

September 30, 2015

Ken Lewis  
California Public Utilities Commission  
c/o Environmental Science Associates  
550 Kearny Street, Suite 800  
San Francisco, CA 94108

**RE: DEIR for CalAm Monterey Peninsula Water Supply Project (MPWSP) –  
Section: 2.6.3.1 Pacific Grove Local Water Project (PGLWP)**

To whom it may concern:

I submit the following comments:

- I. Section 2.6.3.1 of the DEIR proposes that the Pacific Grove Local Water Project (PGLWP) will offer some benefit in reducing the operating level of the plant. Specifically, the applicant claims: “reduce the operating level of its plant (MPWSP) if this project (PGLWP) is completed” (see highlighted area on page 4 attached).
- II. In April 2012 the City of Pacific Grove submitted a public participation proposal with the CPUC for the MPWSP. In their proposal they claim: “This Small Water Supply Projects Proposal for Public Participation would directly reduce the production capacity, size, and operational requirements of the California American Water Proposal, and increase the likelihood that water is available by January 1, 2017” (see highlighted area on pages 10-11 attached). The City also claimed in its proposal that: “Each project will benefit California American Water by assisting in meeting the requirements of the State Water Board Cease and Desist Order for withdrawals from the Carmel River Aquifer” (see highlighted area on page 23 attached).

SEE CITY’S CPUC FILING: <http://tinyurl.com/neowq2g>

- III. In Nov 2014 the City of Pacific Grove certified an EIR for the PGLWP claiming six primary benefits of the project (see list below and highlighted area on page 25 attached):
  1. The PGLWP conserves potable water for uses requiring potable water only, thereby helping to meet State requirements to conserve water and regional compliance for CAW’s reduction of the use of water from the Carmel River;
  2. It avoids all costs of producing an equivalent volume of potable water;
  3. It requires less energy per unit of water produced, creates a smaller carbon footprint, and is otherwise resource-efficient;

4. It would provide a new supply of irrigation water, thereby reducing operational demands on Cal-Am's desalination plant and other system components;
5. By using sewage, stormwater, and dry weather flows as its sources of water, it helps achieves other State and local goals related to keeping the Pacific Grove Area of Special Biological Significance (ASBS) in particular and Monterey Bay in general, free of pollution and
6. The LWP would be the first of the four primary Projects designed to prevent illegal diversions from the Carmel River and excessive pumping from the Seaside Aquifer to come on line. It is the only project that is scheduled to be operational prior to January 1, 2017, the State's designated date for imposing the full Cease and Desist Order (CDO). As such, it would reduce illegal diversions and create other significant environmental benefits in advance of the ability of any of the other projects to do so.

SEE PGLWP DEIR: <http://tinyurl.com/o74p3jn>

SEE PGLWP FEIR: <http://tinyurl.com/qgsfq9h>

- IV. In Feb 2015 the City of Pacific Grove submitted a CCC Coastal Development Permit application claiming that the project would: "create a new irrigation water supply of 125 acre-feet-per-year (AFY) (annual average demand) and **would save an equivalent volume of potable water currently obtained by the California Water Company (CAW)** from the Carmel River. The potable water offset would assist the CAW in meeting its obligations to find a replacement to its use of water from the Carmel River and reduce system pumping as required by State Water Resources Control Board (SWRCB) Cease & Desist Order (CDO), No. 2009-060" (see highlighted area on page 27 attached).
- V. In June 2015 the City claimed on their SRF loan application that: "the production of 125 AFY of recycled water for the PGLWP is estimated to require approximately 250,000 kwh/day of energy. The production of 125 AFY of potable water via seawater desalination is estimated to require approximately 750,000 kwh/day of energy. Therefore, the PGLWP will result in approximately 500,000 kwh/day lower energy use for the production of 125 AFY of water than required by the CAW desalination plant" (see highlighted area on page 34 attached).
- VI. However, in July 2015 the City **radically changed course and released a SEIR where they now seek to retain vested rights (an entitlement) to all "saved" potable water and gain immediate access to 60 AFY for new growth** (see pages 35 -37 attached). The City plans on selling nearly all of this 60AFY to hotel developers even while the current Cal-Am Cease and Desist Order (SWRCB WR 2009-060) is in effect. The City Manager

has already identified three hotel projects that would purchase this water. This bait-and-switch **nullifies nearly all of the benefits described in the original Nov 2014 EIR** (see comment III above), including the sizing and energy consumption of the CAW MPWSP. In the end, no conservation (of water or energy) will be occurring, simply a transfer of potable water from past irrigation use (highly variable annual baseline) into new growth for residential and commercial use (stable annual baseline). Incidentally, the median of billed water use over the last 10 years, for the sites to be served by the PGLWP, is approx. 85 AFY, less than the 90 AFY being sought by the City and certainly less than the proposed total of 125 AFY.

SEE PGLWP DSEIR: <http://tinyurl.com/poj869e>

SEE PGLWP FSEIR: <http://tinyurl.com/nsb99oy>

- VII. In summary, I'm very disappointed the City of Pacific Grove, led by Mayor Bill Kampe, abandoned the original benefits of this project for an intensification of water and energy use to support new growth in the form of three hotel development projects identified by the City Manager of Pacific Grove.

I believe this represents a cynical bait-and-switch manipulation of the process by both the City and Mr. Jim Brezack of Brezack & Associates. The bait-and-switch is especially troublesome since "the switch" occurred after various State regulatory agencies had analyzed the original EIR and even issued permits based upon it, e.g., California Coastal Commission approval of Coastal Development Permit Waiver 3-15-0139-W (see pages 38-39 attached).

**Therefore, I urge the CPUC not to include the PGLWP in the MPWSP EIR as a proposed beneficial project so long as the City attempts to gain an entitlement to all of the "saved" potable water (approx. 85AFY).** And, even with a reduced entitlement, an analysis would be necessary to verify the offset will actually reduce the operating level (and energy demand) of the MPWSP plant.

I also urge both the CPUC and SWRCB not to approve any CDO exception for new growth, based on access to any "saved" potable water freed up by the PGLWP, until the current illegal diversions from the Carmel River Watershed have ceased. In fact, the entire notion of allowing any "entitlement" (to illegal water) during the current CDO period (or the proposed extension) should be abandoned all together.

Luke Coletti  
Pacific Grove, CA

### 2.6.3 Potential Future Changes in Demand

Several recent and planned projects and actions could serve to reduce or offset demand relative to the demand assumed by CalAm during the planning and sizing of the proposed MPWSP Desalination Plant. Conversely, growth within the Monterey District service area that is consistent with adopted general plans could increase demand beyond that assumed for the proposed project. This section describes other projects and actions that were not explicitly accounted for in CalAm's demand estimates but that could affect future service area demand.

There is also a possibility that as the price of water changes, the behavior of users may change as well. The economic "law of demand" identifies an inverse relationship between demand for a product and its price—that is, other things being equal, demand for a product decreases as the price increases and vice versa. Thus, if water is less expensive, people may use more of it, while, if water is more expensive, people may conserve more. The future price of water and how water rates will be structured under the MPWSP is currently unknown. In addition, a future change in water prices under the MWSP would be accompanied by increased water supply reliability under the MPWSP and, it is assumed, the lifting of constraints imposed by, or to achieve compliance with, SWRCB Order 95-10 and the CDO. Therefore, it would be speculative to make assumptions or draw conclusions as to the effect of the future price of water on the behavior of service area customers, especially considering the relatively low levels of water use in CalAm's Monterey District service area (compared to elsewhere in the state), and the area's long history of conservation.

#### 2.6.3.1 Pacific Grove Local Water Project

The City of Pacific Grove is pursuing a project to create a new supply of non-potable water to offset demand for potable water. The Pacific Grove Local Water Project (PGLWP) consists of the construction and operation of a sewer diversion structure and wastewater pipeline, a .25 mgd Satellite Recycled Water Treatment Plant, a waste pump station and force main, a recycled water pump station and conveyance pipelines, a replacement potable water pipeline, and associated connections and retrofits required for the use of recycled water. The first phase of the project would provide about 125 afy of recycled water primarily to the Pacific Grove Municipal Golf Links and the El Carmelo Cemetery. With implementation of the later phases, the PGLWP could provide up to 600 afy of recycled water to sites within the cities of Pacific Grove and Monterey and unincorporated areas of Pebble Beach (City of Pacific Grove, 2014).

Because the PGLWP is in the development stage, CalAm considered it too speculative to include in the sizing of the MPWSP Desalination Plant, but would reduce the operating level of its plant if this project is completed. CalAm supports the PGLWP as long as it does not affect customers in terms of cost and does not detract from the resources CalAm needs to implement the proposed project. CalAm is working on a Memorandum of Understanding with the City of Pacific Grove to provide a framework for factoring the PGLWP into CalAm's supply portfolio (Svindland, 2013a).

**BEFORE THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF CALIFORNIA**

Application of California-American	)	Application 12-04-019
Water Company (U210W) for Approval	)	(Filed April 23, 2012)
of the Monterey Peninsula Water Supply	)	
Project and Authorization to Recover	)	
All Present and Future Costs in Rates	)	
_____	)	

**THE CITY OF PACIFIC GROVE PUBLIC PARTICIPATION PROPOSALS  
FOR THE CALIFORNIA AMERICAN WATER COMPANY'S MONTEREY  
PENINSULA WATER SUPPLY PROJECT THROUGH THE  
IMPLEMENTATION OF ONE OR MORE SMALL WATER PROJECTS**

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**CITY OF PACIFIC GROVE**

October 1, 2012

City of Pacific Grove Public Participation Filing  
A.12-04-019

**BEFORE THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF CALIFORNIA**

Application of California-American	)	Application 12-04-019
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**THE CITY OF PACIFIC GROVE PUBLIC PARTICIPATION PROPOSALS  
FOR THE CALIFORNIA AMERICAN WATER COMPANY’S MONTEREY  
PENINSULA WATER SUPPLY PROJECT THROUGH THE  
IMPLEMENTATION OF ONE OR MORE SMALL WATER PROJECTS**

**Introduction**

On August 29, 2012, Administrative Law Judge Weatherford issued a ruling in this proceeding titled “Administrative Law Judge's Directives to Applicant and Ruling on Motions Concerning Scope, Schedule and Official Notice.” Section 3.2.1 of that ruling invited proposals to California American Water Company (“Cal Am”), by October 1, 2012, concerning public participation in the Monterey Peninsula Water Supply Project.

**Public Participation Proposals**

The City of Pacific Grove (City) hereby submits this Filing to inform the California Public Utilities Commission (“Commission”) of the City’s proposals to Cal Am concerning several small water projects that can reduce the target demand on the proposed Monterey Peninsula Water Supply Project desalination plant and allow the City to stop irrigating its golf course, cemetery, and other parks, playfields and school yards

City of Pacific Grove Public Participation Filing  
A.12-04-019

with potable water. These projects could also reduce the use of even more potable water on the Presidio of Monterey. The materials submitted to Cal Am, by the October 1, 2012 deadline as specified by ALJ Weatherford, and attached hereto as Exhibit A, detail the City's proposed projects, the proposed roles for Cal Am in those projects, and the reasons the City is proposing that Cal Am seriously consider including these small projects as public components of its overall Monterey Peninsula Water Supply Project.

The City and Cal Am have discussed similar proposals over the past several years, and have previously identified the mutual advantages that successful implementation of such proposals could offer.

### **Conclusion**

The City values its ongoing relationship with Cal Am and looks forward to working with Cal Am and other interested parties to integrate these proposals into the Monterey Peninsula Water Supply Project. These projects are proposed for the benefit of Cal Am, the ratepayers on the Monterey Peninsula, and the environment.

Dated: October 1, 2012

Respectfully submitted,

/s/Thomas Frutchey  
Thomas Frutchey  
City Manager  
City of Pacific Grove  
300 Forest Avenue  
Pacific Grove, CA 93950



## CITY OF PACIFIC GROVE

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PACIFIC GROVE, CALIFORNIA 93950  
TELEPHONE (831) 648-3100  
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October 1, 2012

*via Hand Delivery and E-Mail*

Rob MacLean, President  
California-American Water Company  
c/o 511 Forest Lodge Road, Suite 100  
Pacific Grove, California 93950

**RE: Proposal to Cal-Am for Public Participation by the City of Pacific Grove in the Monterey Peninsula Water Supply Project**

Dear Rob,

The City of Pacific Grove appreciates the magnitude of the challenge that California American Water faces over the next 52 months to develop a replacement for approximately 70 percent of its water supply for the Monterey Peninsula. We also appreciate the extremely harmful consequences for California-American Water, its customers, and the Peninsula economy that would result from a failure of the entire community to come together to meet this deadline. And finally, we appreciate the efforts being taken by you and your staff to successfully resolve these challenges.

The City seeks to provide any assistance it can to Cal-Am, the CPUC, and other parties working to develop and implement needed solutions. To that end, under separate cover, the City and the Moss Landing Commercial Park, LLC are submitting an independent proposal for participation by Cal-Am in an alternative main desalination project, the People's Moss Landing Water Desal Project ("The People's Project").

In addition, the City is filing this separate and distinct proposal, which stands wholly on its own and will be cost effective, no matter which desal project is completed, to augment our water supply. To that end, we are hereby proposing a series of small water projects that can augment or replace water that would otherwise be required to be produced by a desalination plant. Implementation of these small water projects will reduce the need for potable water in Pacific Grove and surrounding areas for outdoor irrigation, toilet flushing, and other uses that are compatible with recycled water.

Advantages of this series of projects include, but are not limited to:

- ❖ No need to transfer or modify existing water rights;



Mr. Robert MacLean  
October 1, 2012  
Page 2

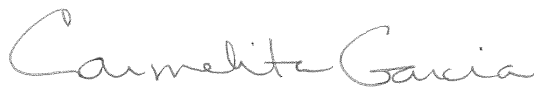
- ❖ Technical feasibility, based on the use of proven technologies;
- ❖ Relatively straightforward permitting processes;
- ❖ Short project schedules, virtually ensuring the availability of the resulting water prior to January 1, 2017;
- ❖ Affordable cost;
- ❖ Availability of low-cost financing, government-subsidized loans, and tax benefits;
- ❖ Complete independence from the three desal projects, the ground water recharge (GWR) project, and the Aquifer Storage Recovery (ASR) seasonal storage project; there is no footprint in common with any of these other projects;
- ❖ Use of dry and wet weather urban runoff, as well as sewage flows, that are now treated as wastes;
- ❖ No new waste discharges; and
- ❖ Low energy consumption.

In addition, these projects assist the community in meeting stringent storm water regulations and recently adopted Special Protections for the Pacific Grove Area of Special Biological Significance (ASBS). Although neither of these two sets of requirements are the domain of Cal-Am or the CPUC, the City believes that they are important considerations nonetheless, since the small water projects can assist the community in simultaneously meeting another series of environmental challenges and regulatory requirements that have recently been imposed.

The Pacific Grove City Council unanimously approved and authorized the submission of this filing by resolution on September 29, 2012 (attached).

We would appreciate the opportunity to meet with you and your staff to discuss these projects further over the next few weeks. We are desirous of upgrading the proposals, based on your feedback, prior to your October 26 compliance report to the CPUC.

Sincerely,



Carmelita Garcia, Mayor  
City of Pacific Grove

Attachments

Resolution  
Small Water Projects Proposal

**RESOLUTION NO. 12-067**  
**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PACIFIC GROVE**  
**AUTHORIZING THE MAYOR TO SUBMIT THE "SMALL WATER SUPPLY**  
**PROJECTS PROPOSAL FOR PUBLIC PARTICIPATION" TO CALIFORNIA**  
**AMERICAN WATER**

**FINDINGS**

1. California American Water must find a replacement for approximately 70 percent of its water supply to the Monterey Peninsula before the end of December 2016. Failure to meet this deadline could have severe consequences for California American Water, its customers, and the peninsula economy.
2. As part of the California Public Utilities Commission's (CPUC) consideration of California American Water Company's (Cal-Am) April 23, 2012 desalination project proposal, Administrative Law Judge Gary Weatherford, acting on behalf of the Commission, ruled on August 29 that:  
*"California American Water Company is directed to seriously consider in goodfaith any public agency proposa/for direct participation in the Monterey Peninsula Water Supply Project (MPWSP) that is feasible and sufficiently developed to allow implementation in a timely manner and that is made by October 1, 2012. Cal-Am shall file a compliance progress report on the status of such deliberation by October 26, 2012."*
3. California American Water provides potable water to the City of Pacific Grove. The City currently uses up to 125 acre-feet per year (AFY) of potable water for irrigation of its Municipal Golf Links and the adjacent El Carmelo Cemetery. The Pacific Grove Golf Links is one of only two golf courses on the peninsula that uses potable water.
4. The City captures significant volumes of dry weather storm system flows through its urban runoff diversion project for compliance with the Area of Special Biological Significance (ASBS) storm water discharge prohibitions. Diverted water is pumped to the Monterey Regional Water Pollution Control Agency (MRWPCA) in Marina. The diverted flows receive treatment at the regional treatment plant.
5. Replacement of irrigation demand at the Municipal Golf Links and the adjacent El Carmelo Cemetery with non-potable supplies could create a new offset of 125 AFY of potable water for use by the City.
6. The City of Pacific Grove seeks public participation in California American Water's proposed water supply project to create 125 AFY or more of reclaimed or recycled water from municipal wastewater and/or urban runoff diversion flows for irrigation of the Municipal Golf Links and the El Carmelo Cemetery through the implementation of one or more small water projects. This Small Water Supply Projects Proposal for Public Participation would directly reduce the production capacity, size, and operational

requirements of the California American Water Proposal, and increase the likelihood that water is available by January 1, 2017.

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF PACIFIC GROVE:**

1. The Council determines that each of the Findings set forth above is true and correct, and by this reference incorporates those Findings as an integral part of this Resolution.
2. The Council hereby authorizes the Mayor to submit the "Small Water Supply Projects Proposal for Public Participation" to California American Water by October 1, 2012.
3. This Resolution shall become effective immediately following passage and adoption thereof.

**PASSED AND ADOPTED** BY THE COUNCIL OF THE CITY OF PACIFIC GROVE this 29<sup>th</sup> day of September, 2012, by the following vote:

AYES: Mayor Garcia, Councilmember's Kampe, Cohen, Cuneo, Fischer, Huitt and Miller

NOES: None

ABSENT: None

APPROVED:

  
CARMELITA GARCIA, Mayor

ATTEST:

  
\_\_\_\_\_  
DAVID CONCEPCION, City Clerk

APPROVED AS TO FORM:

  
\_\_\_\_\_  
DAVID C. LAREDO, City Attorney

**CITY OF PACIFIC GROVE  
PROPOSAL FOR PUBLIC PARTICIPATION:  
SMALL WATER SUPPLY PROJECTS**

**Pacific Grove Satellite Recycled Water Treatment Project  
Pacific Grove Recycled Water Project  
Pacific Grove Storm Water Recycling Project**

**California American Water Company, Monterey Peninsula Water  
Supply Project, Commission Docket A.12-04-019**

**October 1, 2012**

**TABLE OF CONTENTS**

**SUMMARY of PROPOSED PROJECTS .....1**

Proposed Project Goals and Objectives .....2

Benefits of Proposed Project as Compared with California American Water's Pending Proposal and Other Proposals.....3

Summary of Public Agency Role and Responsibilities .....3

Relationship to Other Pending and Proposed Water Supply Projects.....4

    Relationship to pending California American Water Proposal in A.12-04-019 .....4

    Relationship to Other Pending or Proposed Projects.....5

Potential for Project Expansion and Likely Additional Project Benefits .....5

Roles and Relationships of Participating Public and Private Parties .....6

    Role of Public Agency Participant.....6

    Role of Private Party Participants.....7

        Proposed Role and Responsibility of California American Water .....7

        Proposed Role for Other Private Party Participants.....8

Organizational Plan and Structure .....8

Conclusion .....8

**PARTICIPATION PROJECTS SETTING ..... 10**

Potable Water Supply and Use ..... 11

Wastewater Collection and Treatment Systems..... 11

Storm Water..... 11

Irrigation Demand..... 12

Environmental Compliance ..... 14

    CEQA Compliance Plan..... 14

**PROJECT 1: PACIFIC GROVE SATELLITE RECYCLED WATER TREATMENT ..... 17**

Technical/Engineering Detail..... 17

Water, Property & Rights of Way..... 20

Permitting..... 21

Consistency with State and Local Zoning and Land Use Policies..... 21

Estimated Cost ..... 22

Schedule..... 22

**PROJECT 2: PACIFIC GROVE RECYCLED WATER..... 24**

Water, Property, and Rights of Way ..... 26

Permitting..... 26

Consistency with State and Local Zoning and Land Use Policies..... 27

Projected Costs ..... 27

Schedule..... 28

**PROJECT 3: PACIFIC GROVE STORM WATER RECYCLING..... 29**

Water, Property, and Rights of Way ..... 33

Permitting..... 34

Consistency with State and Local Zoning and Land Use Policies..... 34

Estimated Cost ..... 34

Schedule..... 35

**APPENDICIES**

A: Additional Details - Pacific Grove Satellite Recycled Water Treatment Facility ..... 37  
B: Additional Details - Pacific Grove Recycled Water Project..... 47  
C: Additional Details - Pacific Grove Storm Water Recycling Project..... 53  
Proposed Project Schedule..... 59

**LIST OF FIGURES**

Figure 1 - Regional Location Map..... 10  
Figure 2 - Pacific Grove Satellite Recycled Water Treatment Plant (SRWTP) ..... 17  
Figure 3 - Satellite Recycled Water Treatment Facility Process Flow Diagram ..... 19  
Figure 4 - Pacific Grove Recycled Water Project Facility Map ..... 24  
Figure 5 - Storm Water Recycling Facility Project ..... 29  
Figure 6 - Storm Water Recycling Project Facilities ..... 32  
Figure 7 - David Avenue Site Plan ..... 32  
Figure 11 - Storm Water Recycling Project Facilities ..... 57  
Figure 12 - David Avenue Site Plan ..... 57

**LIST OF TABLES**

Table 1 - Irrigation Sites ..... 13  
Table 2 - Average ETo Report..... 13  
Table 3 - Calculated Irrigation Demand ..... 14  
Table 4 - Satellite Recycled Water Treatment Facility Unit Cost ..... 22  
Table 5 - Pacific Grove Recycled Water Project Estimated Unit Cost..... 28  
Table 6 - Pacific Grove Storm Water Recycling Project Unit Cost ..... 35  
Table 7 - Assumed Wastewater Quality Parameters..... 42  
Table 8 - Satellite Recycled Water Treatment Facility Capital Cost..... 46  
Table 9 - Pacific Grove Recycled Water Project Capital Cost Estimate Detail ..... 51  
Table 10 - Storm Water Recycling Estimated Capital Cost ..... 58

### LIST OF ABBREVIATIONS

AFY	Acre Feet per Year
ASBS	Area of Special Biological Significance
CAWD	Carmel Area Wastewater District
CCR	California Code of Regulations
CDP	Coastal Development Permit
CDS	Continuous Deflection Separator
CEQA	California Environmental Quality Act
CIMIS	California Irrigation Management Information System
CPCN	Certificate of Public Convenience and Necessity
CSIP	Castroville Seawater Intrusion Project
CWC	California Water Code
EIR	Environmental Impact Report
ETo	Evapotranspiration (base)
gpm	gallons per minute
I/I	Infiltration and Inflow
LF	Linear Feet
MBR	Membrane Bio Reactor
MF	Micro Filtration
MF/RO	Micro Filtration/Reverse Osmosis
MG	Million Gallons
MGD	Million Gallons per Day
MPWMD	Monterey Peninsula Water Management District
MPWSP	Monterey Peninsula Water Supply Project
MRWPCA	Monterey Regional Water Pollution Control Agency
NEPA	National Environmental Policy Act
NOD	Notice of Determination
OPR	Office of Planning and Research
PBCSD	Pebble Beach Community Services District
RTP	Regional Treatment Plant
SRF	State Revolving Fund
SRWTP	Satellite Recycled Water Treatment Plant
SWRCB	State Water Resources Control Board
UV	Ultraviolet
WWTP	Wastewater Treatment Plant

## SUMMARY of PROPOSED PROJECTS

The City of Pacific Grove (City), similar to other jurisdictions in the California American Water Monterey District service area, has a shortage of potable water for domestic residential and commercial uses due to limitations on existing water supplies from the Carmel River Aquifer and Seaside Groundwater Basin. The City currently uses approximately 100 to 125 acre-feet per year (AFY) of potable water for irrigation of the Pacific Grove Municipal Golf Links and the adjacent El Carmelo Cemetery. Additional potable water is used for public irrigation in other areas throughout the city and in nearby areas, including the Presidio of Monterey.

The City's initiation of these projects, its proposal to have them constitute public agency participation in Cal Am's proposed Monterey Peninsula Water Supply Project, and the resultant public-private collaboration will have several major direct and indirect benefits. Most directly, replacement of this irrigation demand with non-potable supplies will create a new offset of at least 100 to 125 AFY of potable water per project, for use by California American Water in meeting its obligations to find a replacement to its use of water from the Carmel River. Given the risk that the proposed desalination project may not be fully operational by the January 1, 2017 cut-off date, the ability of these projects to be up and running well in advance assumes greater significance to the total water supply portfolio.

Projects included in this proposal for public agency participation will individually or jointly result in the creation of a minimum of 100 to 125 AFY of recycled water from municipal wastewater and treated urban runoff for irrigation of the Municipal Golf Links, the El Carmelo Cemetery, and other irrigation demands within the City. The proposed projects can be expanded beyond this capacity to meet other local non-potable demands or can be combined with each other to provide expanded benefits.

The following three projects are proposed:

- **Project 1: Pacific Grove Satellite Recycled Water Treatment Project.** A new satellite recycled water treatment facility will be constructed at the former Point Pinos Wastewater Treatment Plant and deliver recycled water to irrigation sites throughout the City. Raw wastewater will be captured and diverted from the City's sanitary sewer Basin 1 and conveyed to the new satellite recycled water treatment plant via 1,100 lineal feet of new 8-inch diameter sewer pipeline constructed within the golf links. Approximately 1,300 lineal feet of new 12-inch diameter recycled water pipeline will be constructed to deliver water to the golf links, cemetery, and other irrigation demands. Costs of water are between \$2,624 and \$3,042/AF, depending on the final annual volume of water produced.
- **Project 2: Pacific Grove Recycled Water Project.** Recycled water will be obtained from the Pebble Beach Community Services District (PBCSD). Raw wastewater from 500 homes in the Del Monte Park area of Pacific Grove will be captured and diverted to the existing Carmel Area Wastewater District (CAWD) reclamation facility for treatment. The wastewater diversion will flow through the



existing wastewater collection system owned by the PBCSD. Recycled water from CAWD will be stored in the Forest Lake Reservoir and returned to the City through existing CAWD and PBCSD recycled water systems to a delivery point near the Spanish Bay Golf Course in Pebble Beach. Approximately 10,000 to 13,500 lineal feet of new 12-inch diameter recycled water pipeline will be required to be constructed to deliver water to the golf links, cemetery and other irrigation demands. Costs of water are \$2,105/AF produced.

- **Project 3: Pacific Grove Storm Water Recycling Project.** Storm water from the City's Congress Avenue or Greenwood Park Storm Drain Watersheds will be retained during the fall-winter wet period to be recycled to meet irrigation demands during the spring-summer season. Storm water will be diverted from the Congress Avenue or Greenwood Park storm drainage systems in a new storm water diversion structure, treated to remove trash and debris, and pumped to storage. A new 15-million gallon (MG) concrete reservoir or open storage reservoir will be constructed at the California American Water Company's David Avenue property. The storm water will be treated to meet aesthetic requirements and to comply with Title 22 Regulations for irrigation with non-potable water. Treatment will include a constructed wetland, microfiltration, ultraviolet radiation, and disinfection. Approximately 8,800 lineal feet of new 12-inch diameter recycled water pipeline will be required to deliver water to the golf links, cemetery irrigation and other irrigation demands. Costs of water are \$8,977/AF, depending on the final annual volume of water produced.

### Proposed Project Goals and Objectives

The goal of the projects proposed herein is to develop new small water supply projects that can feasibly and sufficiently contribute to the Monterey Peninsula Water Supply Project (MPWSP) and can be implemented in a timely manner.

The objectives of each of these three projects are as follow:

- To preserve available potable water supplies for domestic uses and to maximize the recycling and reuse of non-potable reclaimed municipal wastewater and storm water in the most cost effective manner possible.
- To offset the existing use of 100 to 125 AFY of potable water obtained from California American Water that is being used for irrigation by the City.
- To divert sufficient quantities of raw sewage, dry and wet weather urban runoff from the City's collection systems for reclamation at the CAWD, at a new David Avenue or Point Pinos facility.
- To maximize the use of existing storm water, wastewater collection, treatment, reclamation and reclaimed water distribution infrastructure for the development of

irrigation water supplies to the City's Municipal Golf Links, the El Carmelo Cemetery and other non-potable demands.

### **Benefits of Proposed Project as Compared with California American Water's Pending Proposal and Other Proposals**

The proposed projects provide the following benefits:

- Maximize the use of feasibly available reclaimed water resources, in conformance with statewide goals.
- Use existing infrastructure for the collection of storm water, and wastewater with minimal new facilitates and low capital costs for diversion to reclamation and reuse.
- Produce minimal operating expenses.
- Use existing capacity at the CAWD reclamation plant for the treatment and production of reclaimed water.
- Maximize the use of existing reclaimed water distribution facilities to move the reclaimed water from its sources to its end uses.
- Minimize the need for new construction to single points of wastewater flow diversion and the extension of existing reclaimed water distribution facilities.
- Do not require any new discharge permits, new treatment facilities, or water rights.
- Allow regulatory permits for construction and operations to be obtained with certainty and in a relatively brief period.
- Produce no new discharges to waters of the state or waters of the United States.
- Can be constructed with only minimal temporary environmental impacts.
- Produce only minimal operational impacts, including: no significant new demand for power; no significant new discharges of air pollutants; and, no significant new greenhouse gas emissions.

### **Summary of Public Agency Role and Responsibilities**

The City of Pacific Grove is the public agency responsible for the development of this proposal. The City's responsibilities for these projects include the following:

1. Development of this initial project proposal and submittal to California American Water and the Commission for Preliminary Review by October 1, 2012.

2. Provision of additional technical, environmental, and financial development of the project proposals; updating of this initial proposal and resubmittal to the Commission for inclusion by California American Water into a compliance progress report by October 26, 2012.
3. Preparation of project-related technical studies that describe the potential construction-related and operational environmental effects for each of the proposed projects.
4. Provide ongoing coordination and collaboration with Commission and California American Water to ensure that the potential environmental effects of the proposed project and the cumulative environmental effects of the MPWSP are accurately addressed.
5. Provide review and comment on the Draft Environmental Impact Report (EIR).
6. Negotiate and sign agreements to obtain recycled water from PBCSD from the treatment capacity available to them from CAWD. Obtain concurrence from the MRWPCA on the diversion of wastewater from the RTP for use in the proposed project.

### Relationship to Other Pending and Proposed Water Supply Projects

#### **Relationship to pending California American Water Proposal in A.12-04-019**

This Small Water Supply Project Proposal for Public Participation may be able to directly reduce the production capacity, size and operational requirements of the California-American Water Proposal by 100 to 125 AFY at the unit cost of approximately \$2,105 to \$3,042 /AF for Projects 1 and 2. Project 3 has a higher unit cost of approximately \$8,977/AF.

This proposal provides the description and analysis of three water supply projects that will reduce the City of Pacific Grove's potable water demand for landscape irrigation on the only public, municipally owned, low-priced, high-value, recreational golf links in the region, a highly valued cemetery serving Pacific Grove, and nearby areas, (including the Presidio of Monterey), City parks, and other irrigation demands throughout the community.

None of the projects in this proposal is within the footprint of any of the facilities proposed as a part of the California American Water MPWSP. They therefore produce no conflict with any of the facilities or operations of California American Water's proposed facilities. Additionally, the complementary proposed projects for the MPWSP (groundwater replenishment and injection / extraction) are outside of the physical locations of these projects and produce no conflicts.

The City has produced several studies investigating alternative water supplies. The projects defined in this proposal rely upon analysis completed in previous water supply studies, the City's Sewer System Asset Management Plan, and the City's Storm Drainage Master Plan, among other documents.

### **Relationship to Other Pending or Proposed Projects**

The City of Pacific Grove has identified the following three proposed Small Water Supply Project Proposals for Public Participation that will each produce an estimated 100 to 125 AFY of water for the irrigation of the City golf links, cemetery, and other irrigation demands. If these projects are all to be implemented they can be done in a coordinated fashion to meet the 100 to 125 AFY of irrigation demand currently identified. Expansion of the capacities of these projects beyond the 100 to 125 AFY demand to meet is also likely.

1. **Pacific Grove Satellite Recycled Water Treatment Project:** By diverting raw wastewater that will otherwise be treated at the MRWPCA RTP, the City and surrounding areas will offset the current use of 100 to 125 AFY of potable water used for irrigation.
2. **Pacific Grove Recycled Water Project:** By diverting raw wastewater that will otherwise be treated at the MRWPCA RTP for treatment at the CAWD/PBCSD treatment plant, the City and surrounding areas will offset the use of 100 to 125 AFY of potable water used for irrigation.
3. **Pacific Grove Storm Water Recycling Project:** By diverting, treating and storing dry weather storm water flows, the City and surrounding areas will offset the use of 100 to 125 AFY of potable water used for irrigation.

### **Potential for Project Expansion and Likely Additional Project Benefits**

Implementation of more than one of the three projects will allow additional irrigation uses to replace potable water with non-potable water. In addition, given the volumes of sewage flows and stormwater flows in the City, expansion of the capacities of these projects beyond 100 to 125 AFY is also likely. All three of the projects can be expanded beyond their proposed capacity to meet other local non-potable demands; in addition, they can be combined with each other to provide additional benefits.

The following is a summary of the justification for the Commission and California American Water continuing to investigate this proposal:

1. This proposal presents projects for which the recycled and urban runoff water are available, can be provided at a reasonable cost, are not detrimental to public health, and will not negatively affect downstream water rights or the environment.
2. Pursuant to California Water Code (CWC) section 13550(a) the Legislature has determined that the use of potable domestic water for non-potable uses, including, but not limited to, cemeteries, golf courses, parks, highway landscaped areas, and industrial and irrigation uses, is a waste or an unreasonable use of the water within the meaning of Section 2 of Article X of the California Constitution if recycled water is available which meets all of the following conditions: (1) the source of recycled water is of adequate quality for these uses and is available for these uses, (2) the recycled water may be furnished for these uses at a reasonable cost to the user; (3) the use of recycled water from the proposed source will not be

detrimental to public health; (4) the use of recycled water for these uses will not adversely affect downstream water rights, will not degrade water quality, and is determined not to be injurious to plant life, fish, and wildlife.

3. The projects in this proposal will reasonably produce and reliably sustain the development of a new non-potable water supply of at least 100 to 125 AFY. This new water supply will not be subject to drought cutbacks and will therefore provide a reliable irrigation source for the economic and aesthetic benefit of the community. Additionally, this water supply will be sustainable since its source is the treated wastewater from local domestic water use and urban runoff.
4. The City has prepared itself for the potential availability of reclaimed water by its construction of Title 22 compliant irrigation facilities when the golf links irrigation system was last upgraded. This will significantly reduce onsite retrofit and conversion costs otherwise required for the use of reclaimed water.
5. There is a long-standing history of the safe and effective use of recycled municipal wastewater at the local, regional, state, national and international levels.
6. There is local precedent for the safe and effective use of recycled water for golf links and turf irrigation. The projects in this proposal will effectively expand one such project that has been successfully operated by the CAWD and PBCSD for the last 18 years.
7. The existing CAWD/PBCSD wastewater reclamation project is an existing example of the precise project type that is proposed herein. The CAWD/PBCSD project was constructed to provide an alternative non-potable water supply and to create a new in-lieu offset. The CAWD/PBCSD project has been a success at the technical, administrative and environmental levels.
8. With further investigation, this project proposal can be expanded beyond the currently identified 100 to 125 AFY benefit. Expansion may be possible to cost effectively double this capacity to approximately 200 to 250 AFY or more.

## **Roles and Relationships of Participating Public and Private Parties**

### **Role of Public Agency Participant**

The City of Pacific Grove will serve as the Public Agency Participant in these projects. As such, the City will have a number of roles and responsibilities, including the following:

1. Continue to provide ongoing collaboration with California American Water in the planning, analysis, design, construction, inspection and operation of facilities identified in this proposal.
2. Conduct identified technical studies, as needed, for the environmental assessment of the potential construction related and operational environmental effects of the proposed facilities. The City anticipates that California American Water will reimburse its participation.

3. Provide sanitary sewer flows from the Del Monte Park area and the Asilomar gravity main through the existing City sanitary sewer collection system.
4. Coordinate with the MRWPCA for the use of raw wastewater to the project proposal in lieu of its diversion to and treatment at the RTP in Marina, including potential offset through the City's urban diversion system of dry and wet weather storm water flows.
5. Participate in the development, review and comment to the MPWSP Environmental Impact Report (EIR).
6. Participate in the project proposals as the site manager for the intended end use of recycled water at the City Golf Links, cemetery and other municipal irrigation demands.
7. Coordinate with California American Water in the identification of additional recycled water end uses throughout the City and their conversion to the use of recycled water.
8. Coordinate with the Monterey Peninsula Water Management District (MPWMD) for the permanent disconnection from the existing potable water distribution system.

### **Role of Private Party Participants**

#### **Proposed Role and Responsibility of California American Water**

California American Water is currently seeking a Certificate of Public Convenience and Necessity (CPCN) from the Commission to construct a new 5.4 to 9.0 MGD desalination plant as a portion of the MPWSP. The City is seeking through these proposed projects to participate directly in California American Water's proposed project through the development and submittal of this Public Agency Participation Proposal. The Commission will determine if California American Water includes the projects in this proposal into the MPWSP.

Additionally, California American Water will have the following roles and responsibilities specific to the development, analysis, planning, design, construction and operation of these proposed projects:

1. Environmental assessment of the potential construction-related and operational impacts of the proposed project facilities.
2. Development of mitigation measures necessary to reduce the level of environmental impacts of proposed facilities to less than significant levels.
3. Prepare, apply and coordinate for necessary regulatory agency permits.
4. Construct, manage and operate the facilities identified in this proposal.
5. Collaborate with the City throughout the conduct of the above roles.

### **Proposed Role for Other Private Party Participants**

No private parties are included in this Public Agency Participation Proposal by the City of Pacific Grove.

## **Organizational Plan and Structure**

### **Legal Organization**

The two lead organizations are the City of Pacific Grove and the California American Water Company.

The City of Pacific Grove was incorporated in the state of California in 1889. The City of Pacific Grove is a charter city that operates under the Council-Manager form of government. Over 300 cities in California operate under this form of government, which is in use worldwide. Under the system, the City Council appoints a City Manager, City Attorney, and members of the City's boards and commissions.

The City Manager is the professional administrator for the City, serving as its "CEO" while advising the City Council. Responsibilities include operations of the City, administration, personnel relations, risk management, administration, preparation of the City budget, and implementation of the Council's policies.

California American Water's legal name is California-American Water Company. California American Water's corporate office and post office address is 1033 B Avenue, Suite 200 Coronado, California 92118.

California American Water is a California corporation organized under the laws of the State of California on December 7, 1965. California American Water is a Class A regulated water utility organized and operating under the laws of the State of California. California American Water provides water and wastewater service in various areas in the following California counties: Los Angeles, Monterey, Placer, Sacramento, San Diego, Sonoma, and Ventura.

## **Conclusion**

The City of Pacific Grove has developed three projects within this Public Agency Participation Proposal that will each produce 100 to 125 AFY of highly sustainable and reliable non-potable, local water supplies. These projects will be developed and implemented individually or in conjunction with one another. Each is expandable beyond the identified minimal supply benefits. Each project will benefit California American Water by assisting in meeting the requirements of the State Water Board Cease and Desist Order for withdrawals from the Carmel River Aquifer, the Seaside Groundwater Basin Adjudication, and the California Water Conservation Act (Senate Bill SB X7-7 2009) by positively contributing to mandated water supply and demand reductions.

The following is a summary of the attributes of the City's proposals:

1. New non-potable water supplies will be locally developed to offset current uses of potable water. The offset produced by these proposed projects will reserve potable water resources for potable purposes.
2. Resulting new water supplies will be reliable and sustainable, as their source water is existing wastewater flows, and the dry and wet weather diversions from urban runoff. The treatment of locally available wastewaters eliminates the need for regional transmission and distribution facilities, reducing construction schedules and minimizing environmental effects.
3. Flexibility results from the ability to implement one or more of these proposed projects as options that can be operated in conjunction with one another.
4. The integration, treatment and reuse of urban runoff produce a net water quality improvement for the City, the Pacific Grove Area of Special Biological Significance, and the Monterey Bay National Marine Sanctuary.
5. These proposed projects will be implemented without any infringement, transfer or modification to existing water rights. This will reduce the potential for public controversy and speed project development.
6. The proposed projects will not trigger the National Environmental Policy Act (NEPA) compliance unless direct federal funding is obtained. California Environmental Quality Act (CEQA) -Plus has been determined to be sufficient for the analysis and mitigation of all potential environmental effects to less than significant levels.
7. The proposed projects rely heavily on the use of existing infrastructure and available capacities. Therefore, they require minimal construction of new facilities, minimizing construction disturbances.
8. No new discharges of any wastes will be produced. This will maintain protections of the environment and eliminate the need for WDR and NPDES permitting.
9. The energy consumption for all of the City of Pacific Grove's proposed projects will be less than the energy demand for an equal volume of desalinated water. Therefore, the proposed projects will all reduce the total and net greenhouse gas emissions that will otherwise be produced.
10. Recycling of existing dry and wet weather urban runoff will eliminate it from the discharge to the Pacific Grove ASBS and the Monterey Bay National Marine Sanctuary.
11. Production of a minimum of 100 to 125 AFY of new potable water will result by the development of non-potable treated storm and/or recycled municipal wastewater.
12. Use of proven technologies and techniques for the development of non-potable water supplies.
13. Planning, analysis, design and construction on a timeline that will not alter or slow the CPUC process for the MPWSP.



- To maximize the use of existing wastewater collection, treatment, recycling and recycled water distribution infrastructure for the development of irrigation water and other non-potable demands.

## 1.5 PROJECT BENEFITS

There are at least six primary benefits of the PGLWP:

First, the PGLWP conserves potable water for uses requiring potable water only, thereby helping to meet State requirements to conserve water and regional compliance for CAW's reduction of the use of water from the Carmel River.

Second, it avoids the costs of producing an equivalent volume of potable water.

Third, it requires less energy per unit of water produced as compared to potable water from CAW, creates a smaller carbon footprint, and is otherwise resource-efficient.

Fourth, it provides a new supply of irrigation water, thereby reducing operational demands on CAW's desalinization plant and other system components.

Fifth, by using sewage, stormwater, and dry weather flows as its sources of water, it helps achieve other State and local goals related to keeping the Pacific Grove ASBS in particular and Monterey Bay in general, free of pollution.

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

## 1.6 PROJECT COMPONENTS

The PGLWP consists of the construction and operation of a new satellite recycled water treatment plant (SRWTP) to recycle a portion of the City's municipal wastewater, 8-inch pipeline and related appurtenances. During the first phase, recycled water produced at the SRWTP would be used for landscape irrigation at the Pacific Grove Golf Links and El Carmelo Cemetery, owned by the City and located adjacent to the SRWTP. The initial Project consists of installing 2,800 linear feet (LF) of recycled water pipeline to convey recycled water from the SRWTP to the Pacific Grove Golf Links and El Carmelo Cemetery's existing irrigation systems.

Initially, the SRWTP would create a new water supply offset of 125 acre-feet per year (AFY) (average annual demand) of potable water. The potable water offset would assist CAW in meeting its obligations to find a replacement to its use of water from the Carmel River and reduce pumping in the SGWB. The PGLWP thus would reduce the operational production of CAW's proposed seawater desalination plant by this same amount, 125 AFY.

This new non-potable water supply of 125 AFY is the first consideration by the PGLWP, and for purposes of CEQA analysis, it is hereinafter referred to as Demand Group I. The proposed Project facilities would be designed to service Demand Group I customers, with the potential to

APPLICATION FOR COASTAL DEVELOPMENT PERMIT

RECEIVED

FEB 03 2015

SECTION I. APPLICANT

1. Name, mailing address, and telephone number of all applicants. CALIFORNIA  
 COASTAL COMMISSION  
 Mr. Daniel Gho, Superintendent of Public Works, City of Pacific Grove  
 2100 Sunset Drive  
 Pacific Grove, CA 93950 (831) 648-5722  
 (Area code/daytime phone number)

**Note: All applicants for the development must complete Appendix A, the declaration of campaign contributions.**

2. Name, mailing address and telephone number of applicant's representatives, if any. Please include all representatives who will communicate on behalf of the applicant or the applicant's business partners, for compensation, with the Commission or the staff. (It is the applicant's responsibility to update this list, as appropriate, including after the application is accepted for filing. Failure to provide this information prior to communication with the Commission or staff may result in denial of the permit or criminal penalties.)

Mr. James Brezack, Brezack & Associates Planning LLC  
 3000 Citrus Circle, Suite 210 925-451-5459  
 Walnut Creek, CA 94598 (925) 478-8520 ext. 101  
 (Area code/daytime phone number)

SECTION II. PROPOSED DEVELOPMENT

Please answer all questions. Where questions do not apply to your project (for instance, project height for a land division), indicate **Not Applicable** or **N.A.**

1. **Project Location.** Include street address, city, and/or county. If there is no street address, include other description such as nearest cross streets.

number	street
1313	Ocean View Boulevard
city	county
Pacific Grove	Monterey

Assessor's Parcel Number(s) (obtainable from tax bill or County Assessor):

1) 007011006000, 2) 007011005000, 3) 007011004000, 4) 007011003000, 5) 006103001000  
 6) 006102001000, 7) 006101001000, 8) 006101002000, 9) 006097099000, 10) 006095099000  
 11) 006094099000, and 12) 006087002000

FOR OFFICE USE ONLY	RECEIVED _____
3-15-0139	FILED _____
APPLICATION NUMBER	FEE <u>N/A</u>
	DATE PAID _____

2. Describe the proposed development in detail. Include secondary improvements such as grading, septic tanks, water wells, roads, driveways, outbuildings, fences, etc. (Attach additional sheets as necessary.)

The Pacific Grove Local Water Project (PGLWP) consists of the construction and operation of a new satellite recycled water treatment plant (SRWTP) to recycle a portion of Pacific Grove's municipal wastewater, new 8-inch diameter pipelines, and related appurtenances. The SRWTP is proposed to be located at the site of the retired Point Pinos Wastewater Treatment Plant (WWTP). Recycled water produced by the proposed project would be used primarily for landscape irrigation at the Pacific Grove Golf Links and El Carmelo Cemetery, both owned by the City of Pacific Grove and located adjacent to the SRWTP. The SRWTP is located within the Coastal Zone at Point Pinos, and, since the City of Pacific Grove does not have a current Local Coastal Plan, construction of the proposed project is within the jurisdiction of the California Coastal Commission.

The Point Pinos WWTP parcel is approximately 2.23-acres in size and was deeded to the City by the United States Coast Guard in 2006. The site is heavily disturbed, fenced, and has been continuously used for wastewater treatment and for municipal and golf course maintenance purposes for the past 65 years. Two circular concrete tank structures remain, consisting of a clarifier/administrative office (east tank) and a sludge digester (west tank). These tanks would be repurposed, refurbished and reused as a part of the proposed project. The majority of the site consists of dirt driveways, with storage of landscaping materials and construction fill. The proposed project would also clean up the site and upgrade the landscaping by removing non-natives.

The initial project consists of installing 2,800 linear feet (LF) of recycled water pipeline that would convey recycled water from the SRWTP to the Pacific Grove Golf Links and El Carmelo Cemetery's existing irrigation systems. This would create a new irrigation water supply of 125 acre-feet per year (AFY) (average annual demand) and would save an equivalent volume of potable water currently obtained by the California American Water Company (CAW) from the Carmel River. The potable water offset would assist the CAW in meeting its obligations to find a replacement to its use of water from the Carmel River and reduce system pumping as required by State Water Resources Control Board (SWRCB) Cease & Desist Order (CDO), No. 2009-060.

The new facilities would be approximately 36-feet wide, 60-feet long, and 10-feet tall. Existing onsite structures are 15-feet tall. Proposed project components would be constructed entirely within the existing site fence line and would consist of the following:

- Headworks facility, including flow metering, fine screens, and grit removal;
- Combined Biological and Filtration treatment, using a Membrane Bioreactor (MBR) process;
- Ultraviolet Disinfection (UV);
- Solids management equipped with odor control facilities;
- Emergency power equipment;
- Waste sewage pump station and force main connection to the Monterey Regional Water Pollution Control Agency (MRWPCA) sewage collection system;
- Retrofit of the existing onsite tanks to serve as recycled water storage reservoirs; and
- Pump station to pressurize the recycled water distribution system.

The SRWTP is visually screened from the adjoining golf course, neighboring properties, and Ocean View Boulevard by the setback landscaping that consists of mature Monterey Cypress trees. No new landscaping at the SRWTP is planned, however, non-native species would be removed. Because of the quality of the historic structures and the proposed restoration, the SRWTP facilities would be constructed with aesthetic properties above those typical for existing municipal corporation yards. The architecture would be unobtrusive in its existing environment and has a minimalistic quality. The existing structures would be refurbished and restored. Lighting at the SRWTP would be low intensity and shielded to minimize ambient light in the area, would inhibit glare to adjoining properties, and would meet or exceed dark sky standards.

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Save

# GENERAL INFORMATION PACKAGE

I. TYPE OF ASSISTANCE REQUESTED			
Amount of Assistance Requested: \$ 7,700,000			
Proposed Security: <input checked="" type="checkbox"/> Wastewater revenues and fund <input type="checkbox"/> Water revenues and fund <input checked="" type="checkbox"/> Other:			
Project Type(s): <input type="checkbox"/> Wastewater <input checked="" type="checkbox"/> Water Recycling <input type="checkbox"/> Estuary <input type="checkbox"/> Nonpoint Source			
II. APPLICANT INFORMATION			
Applicant Name: City of Pacific Grove			
Street Address: 300 Forest Ave	City: Pacific Grove	State:	Zip+4 Code: 93950-3321
Applicant Type: <input checked="" type="checkbox"/> Public <input type="checkbox"/> Indian Tribe <input type="checkbox"/> Nonprofit <input type="checkbox"/> Other: Specify _____			
Charter City/County: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No			
Mailing Address: 300 Forest Ave	City: Pacific Grove	State: CA	Zip+4 Code: 93950-3321
Congressional District(s): 17			
State Senate District(s): 15			
State Assembly District(s): 27			
County:	Federal Tax ID No.: [REDACTED]		
Data Universal Numbering System (DUNS) No.:			
Regional Water Board where the project will take place: <input type="checkbox"/> 1 (North Coast) <input type="checkbox"/> 2 (San Francisco Bay) <input checked="" type="checkbox"/> 3 (Central Coast) <input type="checkbox"/> 4 (Los Angeles) <input type="checkbox"/> 5 (Central Valley) <input type="checkbox"/> 6 (Lahontan) <input type="checkbox"/> 7 (Colorado River) <input type="checkbox"/> 8 (Santa Ana) <input type="checkbox"/> 9 (San Diego)			
Authorized Representative Name, Title: Thomas Frutchey, City Manager			
Phone No.: ( 831 ) 6483106		Email Address: tfrutchey@ci.pg.ca.us	
Contact Person Name: James M. Brezack			
Phone No.: ( 925 ) 478-8520		Email Address: jbrezack@brezack.com	
Local Counsel Name: David Laredo			
Phone No.: ( 831 ) 646-1502		Email Address: dave@laredolaw.net	
III. PROJECT INFORMATION AND PROPOSED SCHEDULES			
Project Description: <i>(Enter a brief description of the project)</i>			
The City of Pacific Grove will construct a new Satellite Recycled Water Treatment Plant with a capacity of 125 AFY. The proposed Project will decrease the amount of potable water currently supplied by California American Water for local irrigation and reducing their diversions from the			
Project Title: Pacific Grove Local Water Project (PGLWP)			
NPDES Permit or WDR Order No. (if applicable): N/A			
Current Year Estimated Population Served: 15,500			

State Use Only	
CWSRF Project #	
Project Manager	
Date Received	

**Estimated or Actual Date**

Estimated Project Schedule:	Complete Construction Application	_____
	1) General Information Package	April 2014
	2) Technical Package	June 2015
	3) Environmental Package	November 2015
	4) Financial Security Package	February 2015
	Complete Project Plans and Specifications	September 2015
	Advertise Bids	March 2015
	Issue Notice to Proceed	July 2015
	Complete Construction	September 2016

**Consultation with Other Agencies**

Please list other Federal and State agencies that have been involved in this project (e.g. planning, CEQA/NEPA consultation, funding, etc.), their contact information if known, and estimated dates for resolution of any issues.

None yet.

**Partnering Agencies**

Please list all other agencies that have an interest in this project. Provide contact information if known.

California American Water Company (CAW), Monterey Peninsula Water Management District (MPWMD), Monterey Regional Water Pollution Control Agency (MRWPCA), Carmel Area Wastewater District (CAWD), Pebble Beach Community Services District (PBCSD), Pebble Beach

**IV. ESTIMATED PROJECT CAPITAL COSTS AND FUNDING SUMMARY**

<u>Cost Classification</u>	<u>Amount Requested in this Application (\$)</u>
A. Facilities Planning (a)	\$ _____
B. Facilities Design (a)	\$ 800,000.00
C. Construction Management (a)	\$ 300,000.00
D. Value Engineering (a)	\$ _____
E. Administration (a)	\$ _____
F. Facilities Construction Total	\$ 5,600,000.00
G. Contingency	\$ 1,000,000.00
H. Pre-Purchase Material/Equipment	\$ _____
I. Land and Right-of-Way (b)	\$ _____
J. Other Costs (Explain: _____)	\$ _____
K. Total Project Costs	\$ 7,700,000.00
(a) Soft costs may be provided for planning, design, value engineering, construction management, and administration costs.	
(b) For wastewater and water recycling projects, Land and Right-of-Way costs are not eligible.	
Portion of the Total Project Costs that will serve existing facilities and/or existing communities	\$ 7,700,000.00
Portion of the Total Project Costs that will serve new development	\$ 0.00

**V. TECHNICAL SPONSORSHIP**

If the Division were to set up a technical sponsorship program, would you be interested in providing in-kind technical assistance to another CWSRF applicant in exchange for special financing? Note that checking "Yes" in no way obligates you to participate in this potential program or guarantees that this incentive will be available or offered.

Yes     No

If Yes, please indicate the areas where you would be willing to provide assistance:

- Assistance in completing a funding application
- Assistance in writing a facilities plan/project report
- Assistance in developing a Capital Improvement Plan
- Assistance in conducting a water or energy audit
- Assistance in building Operations & Maintenance capacity
- Other: Specify \_\_\_\_\_

**VI. SUSTAINABILITY**

A project that supports or incorporates one or more of the following sustainability goals receives one priority point for each area addressed.


Label the requested documents as Attachment G1, G2, G3, etc.

<input type="checkbox"/>	The project supports infill development or results in the reuse or redevelopment of land in an area presently served by transit, streets, water, sewer and other essential services. <b>G1 – Provide a map highlighting the infill or redevelopment areas.</b>
<input type="checkbox"/>	The applicant maintains a Capital Improvement Plan, an Asset Management Plan, or has performed a full-cost pricing analysis, or the project incorporates climate change adaption. <b>G2 – Provide copies or links to these plan or analysis.</b>
<input checked="" type="checkbox"/>	The project protects environmental or agricultural resources such as farm, range and forest lands; wetlands and wildlife habitats; recreational lands such as parks, trails, and greenbelts; or landscapes with locally unique features or areas identified by the state as deserving special protection. <b>G3 – Provide a map highlighting the areas that will be protected.</b>
<input type="checkbox"/>	The project is cited in one or more regional environmental management plans. <b>G4 – Provide copies or links to these plans.</b>
<input checked="" type="checkbox"/>	The project incorporates wastewater or storm water/urban runoff recycling, water conservation, energy conservation, low impact development, or reduced use of other vital resources. <b>G5 – Explain the reason for the energy savings and the expected energy savings.</b>
<input type="checkbox"/>	The project uses low-impact treatment for lower lifecycle operating costs through reduced energy, chemical, or other inputs. <b>G6 – Explain the reason(s) for the reduced operating costs.</b>

**CERTIFICATION AND SIGNATURE OF AUTHORIZED REPRESENTATIVE**

To the best of my knowledge and belief, I certify that I am authorized to submit this application; the information provided in this application is true and correct; the documentation has been duly authorized by the governing body of the applicant; and the entity possesses the legal authority to apply for the financing and enter into a financing agreement with the State Water Resources Control Board and to finance and construct the proposed facilities.

Name of Authorized Representative: Thomas Fritchey Title: City Manager

Signature of Authorized Representative:  Date: 6-19-15  
THOMAS FRITCHEY

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

## Attachment G2.

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The City of Pacific Grove maintains a Capital Improvement Plan (CIP). The CIP identifies needed capital projects and equipment purchases, provides an implementation schedule, identifies options for capital project financing, and links capital projects to the operating budget.

A weblink to the City's CIP is:

<http://www.ci.pg.ca.us/Modules/ShowDocument.aspx?documentid=6972>

## Attachment G3.

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The Pacific Grove Local Water Project (PGLWP) protects environmental and recreational lands. The following two figures present the protected lands:

### **Recreational Areas Figure 1**

The Pacific Grove Golf Course and Cemetery lands will be protected by this project. The PGLWP could also be expanded to service other city parks and green spaces. These recreational land uses require a supply of irrigation and toilet flushing water. The PGLWP will replace the current interruptible use of potable water with a new sustainable supply of recycled water. Lack of adequate potable water has been a concern throughout the region.

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



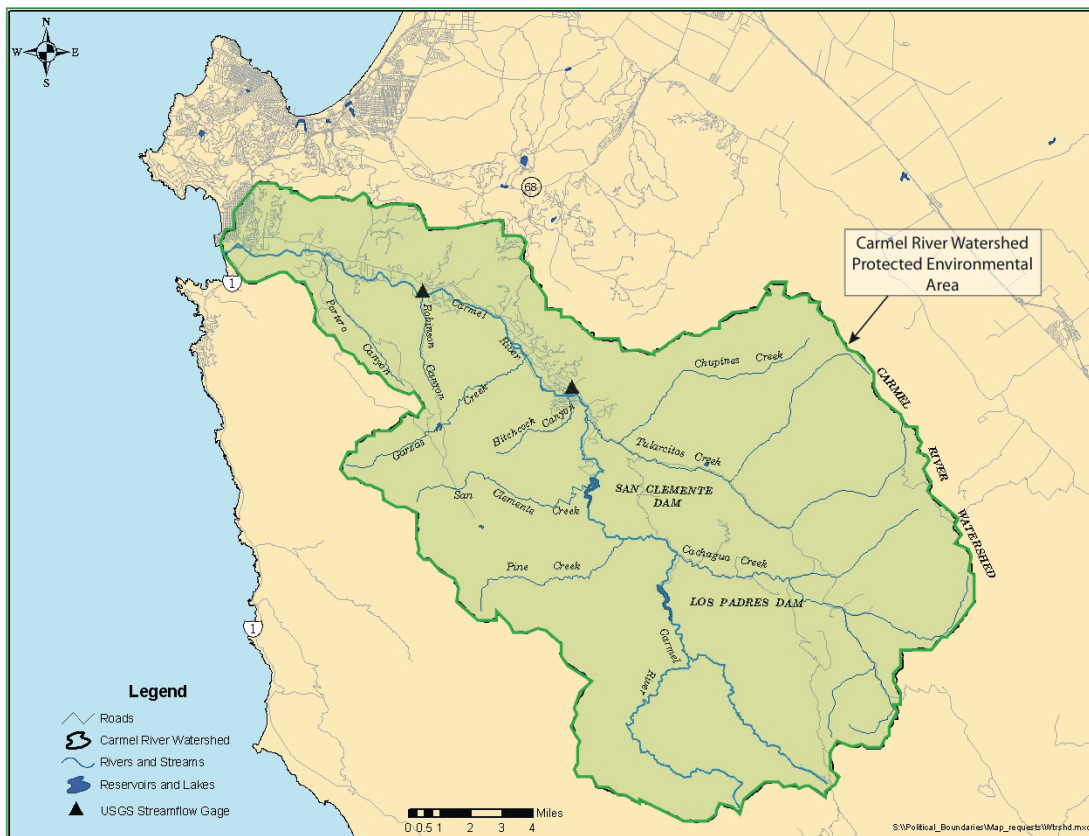
Figure 1 - Pacific Grove Local Water Project Protected Areas



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

## Environmental Resources & Wildlife Habitat Figure 2

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



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

## Attachment G5.

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

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

## SECTION 2.0 PROJECT DESCRIPTION

### 2.1 INTRODUCTION

This section summarizes the project background, need, and objectives of the proposed modification. It summarizes the current status of the Pacific Grove Local Water Project (PGLWP), and describes the proposed PGLWP modification that has been proposed since adoption of the 2014 Certified EIR.

### 2.2 PROJECT NEEDS AND OBJECTIVES

As stated in the 2014 Certified EIR, the purpose of the PGLWP is to produce and distribute high quality recycled water to replace potable water used for non-potable water demands such as landscape irrigation.

The PGLWP would create a new potable water supply offset (In-Lieu pool). Recycled water produced by the PGLWP would be used in-lieu of up to 125 AFY (average annual demand) of potable water. This is referred to throughout this SDEIR as the In-Lieu Pool. The PGLWP would also reduce the operational production of California American Water (Cal-Am's) proposed MPWSP by decreasing the operational requirements of the proposed seawater desalination plant by this same amount, 125 AFY.

The project goals listed in the 2014 Certified EIR for the proposed Project were as follows:

- To preserve available potable water supplies for domestic uses and to maximize the recycling and reuse of non-potable recycled municipal wastewater in a cost-effective manner.
- To substitute the City's use of Cal-Am potable water with recycled water for non-potable water demands.
- To reduce discharges to Monterey Bay and the Pacific Grove Area of Special Biological Significance (ASBS).
- To maximize the use of existing wastewater collection, treatment, recycling and recycled water distribution infrastructure for the development of irrigation water and other non-potable demands.

### 2.3 PROJECT LOCATION AND SITE DESCRIPTION

The proposed modification is located within the City and within the MPWMD boundaries. The City is located on the tip of the Monterey Peninsula on the Central California coast in Monterey County.

### 2.4 PROPOSED PROJECT STATUS

The City is currently in the procurement process for the design and construction of the proposed Project, as evaluated in the 2014 Certified EIR dated November 19, 2014. Design and

construction of the proposed Project is anticipated to commence in July or August 2015. Operation of the Project is anticipated in September 2016.

## 2.5 PROPOSED PROJECT MODIFICATION

The City is seeking a new water entitlement for portions of the In-Lieu pool resulting from the PGLWP. The 125 AFY is considered by the City to be a maximum amount for the purpose of impact assessment. Facilities described in the 2014 Certified EIR are unchanged by the proposed modification. No storage facilities will be required as a part of this modification. Water provided pursuant to the entitlement will be produced, treated, stored and delivered through the Cal-Am water system.

Municipal irrigation is a “single-pass” water use. Once applied, irrigation water is lost to the needs of the plants to which it is applied, to percolation, evaporation and runoff. Gray and recycled waters are “multiple-pass” supplies having already met a primary potable purpose they are collected and sufficiently treated to meet health and safety standards for second pass uses. Where recycled water is used in substitution for potable water direct and indirect benefits result. The direct benefit is that potable water is freed for potable uses. The indirect benefit is that the wastewater produced by the use of potable water can be collected, treated and reused.

The PGLWP will supply up to a maximum of 125 AFY of recycled water to the Pacific Grove Golf Links and El Carmelo Cemetery for landscape irrigation by diversion of an equal amount of wastewater from the City’s wastewater collection system. Because the City irrigates with potable water, the PGLWP will result in a direct benefit of the availability of a maximum of 125 AFY of In-Lieu pool that will be freed by reason of project operations. The freed water will become available for use, including potable interior uses, on a gallon-for-gallon basis with the PGLWP production.

An estimated 80% (Metcalf and Eddy, 1993) of the City’s interior potable water use (approximately 100 AFY) is returned to the sewer and conveyed to the MRWPCA Regional Treatment Plant (RTP) for treatment. The City currently contributes 1.327 mgd, equivalent to 7% of the total regional wastewater flows to the RTP.

Sewage and water in the storm systems are owned and maintained by the City within its boundaries. The City collects and conveys its sewage and a portion of its dry weather storm water flows to the MRWPCA RTP from where it is used as source water to the Salinas Valley Reclamation Project (SVRP)/Castroville Seawater Intrusion Project (CSIP) or discharged to the Pacific Ocean. The PGLWP will produce the indirect benefit of increasing the sewage supply to the RTP that will contribute as source water to increase the production of recycled water for agricultural irrigation by CSIP, for potable water production in the MPWSP and for production of additional recycled water at the PGLWP. Additionally, other local wastewater recycling plants (e.g., Cal-Am wastewater recycling plants at Carmel Valley Ranch and Pasadera Country Club) will benefit from increased wastewater influent.

The following incremental effects result from operation of the PGLWP:

- Diversion of 125 AFY of City sewage from the RTP to PGLWP for the production of up to 125 AFY of high quality recycled water for irrigation

- Availability of 125 AFY of potable water for new or expanded use from the increment currently used for irrigation - as the In-Lieu pool - to be used throughout the Cal-Am service area
- Creation of 100 AFY of sewage from interior potable uses of the In-Lieu pool by CSIP, MPWMP, PGLWP, Carmel Valley Ranch and Pasadera Country Club

The City will apply to the MPWMD for the Pacific Grove Water Entitlement (City Entitlement) to take up to 60 AFY delivered by Cal-Am and provided through the Cal-Am distribution system. The City has determined that it may be one or more years before its water demand increases by 60 AFY. During this interim period, Cal-Am would divert sufficient water to meet up to 60 AFY of metered water demand into its system and deliver this amount of water to City subscribers and Cal-Am customers. The amount of the entitlement during each water year would equal the amount of water diverted by Cal-Am, conveyed through its system to City subscribers or Cal-Am customers.

During the period before Cal-Am is able to increase diverting water from the Carmel River system without a valid basis of right, 30 AFY of metered water demand per water year previously used by the City to irrigate its Golf Links and El Carmelo Cemetery would be suspended from use. Effective upon the date all Cal-Am diversions of water from the Carmel River system are made upon a valid basis of right (e.g Cal-Am has complied with limits set by SWRCB Orders WR 95-10 and 2009 060), the 30 AFY of suspended water use would be freed for use, and added to the 60 AF City Entitlement, thus creating a 90 AF expanded City Entitlement.

Additionally, up to 35 AFY would be retained by the MPWMD for uses and environmental dedication to be determined by the MPWMD.

The City is aware that the actual entitlements approved by the MPWMD could be lower than presented herein. If the MPWMD recognizes an amount lower than the 125 AFY, the City and the MPWMD will need to determine a basis for the amounts to be dedicated to each purpose.

The In-Lieu pool will benefit the Carmel River and its habitat from the time it is created (at the start of the PGLWP) until it is drawn for other use, such as by issuance of a water use permit from the City to an applicant. The City estimates reuse of the In-Lieu pool will be a gradual process, increasing as more and more permits are issued (up to the maximum of the City Entitlement). This will include additional approvals, environmental and regulatory compliance applicable for each individual project.

MPWMD has collaborated with the City and the City has decided to prepare this SDEIR for the evaluation of water entitlements to the City for a portion of the new In-Lieu pool that would be created by the PGLWP. The SDEIR will evaluate the potential environmental effects caused by reason of use of various portions of the In-Lieu pool. Water not going to the City (e.g., portions of the In-Lieu pool that may go to the MPWMD or to the Carmel River (temporarily or permanently)) are speculative at this time and are not evaluated in this SDEIR.

## 2.6 MPWMD WATER USE PERMIT PROCESS

The MPWMD is responsible for issuing water connection permits for new and expanded uses within its boundaries, and managing and regulating the use, reuse, reclamation, and conservation

**CALIFORNIA COASTAL COMMISSION**

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**NOTICE OF PROPOSED PERMIT WAIVER**

**Date:** April 30, 2015  
**To:** All Interested Parties  
**From:** Susan Craig, Central Coast District Manager  
 Brian O'Neill, Coastal Planner  
**Subject:** Coastal Development Permit (CDP) Waiver 3-15-0139-W  
 Applicant: City of Pacific Grove

**Proposed Development**

Construction of a new satellite recycled water treatment plant, including 2,800 linear feet of 8-inch diameter pipeline, diversion from the sewer collection system on Asilomar Avenue and connection back to sewer system adjacent to Sunset Drive, and related site improvements that would provide 125 acre-feet per year of recycled water to replace the potable water supply used for the existing irrigation systems at the Pacific Grove Golf Links and El Carmelo Cemetery near the Point Pinos Lighthouse Reservation in Pacific Grove, Monterey County.

**Executive Director's Waiver Determination**

Pursuant to Title 14, Section 13238 of the California Code of Regulations, and based on project plans and information submitted by the Applicant regarding the proposed development, the Executive Director of the California Coastal Commission hereby waives the requirement for a CDP for the following reasons:

The proposed project includes construction of a new satellite recycled water treatment plant and reuse of the existing storage tanks at the site of the retired Point Pinos Wastewater Treatment Plant. The project will treat wastewater diverted from an existing sewer line with a grit removal system, biological filtration system, and disinfection system that uses ultraviolet light methods. The treatment plant will provide up to 125 acre-feet of recycled water that meets California Code of Regulations, Title 22 requirements for unrestricted uses of recycled water. The recycled water would replace the current potable water supply that is used to irrigate the Pacific Grove Golf Links and El Carmelo Cemetery. The project could be expanded to provide up to 600 acre-feet of recycled water, but any expansion would require further environmental review and CDP approval. The project carries out the guidelines set forth in Executive Order B-29-15 that was issued by the Governor of the State of California in response to the Continued State of Emergency due to the ongoing drought. The proposed project would reduce over-drafting of the Carmel River and help the State reach its goal of reducing potable water use by 25 percent within the next year.

The development footprint of the proposed recycled water treatment plant stays within an area of fill that was previously occupied by the retired wastewater treatment plant. Construction of the new pipelines will occur within areas that are currently developed with a public golf course and these areas will be restored to their current condition after construction concludes. Four recorded sites of cultural

**NOTICE OF PROPOSED PERMIT WAIVER**  
CDP Waiver 3-15-0139-W (Pacific Grove Local Water Project)  
Page 2

significance occur within the Area of Potential Effect of the project, but no significant cultural resources were discovered during an initial survey. The proposed project requires an extended archeological survey for all impacted recorded sites, an archeological monitor during excavation activities, and mandatory work stoppages if any middens or remains are discovered. No special status plant species are located in the areas that will be disturbed during construction, and all nonnative plants within the project area will be removed prior to construction and these areas replanted with appropriate native plant species after construction. The proposed project retains the Monterey Cypress trees that surround the proposed treatment plant site and several new trees will be planted. Although no special status wildlife species or nesting birds have been found, the project requires a seasonal restriction on construction activity during nesting season or a preconstruction survey by a qualified biologist in areas within 300 feet of construction. If any nesting birds are discovered, further mitigation measures will be required.

The existing Monterey Cypress trees provide a visual barrier between the development site and Sunset Drive. All proposed development is limited in height to at or below the height of the existing storage tanks. The existing storage tanks will be repainted to blend into the dune aesthetic and provide further visual camouflage. Security fencing will be placed inside the tree line to block the fence from public view. All other fencing on the project site will be removed. Sunset Drive will remain open during all phases of construction and a Temporary Traffic Handling Plan will ensure that pedestrian and motor traffic will not be substantially disrupted. No coastal access points or recreation areas will be impacted by the development or disrupted during construction.

The proposed project includes other mitigation measures and Best Management Practices (BMPs) to address possible impacts to coastal resources. Erosion and drainage BMPs and Good Housekeeping BMPs are included to protect water quality in the Monterey Bay. No new significant impervious surfaces are included that would impact stormwater runoff at the project site. A site-specific plan for the removal and disposal of any lead will be developed if any lead is discovered during a risk-assessment of the existing storage tanks. Hazardous wastes will not be stored onsite and hazardous material BMPs will be implemented to avoid site contamination.

The proposed project was reviewed and received discretionary approval by the City of Pacific Grove's City Council to ensure conformance with the requirements of the California Environmental Quality Act and certified Land Use Plan. The project has no potential for adverse effects on coastal resources, including public access to the shoreline, and is consistent with Chapter 3 of the Coastal Act.

**Coastal Commission Review Procedure**

This waiver is not valid until the waiver has been reported to the Coastal Commission. This waiver is proposed to be reported to the Commission on May 14, 2015 in Santa Barbara. If four Commissioners object to this waiver at that time, then the application shall be processed as a regular CDP application.

**If you have any questions about the proposal or wish to register an objection, please contact Brian O'Neill in the Central Coast District office.**