

MONTEREY DESAL PLANTS:

Next step for desal plants; Water board to weigh permits

Monterey Herald – 8/17/06

By Kevin Howe, staff writer

The next big hurdle is looming for two small desalination plants in Moss Landing.

Permits for the two pilot seawater desalination plants -- and renewal of outfall permits at Moss Landing -- will be considered at a public hearing by the Central Coast Regional Water Quality Control Board when it meets Sept. 7 in Monterey.

The board is seeking public comment on the two projects being proposed in Moss Landing by California American Water and the Pajaro-Sunny Mesa Community Services District.

Also under consideration is the Moss Landing Power Plant's National Pollutant Discharge Elimination System Permit, which Cal Am plans to use to discharge brine from its pilot plant back into the ocean.

The discharge permit has been on administrative extension since 2005, and water board staff members propose renewing it for the facility in 2007 after a federal court rules on a lawsuit over the permit filed by an environmental group, Voice of the Wetlands.

The Cal Am plant would use approximately 140,000 gallons of heated seawater per day from the Moss Landing plant's once-through cooling system. It would then discharge the remaining brine from the desalination process into the power plant's system to be returned to the bay.

The Moss Landing power plant draws its cooling water from Elkhorn Slough.

The state Lands Commission early this year adopted a resolution to phase out once-through cooling systems for coastal power plants, which makes Cal Am's reliance on the cooling system questionable, said Madeleine Clark, director of the Elkhorn Slough Coalition.

"It doesn't make sense," she said, "to invest in these old dinosaurs when they're going to be mothballed and demolished in the future."

The coalition, she said, is preparing written comments for the water board. "We think there are better options or alternatives to the outfall."

LS Power Co., owner of the Moss Landing plant, has no problem allowing the pilot desalination plant projects, said company spokesman David Hicks. But it also has no interest in whether the permits are granted.

"Our view is that, if the community is interested, we would provide a venue for pilot projects," he said, adding, "We're not in the water business."

Cal Am spokeswoman Catherine Bowie said the company expects to get its permit for the pilot plant. She added that no contractor to build it has yet been selected.

Pajaro-Sunny Mesa's contractor, Poseidon Resources Corp. of San Diego, has proposed using the near-shore intake and outfall structures next to the power plant once used by Kaiser Refractories at the mouth of Moss Landing Harbor and Elkhorn Slough. That proposal also will be looked at by the water board, said Peter von Langen, environmental scientist with the board.

Pajaro-Sunny Mesa's pilot project consists of two desalination plants on modular mounts to be located in a 4,000-square-foot temporary facility at Highway 1 and Dolan Road in the 200-acre Moss Landing Commercial Park.

The plants are meant to collect data and let potential customers sample the water.

Peter MacLaggan, senior vice president of Poseidon, said the two pilot plants together would produce 40,000 gallons of fresh water per day, amounting to 44.8 acre-feet of water per year, enough to accommodate approximately 179 households per year.

Water for the pilot plant would be provided by seven pumps that once served Kaiser Refractories when seawater was used to make bricks in Moss Landing.

Poseidon ultimately envisions a full-scale desalination plant on the site that would produce 20 million gallons per day, MacLaggan said, or 2,240 acre-feet per year, operating 24 hours a day, seven days a week.

On Wednesday, the Regional Water Quality Control board in San Diego voted unanimously to issue a five-year discharge permit for Poseidon's 50 million-gallon-per-day desalination plant in Carlsbad, MacLaggan said.

The water board's approval clears the way for Poseidon to apply to the California Coastal Commission for a coastal development permit.

The Sept. 7 meeting in Monterey begins at 3 p.m. in the Monterey City Council Chambers, 598 Pacific St.

Von Langen of the water board met Wednesday with area agencies involved in desalination projects at the Association of Monterey Bay Area Governments office in Marina. The agencies, he said, are discussing the best approach to desalination projects for Monterey Bay: whether to build a single large regional plant or several smaller plants.

The group will prepare a report for a conference in Monterey on Sept. 27. #
<http://www.montereyherald.com/mld/montereyherald/news/15293581.htm>

WASTEWATER DISCHARGE:

**Water board mulls waste; Monterey: Definition could affect coastal regions
Monterey Herald – 8/16/06**

By Kevin Howe, staff writer

It's been against state law for 36 years to discharge "waste" into coastal waters considered Areas of Special Biological Significance.

But what is "waste," how much is a discharge, and can the state realistically expect coastal cities and counties to comply with what many see as a zero tolerance policy?

These questions were asked of members of the state Water Resources Control Board, which held a "scoping meeting" Tuesday at Monterey Conference Center. Board members discussed the California Ocean Plan, which aims to protect Areas of Special Biological Significance from pollution by storm water runoff and "nonpoint source" discharges -- flows into the ocean that can't be pinpointed to one source.

The issue is important to the cities of Monterey, Pacific Grove and Carmel, and Pebble Beach Co., all of which front special areas on the coast and could face crippling fines if they are found to violate the state discharge law by dumping storm water into Monterey Bay, considered an Area of Special Biological Significance.

Some representatives of cities along the coast said they were confused by the process the state agency and its Division of Water Quality were following to enact the protections.

"What kind of process are we following?" said Deborah Mall, Monterey city attorney. She said the water board seems to be holding environmental reviews of a project that hasn't been proposed and is engaged in "rule making" as it goes along.

"You can't impose regulations on the basis of a staff person's guess," Mall said. She said the draft staff proposal is not clear about who is responsible for discharges, nor is it clear on what basis exceptions to discharge regulations would be granted, raising issues of due process and equal protection.

Mall said there has been no analysis of what it would cost to comply.

"This is not a rule-making process," said Frank Roddy of the Division of Water Quality. "There are no new regulations."

State law requires that no discharges take place, he said, unless agencies go through the process of getting an exception.

Waste, not water

Paul Singarella, a Costa Mesa attorney representing the Pebble Beach Co., said that a dozen pages submitted by the division staff listing special protections for Areas of Special Biological Significance "feels like new regulations to a lot of people. It's fundamentally different from what's gone on before."

The state regulations refer to waste, not storm water, he said.

"There's an assumption being made," Singarella said, "that there is a rule in the Ocean Plan that bans storm water from entering the ocean. We don't see it in the current Ocean Plan. There is no legal mandate."

State Water Board member Gary Wolff disagreed.

"I don't find anything ambiguous in the word 'waste,'" he said.

The scoping hearings, he said, are meant to explain the process of applying for exceptions to the discharge rules.

"We could go ahead and enforce a blanket prohibition. We're trying to provide relief," he said. "Discharges are prohibited, period. This is about who is excepted."

Because there is always waste in runoff, and fresh water can, by nature, injure some marine life, "it's important to define what the end goal is" in curbing storm water runoff into special areas, said Dan Lafferty of the Los Angeles County Public Works Department.

Malibu's coastal area is an Area of Special Biological Significance, he said, and halting all runoff there or anywhere is "problematic, even impossible."

Price of compliance

The cost of compliance, Lafferty said, could run into billions of dollars.

The state must define an upper limit of the compliance it will demand, he said.

"You can't design for the flood of all floods," he said.

Monterey City Engineer Tom Reeves said cities apparently can't avoid applying for exceptions because "we don't know what 'good enough' is. There's no way you can prevent waste going in."

Even if cities can afford to build projects to lessen runoff, he said, they must still foot the ongoing bill for operating and maintaining them.

State Water Board member Gerald Secundy, who chaired the meeting, said the Water Resources Agency considers "anything that degrades marine life" prohibited, to which Reeves replied: "Right now it's basically zero tolerance. There's no way to prove yourself innocent."

Discharging waste into Areas of Special Biological Significance "is not a right," said Anjali Jaiswal, project attorney for the National Resources Defense Council, adding that she believes the burden of proof is on the discharger.

She said the state needs to set a timetable for compliance for nonpoint runoff because of timber harvesting and agriculture, and that the state Water Board should step in within a year if regional water boards are unable or unwilling to enforce compliance with the law.

"When we look at the costs," Jaiswal said, "we should look at the benefits as well, to the economy and to community life."

Sea otter as sentinel

Regulation of storm water runoff is needed to protect coastal marine plants and animals, particularly the California sea otter, said Jim Curland of Defenders of Wildlife. The sea otter, he said, is a "sentinel" species whose health problems from ocean contaminants serve as a warning to coastal residents.

D'Anne Albers, executive director of Friends of the Sea Otter, criticized Pebble Beach Co. for withdrawing from storm water discussions being held with Monterey, Carmel and Pacific Grove. Singerella said the company doesn't want to change the Ocean Plan, just allow current law to permit storm water flows as long as they do no harm.

Tuesday was to have been the deadline for submitting comment on special protection proposals, said Domenic Gregorio of the Water Board's ocean unit, but the deadline has been extended to Sept. 1 to allow more written comment from the public.

Written comments may be sent to Song Her, clerk of the board, Executive Office, State Water Resources Control Board, P.O. Box 100, Sacramento 95812-0100, or via e-mail at commentletters@waterboards.ca.gov. #
<http://www.montereyherald.com/mld/montereyherald/news/15284918.htm>

CAL AM RATES:

Cal Am rates rising 15-20%, likely more later; Increase doesn't include desalination plant or San Clemente Dam retrofit

Monterey Herald – 8/18/06

By Larry Parsons, staff writer

Monterey Peninsula customers are guaranteed their water rates will jump under a preliminary decision on California American Water's request for higher rates during the next three years.

But the exact amount of the rate jumps won't be known until numbers fill in the blanks in the decision handed down this week by an administrative law judge for the state Public Utilities Commission.

A Cal Am spokeswoman estimated that the decision, if upheld by the PUC, would raise Cal Am rates in its Monterey division by 15 percent to 20 percent this year, by another 4 percent to 6 percent next year and by 2 percent in 2008.

The preliminary decision, however, doesn't take into account two massive projects for which Cal Am is seeking ratepayer financing -- its proposed Coastal Water Project desalination plant and the seismic safety retrofit of the San Clemente Dam on the Carmel River.

The issue of cost recovery for the estimated \$160 million Coastal Water Project is subject to a separate rate proceeding already under way.

A decision over ratepayers picking up the tab for the San Clemente Dam retrofit -- an estimated \$47 million project -- also would be put off until later, under this week's proposed decision by a PUC administrative judge, Christine M. Walwyn.

If those project costs are eventually passed on to Cal Am customers, water rates would likely more than double for Peninsula customers.

This week's decision covered Cal Am's general rate case for 2006-08 that was the subject of hearings last summer. The utility was granted an interim 2.8 percent rate increase Jan. 1, while the general rate case was pending.

"I really have to caution that this is a preliminary draft" until Cal Am and the PUC's Division of Ratepayer Advocates supply numbers to flesh out the new rate tables, said David Laredo, attorney for the Monterey Peninsula Water Management District.

But pointing to both the Coastal Water Project and San Clemente Dam, Laredo said: "The issue of Cal Am rates increasing is going to be a recurring story. This is the first of many."

It likely will be several months before there's a final decision. And any rate increase approved by the PUC for 2006 will be applied retroactively to the first of the year.

Cal Am spokeswoman Catherine Bowie said the preliminary decision doesn't give Cal Am all that it asked for.

"The (judge) obviously heard all the sides," she said. "It's a good example that all voices get heard."

On one disputed issue, the preliminary decision says Cal Am ratepayers should pick up \$3.6 million of costs for the utility's failed attempt to build a new dam on the Carmel River. The utility pursued the dam proposal to comply with a 1995 state order to develop new sources to replace water now pumped from the Carmel River aquifer.

Those "recovery costs," without interest, would be spread over six years as a surcharge on customers' bills. The PUC's ratepayer division argued that Cal Am itself should bear the costs of the ill-fated dam proposal.

But the judge said Cal Am advanced the dam proposal "during a period of dramatic and protracted uncertainty" and the utility acted in "a reasonable manner" in pursuing a project then considered the most cost-effective alternative.

Bowie said the decision "acknowledge(s) we were directed to pursue that project with the encouragement of regulators and that is gratifying."

Other highlights of the preliminary rate case decision:

- Earmarking \$4.2 million for repairs on main water lines in Carmel Valley to reduce water losses due to leakage in a system that dates back, in part, to the 1930s.

On the perennial issue of system leakage, Cal Am would be required to provide a detailed analysis of those losses when it files its next request for a general rate case in three years.

"Every leak we can stop is conserved water," Laredo said.

- Approving \$750,000 to upgrade the Bishop water treatment plant, one of four smaller systems separate from Cal Am's main Peninsula system, that serves the Pasadera area along Monterey-Salinas Highway.

That raises the issue of whether all Monterey area customers should subsidize the smaller systems. So the PUC judge ordered Cal Am to prepare a detailed breakdown of those systems' capital needs that could be financed through area-by-area surcharges.

- Forbidding Cal Am from passing on to customers any fines for violations of state pumping limits on the Carmel River or violations of federal endangered species law on the San Clemente Dam project.

The PUC judge said Cal Am already has "all the tools" it needs -- in the form of various water conservation and rationing programs -- to avoid exceeding allowed river pumping.

"The important thing is the (ruling) did approve costs having to do with compliance," said Cal Am's Bowie. "That is always our aim."

- Plugging an additional \$300,000 into water conservation programs. Cal Am also would have to sign a formal agreement with the water district over use of the money and provide more detailed reporting on conservation program spending.
- Requiring Cal Am to provide more detailed reports on local customer complaints. The judge said the number of "customer concerns" has dropped during the past three years.
- Making a single change to Cal Am's rate structure to promote more conservation among residential customers who use more water. The utility also would be required to complete a backlog of commercial water-use audits by next summer.

The 106-page proposed decision, which was released Wednesday, also covers Cal Am's rate requests for its Felton division in Santa Cruz County. Residents of Felton voted in July 2005 to pass an \$11 million bond to acquire the water system from Cal Am. Negotiations are under way. #

<http://www.montereyherald.com/mld/montereyherald/news/15303411.htm>

WELL INJECTION PROJECT APPROVED:

Water-injection well EIR approved

Monterey Herald – 8/22/06

By Kevin Howe, staff writer

Pumping water in the wintertime from the Carmel River to the Seaside Aquifer won't hurt the environment and will help prevent drying up the river in summer and hold back seawater intrusion, according to a final environmental impact report on the project adopted unanimously Monday by the Monterey Peninsula Water Management District board.

The district's Aquifer Storage and Recovery Project, in partnership with California American Water, calls for moving water from the river during times of high flow winter and spring to an injection well in Seaside, pumping it into the aquifer there, and then drawing on that water during the dry summer months.

The environmental report has been in the works since 2004, according to Henrietta Stern, district projects manager.

The project calls for drawing up to 2,350 acre-feet per year from the Carmel River Aquifer for transfer to the Seaside Basin, and pumping up to 950 acre-feet from the basin annually into the Cal Am water system during the summer, she said.

A pipeline being constructed along Gen. Jim Moore Boulevard by the water company to improve its system flow will also be useful for the recharge project, Stern said, adding that the extra water would help prevent seawater intrusion into the basin.

She noted that in some dry years, no water at all might be diverted from the river; the amount will depend on rainfall and river flow in Carmel Valley.

"We hope to construct the (recharge) well in the fall and be in operation in the winter," Stern said.

Less water drawn from the river will help Cal Am meet a state Water Resources Agency requirement limiting the amount it can take out of the river each "water year" from Oct. 1 through Sept. 31, she said, preventing the stranding of migrating steelhead trout and protecting sensitive river habitat for other endangered species, including the California red-legged frog.

The district has been working since 1996 to prove the recharge technology is feasible, Stern said, first with a pilot project and then with its full-scale Santa Margarita test well.

Meanwhile, Cal Am has apparently exceeded the conservation goals set by the state agency, according to district senior hydrologist Darby Fuerst.

The state water board set a limit of 11,285 acre-feet per year of extraction from the Carmel River in 1995.

Now in the last part of the water year, extraction has been 9,180 as of Thursday compared to the projected drawdown from the aquifer of 9,686 acre-feet, he said, 1,506 acre-feet below the limit.

Similar conservation has been achieved in the Seaside Basin aquifer, Fuerst said: 2,645 acre-feet drawn since Oct. 1, compared to a projected 3,054 acre-feet, 409 below the conservation goal. The district has set a drawdown limit goal for the basin at just under 3,500 acre-feet.

In other action, the board held off approving changes in its rules for water credit transfers to review objections by a conservation group, Save Our Carmel River, and attorney Michael Stamp, who argued that the changes should be subjected to an environmental review process. #

<http://www.montereyherald.com/mld/montereyherald/news/15331111.htm>

DESLANTION ISSUES:
Power failure at heart of appeal
Monterey Herald – 8/28/06
By Jim Johnson, staff writer

A power outage and a late fax are at the heart of a dispute about whether an appeal of the proposed pilot desalination plant in Moss Landing is valid.

At issue is whether the Santa Monica-based Desal Response Group made a reasonable effort to participate in the project review process despite a couple of mishaps that could end up muting the organization's opposition.

A power outage in Salinas delayed the organization's effort to submit an e-mail and attached memo to the county outlining its concerns about the adequacy of the environmental review. Its subsequent appeal of the county staff's recommendation for approval was received by fax moments after the deadline.

While Desal Response Group officials say they did their best, project developer California American Water Co. contends that the organization missed its chance, and its opposition should be left out of the official report.

Cal Am also contends that the appellant -- Desal Response Group's Connor Everts -- is not entitled to appeal because he didn't participate in the group's initial efforts to oppose the project.

On Tuesday, the County Board of Supervisors will decide whether to deny the Desal Response Group's right to appeal or to accept the appeal as part of its review of the project.

The staff is recommending approval of the desal plant project whether the supervisors choose to accept the appeal or not, maintaining that the opponents have failed to make their case anyway.

In its appeal, the Desal Response Group, which has opposed several desalination plants statewide, said the county should have reviewed the plant's potential environmental impacts more thoroughly, and that the project should not be exempt from the California Environmental Quality Act process.

The county staff determined that additional review is not necessary.

The issue began when a Surfrider Foundation e-mail and attached memo outlining opposition to the project was left out of the staff report to the Zoning Administrator. The e-mail, written by the Surfrider Foundation's Kaya Freeman, arrived at the county the morning before the July 14 Zoning Administrator hearing.

Because of a power outage, the e-mail which the Desal Response Group says represents its position on the plant didn't make it to the project planner or the Zoning Administrator before the hearing. (The Surfrider Foundation is a member of the Desal Response Group.)

Cal Am says that means the Desal Response Group didn't participate in the Zoning Administrator hearing, nullifying the organization's right to appeal.

Freeman subsequently took another job, and Desal Response Group colleagues Everts and Joe Geever took over her workload. Everts, who ultimately filed the appeal, didn't include his name on Freeman's e-mail but Geever did.

On July 28, Everts faxed the appeal to the county offices after speaking with the staff by phone about 10 minutes before the 5 p.m. filing deadline. However, the fax didn't reach the county staffer until after the deadline, and was time-stamped at 5:09 pm., technically late.

County law allows the board to accept an appeal from anyone who exercises "reasonable care" in attempting to participate in a hearing. #

Pilot desal plant permit OK'd; Monterey County: Supervisors reject appeal by opposition group
Monterey Herald – 8/30/06
By Jim Johnson, staff writer

A permit for California American Water's pilot seawater desalination plant planned for Moss Landing was approved Tuesday by Monterey County supervisors.

The action was a ratification of the zoning administrator's earlier approval.

At the same time, supervisors voted 4-0 to reject an appeal of the permit approval by Santa Monica-based Desal Response Group. Supervisor Lou Calcagno recused himself because he has a nearby business interest.

The group based its objection on the fact that the plant's once-through cooling system is being phased out, and that the project should not have been exempt from full California Environmental Quality Act review.

The board agreed to hear the group's appeal Tuesday despite a challenge from Cal Am, which had maintained it was invalid because the group had not participated in the county zoning administrator's review of the project and had filed the appeal too late, among other technical issues.

The opposition group's e-mailed letter was left out of the county staff report to the zoning administrator for a July 13 hearing because of a power outage. Its subsequent appeal was time-stamped moments after the July 28 filing deadline.

The supervisors agreed to consider the appeal because group member Connor Evert had clearly indicated his intent to file it when he spoke with county staff members moments before the deadline.

The county's acting zoning administrator, Jeff Main, granted a coastal permit for the pilot plant July 13. Main found that the pilot plant's use of the Moss Landing Power Plant's existing once-through cooling system to draw water for the desalination process would not have an adverse environmental effect on the Monterey Bay. No new water would be withdrawn or discharged into the bay.

The temporary plant, which should be in place for a year, would use only about .02 percent of the up to 1.2 billion gallons per day now being pumped by the power plant, said Cal Am spokeswoman Catherine Bowie. The pilot plant is designed to gather information on the viability of a permanent desalination plant at the location and will not produce any potable water.

"I look at this like any test well," Supervisor Dave Potter said, pointing out that the state Coastal Commission has approved similar pilot desal plants in the past.

Potter is a member of the Coastal Commission, which must still review the proposal.

"It's there to test the theory," Supervisor Butch Lindley said. "It's a very small drop in a very big bucket."

In filing the appeal, Evert said the test project's technology is obsolete because of a state Lands Commission decision earlier this year to phase out once-through cooling systems in coastal power plants because of environmental concerns.

"You're essentially buying a Hummer with gas prices going up," Evert said. "I just hope you give this the time it deserves."

Bowie said the pilot plant's value will be in providing crucial data about a potential solution to the area's water supply challenges, and is not a test of the cooling system itself.

"This project is not intended to analyze the once-through cooling system," Bowie said.

Eventually, Cal Am wants to build a permanent desal plant as part of its Coastal Water Plan aimed at reducing pumping from the Carmel River and preserving the Seaside Basin

The Cal Am pilot desal plant is one of two such proposed projects. The Pajaro-Sunny Mesa Community Services District has also proposed a pilot desalination plant.

Permits for the two plants will be considered at a public hearing by the Central Coast Regional Water Quality Control Board when it meets Sept. 7 in Monterey. #
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