		
CPUC	\$ 160,902	\$ 219,535	\$ 487,477	\$ 889,390	\$ 1,757,304		
Legal	\$ 62,047	\$ 84,657	\$ 187,982	\$ 342,968	\$ 677,654		
Other Misc. Professional Services	\$ 86,261	\$ 117,695	\$ 261,342	\$ 476,813	\$ 942,112		
Permitting Fees	\$ 17,617	\$ 24,037	\$ 53,375	\$ 97,381	\$ 192,411		
Employee Expense	\$ 879	\$ 1,199	\$ 2,663	\$ 4,859	\$ 9,600		
Indirect Overhead	\$ 503,785	\$ 687,368	\$ 1,526,299	\$ 2,784,695	\$ 5,502,148		
Labor	\$ 18,020	\$ 24,587	\$ 54,596	\$ 99,609	\$ 196,812		
Labor Overhead	\$ 7,438	\$ 10,149	\$ 22,535	\$ 41,114	\$ 81,236		
<b>ALLOCATED TOTAL</b>	<b>\$ 1,953,321</b>	<b>\$ 2,665,124</b>	<b>\$ 5,917,900</b>	<b>\$ 10,797,064</b>	<b>\$ 21,333,409</b>		
<b>DIRECT PROJECT ACTUALS THRU OCT. 2021</b>	<b>CVPS</b>	<b>Parallel PL</b>	<b>EW1 &amp; EW2</b>	<b>EW 3 &amp; 4</b>	<b>Total</b>		
Contract Svc							
AECOM/URS	\$ 102,878	\$ 392,833	\$ -	\$ 775,372	\$ 1,271,082		
Garney	\$ -	\$ 1,637,308	\$ -	\$ -	\$ 1,637,308		
MPE Construction	\$ 2,702,951	\$ 2,021,573	\$ -	\$ -	\$ 4,724,524		
Hal Hays Construction	\$ -	\$ -	\$ -	\$ 572,300	\$ 572,300		
Other Misc. Professional Services	\$ 187,625	\$ 46,543	\$ -	\$ 821,593	\$ 1,055,761		
Monterey One Water (M1W)	\$ -	\$ 141,108	\$ 313,331	\$ 571,665	\$ 1,026,104		
Employee Expense	\$ -	\$ 2,163	\$ -	\$ 534	\$ 2,697		
Permitting Fees	\$ 87,465	\$ -	\$ -	\$ 13,905	\$ 101,370		
Labor	\$ 13,211	\$ 4,099	\$ -	\$ 152,012	\$ 169,321		
Labor Overhead	\$ 6,090	\$ 2,028	\$ -	\$ 76,078	\$ 84,195		
<b>DIRECT PROJECT ACTUALS TOTAL</b>	<b>\$ 3,100,219</b>	<b>\$ 4,247,655</b>	<b>\$ 313,331</b>	<b>\$ 2,983,458</b>	<b>\$ 10,644,663</b>		
<b>TOTAL ALLOCATED AND DIRECT ACTUALS (A+B)</b>	<b>\$ 5,053,540</b>	<b>\$ 6,912,779</b>	<b>\$ 6,231,231</b>	<b>\$ 13,780,522</b>	<b>\$ 31,978,072</b>		
<b>ESTIMATED REMAINING COSTS</b>	<b>CVPS</b>	<b>Parallel PL</b>	<b>EW1 &amp; EW2</b>	<b>EW 3 &amp; 4</b>	<b>Total</b>		
Construction Estimate (bsaed on bids w/ escalation)	\$ 1,108,928	\$ 3,133,260	\$ 9,760,063	\$ 16,025,197	\$ 30,027,448		
Design	\$ 56,868	\$ 160,680	\$ 656,420	\$ 1,089,510	\$ 1,963,478		
Permitting	\$ 142,170	\$ 401,700	\$ 1,641,050	\$ 2,723,775	\$ 4,908,695		
CM / Testing / DSC	\$ 113,736	\$ 321,360	\$ 1,312,840	\$ 2,179,020	\$ 3,926,956		
Environmental Compliance			\$ 390,000	\$ 640,000	\$ 1,030,000		
Inspection Services			\$ 293,000	\$ 481,000	\$ 774,000		
PM / Int. Labor and Overheads			\$ 488,000	\$ 801,000	\$ 1,289,000		
Contingency			\$ 1,464,000	\$ 2,403,000	\$ 3,867,000		
Land/Easements			\$ 405,000	\$ 895,000	\$ 1,300,000		
<b>ESTIMATED REMAINING TOTAL (ROUNDED)</b>	<b>\$ 1,421,702</b>	<b>\$ 4,017,000</b>	<b>\$ 16,410,373</b>	<b>\$ 27,237,502</b>	<b>\$ 49,086,577</b>		
<b>GRAND TOTAL ESTIMATED PROJECT COSTS (C+D, ROUNDED)</b>	<b>\$ 6,475,000</b>	<b>\$ 10,930,000</b>	<b>\$ 22,642,000</b>	<b>\$ 41,018,000</b>	<b>\$ 81,065,000</b>		