



Salinas Basin Water Alliance

"Preserve and Protect Salinas Valley Water"

November 9, 2022

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Sunset Farms
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Honorable Chair John Reynolds & Commissioners
California Public Utilities Commission
505 Van Ness Ave.
San Francisco, CA 94102

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RE: **California-American Water Company
Application Proceeding 21-11-024
Amended and Restated Water Purchase Agreement**

Dear Chair Reynolds and Commissioners:

The Salinas Basin Water Alliance (Alliance) represents farmers and landowners in the Salinas Valley who farm and own more than 80,000 irrigated acres. We advocate for sensible and sustainable water solutions, not just for the farming industry, but for our whole valley community, from the towns and rural communities to our agricultural interests, in addition to regional solutions for our entire county.

This letter is sent in order to comment on the ongoing discussions and hearings involving the purchase agreement that relates to the Monterey Peninsula Water Supply Project (aka the Cal-Am Desal Project). There are many different perspectives on the project; however, the Alliance looks at it from the specific perspective of the Sustainable Groundwater Management Act (SGMA).

Certain of the agreements between the Monterey County Water Resources Agency and Monterey One Water, agreements that are pertinent to the purchase agreement, were discussed and originated before SGMA came into law. However, the Salinas Valley now exists within SGMA and must conduct itself accordingly. We are required by DWR to balance our groundwater in twenty years.

For several years now, the Salinas Valley has been operating within the constraints of SGMA, requiring both the farming community and the valley cities to examine all water uses, problems and sources with a careful eye. In fact, one of the Department of Water Resources (DWR)-approved projects in the basin's 20-year sustainability plan is to expand the acreage footprint of the Castroville Seawater Intrusion Project (CSIP), which will necessitate further increasing the reclamation project's source waters.

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CSIP, as you might know, was built back in the 90s in order to reduce groundwater pumping in the northern end of the valley, thus mitigating the inflow of saltwater intrusion along the coast. The saltwater intrusion had been steadily encroaching over the years and, in addition to threatening farming, was also threatening the drinking water supplies of Castroville and Salinas.

In order to keep the CSIP area whole, and to meet the state's SGMA requirements, all potential source waters for reclamation and subsequent reuse as irrigation water must be retained in the Salinas Valley. This includes source waters such as the City of Salinas industrial wastewater and area drainage systems such as the Rec Ditch and the Blanco Drain. The towns of the Salinas Valley are disadvantaged communities. For example, the town in closest proximity to the CSIP area and the seawater intrusion is Castroville, with a median household income of \$35,000/year (2017 filing with State Water Resources Control Board—Division of Financial Assistance, on behalf of Castroville Community Services District). Our resources in the Salinas Valley are not ample and we must attempt to be good stewards of what we have—both water and finances—in order to solve our water supply issues.

To further highlight the fragility of the Salinas Valley's predicament, the drought this year drastically reduced source waters vital to CSIP's irrigation needs. This forced Monterey County Water Resources Agency (MCWRA) in the northern end of the valley to pump their wells at twice their historic rates to maintain their contractual supply to the CSIP growers, even while certain source waters were diverted for Monterey Peninsula Water Management District (MPWMD) / Pure Water Monterey needs, thus exacerbating saltwater intrusion in the Castroville and surrounding areas (attached chart below demonstrates drastic increase in well pumping).

This situation underscores a second and even graver SGMA danger for the Salinas Valley. While it is clear that any Cal Am project must retain and/or return potential source waters to the valley, this becomes even more problematic with the Pure Water Monterey Expansion Project (PWMx) As we understand it, Monterey One Water (M1W) and MPWMD have identified around 8,000 acre/feet per year of source waters for that project, some of which originate in the Salinas Valley. However, this scenario would place the valley in an even worse and more precarious position than the Cal Am Desal Project discussed earlier in this letter. PWMx contemplates certain valley source waters that are key to keep CSIP viable, particularly so in a drought year such as this year. Furthermore, SGMA does not just require the Salinas Valley to maintain CSIP; it requires the expansion of CSIP in order to make the basin sustainable. Expansion, of course, requires additional source water.

We trust that, along with Cal Am's project, you and your staff are also analyzing PWMx from the perspective of SGMA. We also trust that the latter project's CEQA analysis took into consideration what source water loss would do to saltwater intrusion and groundwater sustainability.

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CSIP, of course, is not the only water project we are concerned with. The Alliance is concerned about the entire valley and our community's collective responsibility to meet the ongoing requirements of SGMA. However, if we lose source water in the north, that threatens water resources in other parts of the valley. A loss of one source may be the proverbial domino that causes other dominos to fall. For example, we must address a cone of groundwater depression in the Eastside sub-basin, an alarming slope in the groundwater gradient in the Monterey sub-basin, and uncertain supplies in the Langley sub-basin. Furthermore, loss of water in the north will put increasing pressure on southern valley water use. All of this, collectively, threatens the viability of our agricultural industry and our valley cities.

If the groundwater supply of the Salinas Valley was in a balanced and healthy ongoing state, it would be perfectly reasonable to assume our community would be willing to help the Monterey Peninsula solve their problems. However, we are not currently in that position. To that point, if CalAm's project does go through, it is vital that any fresh water they source from the Salinas Valley basin must be first returned in like-for-like quantities before they deliver to other parts of the county.

As farmers and landowners in the Salinas Valley, we urge you to consider the water purchase agreements of the Monterey Peninsula Water Supply Project with a careful eye to equity, the source of waters and the reliability of those sources, the ongoing concern of preserving farming and farmland, and serving the municipal needs of the disadvantaged communities of the Salinas Valley.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "George Fontes".

George Fontes

President, Salinas Basin Water Alliance

Attachment: 23-year history of CSIP Water Sources

CSIP DISTRIBUTION (1999-2022 X)

1998-2022 YTD
Water Delivered in Ac/Ft
(23-Year Average 20,197 Ac/Ft)

