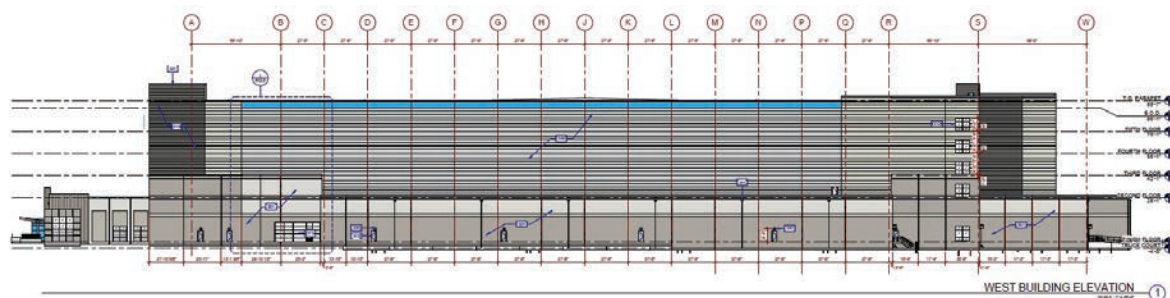




BUSINESS JOURNAL



Revealing What the Public Never Knew About ‘Project GOAT’ Amazon Warehouse Plan

By Kevin Dayton, Government Affairs Liaison

At the direction of its Government Relations Committee, your Salinas Valley Chamber of Commerce submitted a request for public records on May 8, 2024 to the City of Salinas. It stated that “Since February 2022, rumors have circulated (and currently circulate) in the business community about internal discussions between the City of Salinas and owners of land parcels within the Salinas Ag-Industrial Center Specific Plan concerning a proposed logistics warehouse.”

The request also stated that nothing about the warehouse has been seen in any official city document available to

the public. It stated that the Chamber needs to determine on behalf of its members, if the rumor has any validity. And it indicated that the Chamber desires to acquire relevant documents and prepare an analysis for the benefit of its members, if the rumor is true.

On June 14, the City of Salinas sent your Chamber of Commerce about 165 documents related to the Amazon warehouse. Here are some revelations from the documents:

- The first sign that something was happening at the Salinas Ag-Industrial Center Specific Plan area was a grant deed from Uni-Kool (the owner of the parcel

now owned by Amazon) to California Water Company in June 2020.

- By January 2021, documents had been submitted to Monterey County for consolidation of individual Uni-Kool parcels (Parcel E and Parcel F) in the Salinas Ag-Industrial Center Specific Plan area.

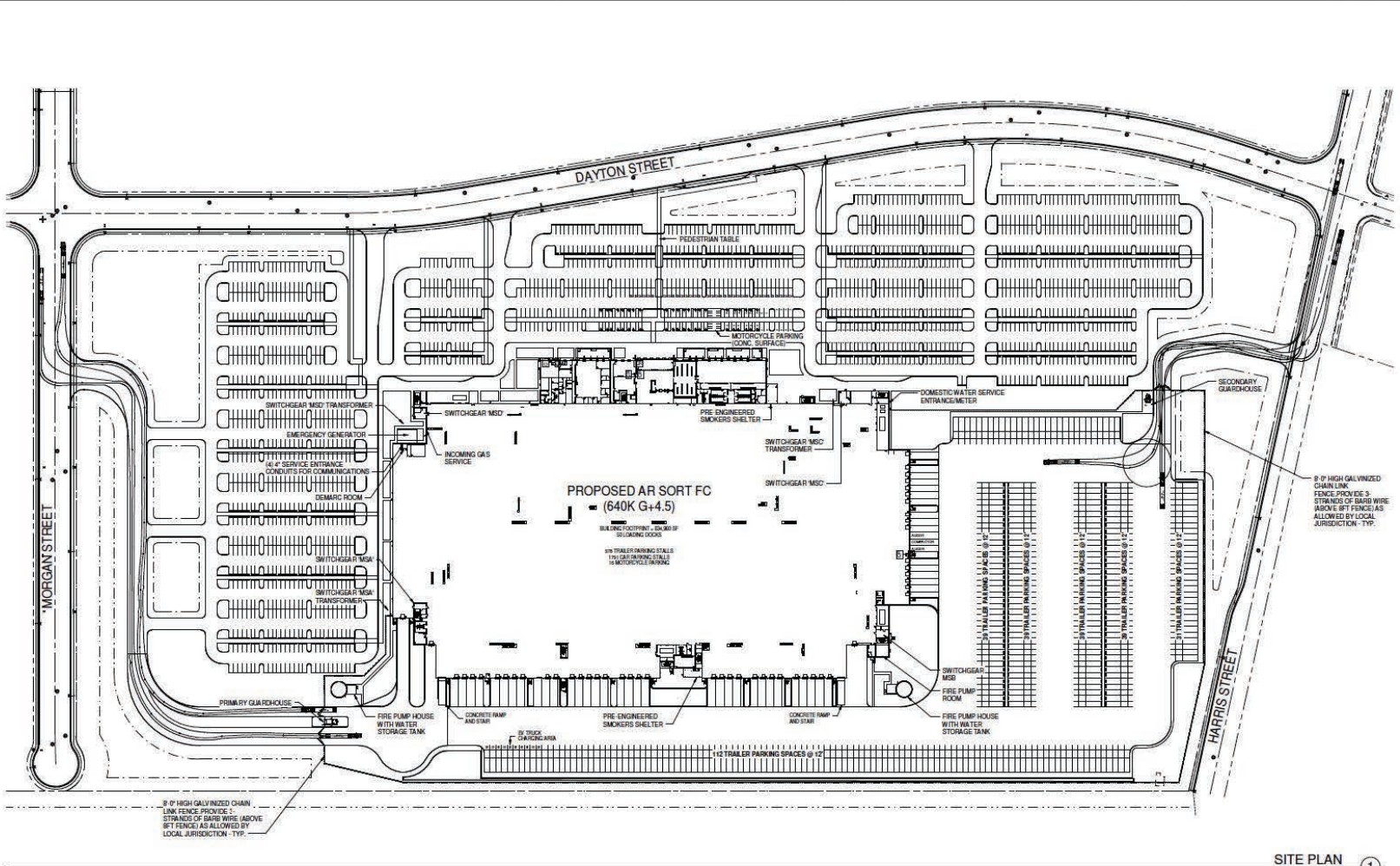
- The first references to Amazon and its warehouse developer Scannell are in documents dated Sept. 1, 2021 and Sept. 2, 2021. These documents refer to a request from Amazon/

WAREHOUSE PLAN see page 6

WAREHOUSE PLAN - from page 1

- Scannell for city staff to sign a Non-Disclosure Agreement (NDA) for “our proposed user at the Salinas Ag-Industrial Center (Harden Ranch).” The reference to Harden Ranch is not explained and it does not appear in any other documents.
- The Acting City Manager signed the Non-Disclosure Agreement “for the benefit of Scannell Properties, LLC and its Affiliates” on Sept. 2, 2021. Other city staff that knew about the proposal at this time were the Senior Economic Development Manager and the City Attorney.
 - The City of Salinas Planning Department began working in earnest on planning review for the warehouse in September 2021. Also in September 2021, documents were being drafted to prepare for extension of Dayton Street through Parcel D of the Salinas Ag-Industrial Center Specific Plan area to Harris Road.
- As early as October 2021, four months before the first rumor went public about the warehouse, the project had been code-named “Project GOAT.”
 - On Oct. 12, 2021, a law firm representing Uni-Kool submitted an application to the City of Salinas asking for an amendment to the Salinas Ag-Industrial Center Specific Plan to remove a footnote indicating that “Wholesale Distribution” land use listed under “Warehousing Sales and Services” only applies to uses that are “agriculturally-related or serve the agriculture industry.” It argued that “the proposed Amendment may be approved administratively by the City Manager or designee” because it wouldn’t result in any “new or intensified ‘significant’ environmental impacts not previously analyzed that would change the character of the project.”
 - In a letter dated Oct. 26, 2021, City Manager Steve Carrigan approved the amendment removing the footnote. The letter was copied to the City Attorney and the Community Development Director, Carrigan’s letter gave this rationale:

“Since the Specific Plan was adopted in 2010, ‘Wholesale Distribution’ has significantly changed with the rise of e-commerce, globalization, and more recently challenges in the supply chain and labor shortages created by the pandemic. The agriculture industry has also significantly changed since 2010, such that the original basis upon which the Specific Plan was originally adopted may no longer be relevant; more substantive non-administrative amendments may be necessary in the future to more usable for contemporary industries and business operations. This minor amendment is necessary to allow more flexibility to ‘Wholesale Distribution’ without having to restrict distributors that may not be exactly aligned with footnote (b). The development regulations for ‘Wholesale Distribution’ remain the same and the associated Ag-Industrial Specific Plan Final Environmental Impact Report (EIR) analyzed ‘Wholesale Distribution’ and its environmental impacts with no distinction whether it was agriculturally related.”
- A funding agreement signed by the City of Salinas Community Development Director with Scannell on Oct. 27, 2021, specifically referred to “negotiations with Uni-Kool Partners to purchase 73 acres identified as Parcels D and E in the Ag-Industrial Center Specific Plan” because “the Developer plans to build a warehouse and robotic sortation facility with a building footprint of approximately 635,000 square feet and a height of 110 feet.”
 - On Dec. 14, 2021, the Salinas City Council voted 7-0 for a resolution that declared Garrett Street in the Salinas Ag-Industrial Center Specific Plan area as “unnecessary for the present and prospective use” of the city, removed Garrett Street from the city’s street network, and



PROJECT DATA:

APRN:	037-686442-000 077-130471-000
ZONING:	E-38+ INDUSTRIAL GENERAL SALINAS AND INDUSTRIAL GENERAL
PROPOSED FLOOR AREA (SQ. FT.):	12,000,000
PROPOSED COVERAGE:	30.84% (308,719 SF) / 3,060,263 SF
ACREAGE:	70.14 ± AC.

PARKING:

REQUIRED PARKING:	1750 SPACES
OFFICE PARKING REQUIRED (1000 SF):	1750 SPACES
WAREHOUSE OCCUPIED SPACE REQUIRED (1000 SF):	1750 SPACES
TRUCK TRAILER AND AUTO PARKING (1000 SPACES):	1750 SPACES
STANDARD 10'x25' SPACES:	1750 SPACES
LONG TERM BICYCLE PARKING (8'x12' SPACES):	1750 SPACES
LONG TERM BICYCLE PARKING (8'x12' SPACES):	1750 SPACES
TOTAL PROVIDED PARKING:	1750 (240+150+100) 1750 TOTAL SPACES

TRUCK LOADING PROVIDED:

AT DOCK:	0 SPACES
TRAILER BY SWING:	0 SPACES
TOTAL PROVIDED:	0 SPACES
TOTAL PARKING SPACES + TRUCK LOADING SPACES:	1750 SPACES
REQUIRED BICYCLE PARKING PER CAL DREN:	MINIMUM 81 SPACES
SHORT TERM BICYCLE PARKING AND VISITOR PARKING PROVIDED:	81 SPACES
LONG TERM BICYCLE PARKING (8'x12' SPACES):	81 SPACES

PROPOSED BUILDING:

HEIGHT:	42.00 FT.
GROUND LEVEL:	0.00 FT.
MEZZANINE:	NON-OCCUPABLE UNMARKED 12,000 SQ. FT.
LEVEL 0:	NON-OCCUPABLE UNMARKED 12,000 SQ. FT.
LEVEL 1:	NON-OCCUPABLE UNMARKED 12,000 SQ. FT.
LEVEL 2:	NON-OCCUPABLE UNMARKED 12,000 SQ. FT.
LEVEL 3:	NON-OCCUPABLE UNMARKED 12,000 SQ. FT.
LEVEL 4:	NON-OCCUPABLE UNMARKED 12,000 SQ. FT.
TOTAL:	NON-OCCUPABLE UNMARKED AREA: 1,761,149 SQ. FT.
TOTAL SQUARE FOOTAGE:	3,961,149 SQ. FT.

NOTES:

1. SITE INFORMATION PROVIDED FOR REFERENCE ONLY. SEE CIVIL AND LANDSCAPE PLANS FOR ALL SITEWORK, GRADING, DRAINAGE, PAVING, CONCRETE FLATWORK, DIMENSIONS, AND LANDSCAPE.

2. SEE CIVIL DRAWINGS FOR ALL FIRE LANE AND EASEMENT LOCATIONS.

transferred it to a private owner along with a 22-foot storm drain and landscape buffer easements along the northern boundary of Garrett Street. The staff report did not mention anything about the Amazon warehouse planned for the site.

- According to a memo dated Jan. 18, 2022, Caltrans and the City of Salinas agreed on Jan. 12 that the warehouse project would make it desirable to install

a ramp metering system on the southbound Abbott Street on-ramp to U.S. Highway 101.

- The news finally leaked. Starting on Jan. 20, 2022, three law firms representing construction labor unions submitted requests to the City of Salinas asking for public records about Project GOAT. The City of Salinas informed Scannell about the requests, as required in Section 11 of the Non-Disclosure Agreement.

- On Feb. 7, 2022, KSBW and Monterey County Weekly submitted public records requests about the warehouse. LandWatch Monterey County submitted a request for records on Feb. 23.

- No records were provided to the Salinas Valley Chamber of Commerce with dates between March 31, 2022 and Nov. 14, 2023. City Manager Steve

Carrigan announced on April 13, 2022 that Amazon had ceased work on the warehouse because of construction costs.

- On Oct. 24, 2023, the Salinas City Council approved a "Resolution of Intention to Form an Enhanced Infrastructure Financing District (EIFD)," a mechanism for borrowing money for infrastructure that becomes an incentive for private development. Nothing provided to

the city council or the public revealed it was for the Amazon warehouse. The city council also approved a contract for an analysis of the EIFD. Apparently this analysis is actually meant to show the economic benefits of the Amazon warehouse.

During city council consideration of the EIFD, the Salinas Valley Chamber of Commerce supported it with the expectation that the EIFD was for expansion of the Salinas Industrial Wastewater Treatment and Conveyance System to allow new and expanded agricultural processing facilities. However, the Chamber also warned the city council to check to see if the EIFD was actually for a resurrected Amazon warehouse proposal.

- The City of Salinas received a letter from Scannell on Nov. 14, 2023, stating that an "industrial sortation and distribution facility that handles a wide range of goods with 5 floors, including a maximum building height of 110 feet consisting of a maximum total floor area of 3,424,698 square feet" does not need rezoning, a conditional use permit, or variance. If this interpretation was accurate, it would mean the warehouse can be granted a ministerial permit from City of Salinas staff without the need for a city council vote or public review under the California Environmental Quality Act (CEQA).

- On Dec. 14, 2023, the City of Salinas Community Development Director responded with a letter stating that the claim of the warehouse only needing ministerial approval is questionable, and more information would be necessary.

- A series of emails leading up to a meeting on Jan. 25, 2024 between Scannell representatives and City of Salinas officials indicated that Scannell was "dropping our pursuit of the EIFD" and would "pivot away from the challenges of getting the EIFD approved and focus on a re-introduction of the Amazon development team with the City Planning, Engineering, and Economic Development teams."

- In the next few months, the City of Salinas Community Development Department continued working on the new Amazon applications for permits.

- A March 26, 2024, development review application to the City of Salinas indicated the warehouse will be five stories with 3,080,787 square feet of floor space. This number is confirmed in other subsequent planning documents.

- The EIFD is back! On May 26, 2024, representatives of Scannell, Uni-Kool, and the City of Salinas met to discuss use of the Enhanced Infrastructure Funding District (EIFD) to borrow \$70 million for infrastructure construction at the Ag-Industrial Center

Specific Plan area. A Mello-Roos Community Facilities District (CFD) would also be established. The County of Monterey would need to be involved. Construction of the warehouse could start earlier than the first quarter of 2025 if the developer could be reimbursed from the EIFD funds after it starts.

- A June 7, 2024 email revealed that a draft study from a consulting firm about the feasibility of borrowing \$70 million through the EIFD found that "100% EIFD participation from both City and County and the formation of a CFD would be required to generate the future debt service to support a bonding capacity of \$70M." It was also revealed that "the City is proposing Sept.

19 for a joint city/county meeting to discuss EIFD participation."

- An email dated June 13, 2024 revealed that Scannell representatives had a meeting with City of Salinas staff on June 12 about their continued claim that the warehouse only needs ministerial approval and does not need environmental review or the city council to vote on anything.

- An email dated June 13, 2024 indicated that the City of Salinas is tentatively arranging to introduce Amazon to the public at two community meetings at Sherwood Hall: on Thursday, Aug. 22 at 6:00 p.m. and on Saturday, Aug. 24 at 10:30 a.m.

Now you know. 🌱

BUSINESS JOURNAL



GOVERNMENT NEWS



Chamber Recommends Salinas City Council Strengthen Its Case for Measure G Sales Tax Renewal

By **Kevin Dayton**, Government Affairs Liaison

On July 16, 2024, the Salinas Valley Chamber of Commerce sent a letter about the city's Measure G sales tax to the Salinas City Council and Measure G Oversight Committee. The letter includes nine specific recommendations on how the City of Salinas can improve openness, transparency, and accountability for how it spends revenue collected under the authority of Measure G.

Voters approved Measure G in 2014. It has an expiration date of 2030.

If implemented, the Chamber's

TAX RENEWAL see page 6

TAX RENEWAL - from page 1

recommendations will help the City of Salinas develop an effective and credible public education and community outreach effort for renewal of the Measure G sales tax. The text of the letter is below.

Conditions for Salinas Valley Chamber of Commerce Leadership on Measure G Sales Tax Public Education and Community Outreach

You voted on June 25, 2024 to wait until the November 2026 election to ask City of Salinas voters to renew the Measure G sales tax. At that meeting, you examined survey results, took public comments, and acknowledged the need for extensive public education and community outreach to educate the public about Measure G sales tax revenue and expenses.

The Salinas Valley Chamber of Commerce is interested in taking a leadership role in the next two years on Measure G sales tax public education and community outreach. This could include nominating a Chamber representative (or representatives) to serve on a Measure G city advisory committee, hosting meetings to explain Measure G to city businesses, publishing articles about Measure G in the Chamber's Business Journal, and other roles independent of official city activities as the November 2026 election approaches.

However, before the Chamber proceeds to invest volunteer and staff time and money in this effort, Chamber leadership recognizes the City of Salinas must improve its openness, transparency, and accountability concerning the Measure G sales tax. Here are our recommendations:

1. Include a standing item entitled "Measure G Sales Tax Accountability, Public Education, and Community Outreach Activities" at every Salinas City Council Finance Committee meeting. This committee should take primary responsibility for directing and reviewing staff activities related to Measure G.
2. The Salinas City Council should hold a study session in the fall of 2024 dedicated to learning about, reviewing, and discussing the Measure G sales tax.
3. Take specific, measurable actions to ensure the Measure G Oversight Committee not only

achieves a quorum at its quarterly meetings, but has 100% attendance from its seven members at meetings. Members of the City Council need to identify and recommend constituents for this committee who understand and embrace public accountability, fiscal responsibility and service to the community. If current committee members cannot commit to 100% attendance (outside of exceptional circumstances), remove and replace them.

4. To improve member and public attendance, the City of Salinas may need to schedule Measure G Oversight Committee meetings in the evening. While evening meetings may be inconvenient and costly, the Chamber believes Measure G sales tax renewal deserves this commitment from the City.
5. Develop a prominent Measure G page on the City of Salinas website. On this website, post all fundamental documents related to Measure G, including the following:
 - (A) The language that appeared on the ballot for Measure G
 - (B) The background information that appeared in the Voter Guide for Measure G, including statements in support and in opposition to the ballot measure
 - (C) The Salinas City Council resolution putting Measure G on the ballot
 - (D) The Salinas City Council resolution establishing the Measure G Oversight Committee
 - (E) Bylaws for the Measure G Oversight Committee
 - (F) Current Measure G Oversight Committee members, with information on how to contact them, identification of which City Councilmember appointed them and their appointment date
 - (G) A list of all past Measure G Oversight Committee members and their periods of service (appointment date and resignation/expiration date)
6. It appears to the Salinas Valley Chamber of Commerce that one of the major public concerns about Measure G is a lack of knowledge about how the revenue is spent. The City of Salinas needs to give this information to the

Measure G Oversight Committee and to the public via the Measure G page on the City of Salinas website:

- (A) A list of Measure G sales tax revenue for each fiscal year
 - (B) A list of specific direct expenditures for each fiscal year that Measure G has been in effect
 - (C) A table showing the number of City positions in each City department fully or partially funded for each fiscal year that Measure G has been in effect ("Transfers Out")
 - (D) A table showing the percentage of the personnel budget for each department funded by Measure G for each fiscal year
7. The Measure G page on the City of Salinas website should explain the Measure G expenditures on debt service for the Salinas Police Station. It needs to list reasons why a new police station was needed. It needs to list service improvements to the community that resulted from a new police station. It needs to be associated with the significant reduction in crime rates.
 8. All Salinas City Councilmembers supportive of Measure G sales tax renewal must commit to active involvement in the education and community outreach campaign. This is not "something staff can handle."
 9. Under no circumstances should the City of Salinas educate the public about Measure G using negative and distorted depictions of the City of Salinas, such as deteriorating infrastructure and/or infestation by crime and gangs. Measure G has provided public services and benefits that have made the City of Salinas a better place to live and work. The City of Salinas is a good place to live and work, and it's getting better.

As the City of Salinas develops its Measure G sales tax public education and community outreach plan, the Salinas Valley Chamber of Commerce expects the community to propose many more ideas. Please listen to them. In the meantime, we look forward to City consideration and adoption of our recommendations. 🌱



BUSINESS JOURNAL

Chamber Dismayed by First Set of Audit Findings for Regional Wastewater Recycling Agency

Kevin Dayton, Government Affairs Liaison

Monterey One Water (M1W), known until 2017 as the Monterey Regional Water Pollution Control Agency (MRWPCA), is a water supply fulcrum for Lower Salinas Valley agricultural irrigation and Monterey Peninsula drinking water.

Three dominant economic sectors in Monterey County (agriculture, hospitality and military bases) now rely on a sufficient and reliable supply of M1W recycled water. Economic development, job creation, housing construction, and quality of life in Monterey County depend on the successful operations of this wastewater processing and recycling agency.

M1W can be a pivotal asset in achieving the Chamber's official vision of "a thriving, welcoming Salinas Valley where people, families and

businesses succeed via economic growth and opportunity." For this reason, your Salinas Valley Chamber of Commerce is dismayed by findings of shortcomings in past financial management at M1W. These shortcomings were revealed to the public in the first phase of what was intended to be a multi-phase independent audit of the agency.

These findings have intensified Salinas Valley Chamber of Commerce's concerns about the availability and accuracy of M1W water flow data — another facet of M1W operations that deserves an independent audit. Your Chamber is determined to make that data available to the public.

Who Runs the Regional Wastewater Recycling Agency?

Monterey One Water is a public Joint Powers Agency (JPA) made up of 11

government entities, with a Board of Directors consisting of 11 officials appointed by those entities as representation on the Board. M1W includes the City of Salinas (which supplies almost 50% of the system's municipal wastewater), Castroville/Moss Landing, and the Monterey Peninsula (except for Pebble Beach and Carmel/Carmel Valley/Carmel Highlands, which have their own wastewater recycling agencies).

Councilmember Anthony Rocha is the City of Salinas official representative on the M1W Board. On Feb. 6, 2024, the City Council voted 5-2 to remove Mayor Kimbley Craig as the city representative on the M1W board and replace her with Councilmember Rocha.

A policy-based explanation was never explicitly offered at

AUDIT see page 5

the meeting to justify the vote. It was carried out over the objections of Mayor Craig, who had defended the rights of the City of Salinas to its various sources of wastewater supply conveyed to M1W. This includes municipal wastewater, industrial wastewater, stormwater and water from drainage ditches.

It is perhaps noteworthy that Mayor Craig had sent a letter (in June 2023) to the Monterey County Water Resources Agency (MCWRA) seeking more information on the availability of a guaranteed, long-term, sustainable water supply for the ongoing M1W expansion of the Pure Water Monterey project. As discussed below, the answer to this question has significant implications for the region.

Background of the M1W Audit

While various Monterey County government and business leaders

have been debating the theoretical adequacy of future water supply sources, your Chamber staff has been extracting water flow data from isolated references in public documents and organizing that data into systematic tables. On June 6, 2023, your Chamber sent a 10-page letter with 40 pages of exhibits directly to M1W asking for clarification on inconsistent water flow data. The letter also asked about the apparent long-term failure of a key water flow meter at the Salinas Area Pump Station. M1W responded with a comprehensive letter dated July 28, 2023, but it left some questions unanswered.

Other people wanted answers to their own questions about M1W. On Aug. 3, 2023, the Monterey County Joint Leadership Committee of the MCWRA and Monterey County Board of Supervisors held a special meeting and approved actions subsequently referred to as the "Monterey One Water 2023

Reconciliation Process." This is a multi-phase independent audit of the M1W water-recycling program. The audit was proposed to include expenses, billing practices, water supply, and perhaps additional components of the program.

Moving forward with the audit was an uncomfortable situation because of the existing critical relationships between MCWRA and M1W. For example, these agencies collaborate as partners on the Castroville Seawater Intrusion Program (CSIP), which has provided irrigation water to farmers since 1998.

And in 2015, the two agencies approved an "Amended and Restated Water Recycling Agreement" (ARWRA) that addresses terms and conditions for "new source waters" from the Blanco Drain, Reclamation Ditch and the City of Salinas Industrial Wastewater Treatment Facility and Conveyance System. Those new sources of wastewater are now available for recycling for

the Pure Water Monterey project. This project supplies additional irrigation water to the Castroville Seawater Intrusion Project (CSIP) and drinking water to the Monterey Peninsula.

Fate of a Proposed Desalination Plant Hovers Over Every Water Discussion

Sufficiency of regional water supply from recycled water has important implications for the future of another potential water production source: desalination. Significant opposition has long delayed a desalination plant proposed by California American Water Company (Cal Am), a private corporation that supplies drinking water to the Monterey Peninsula.

Cal Am applied to the California Public Utilities Commission for approval to build this desalination plant in 2012, after several desalination proposals as far back as 1993 were derailed for various reasons. One of

Continued to page 6


those reasons was the significant cost of building and operating a desalination plant. Another reason was concern that an ample water supply from desalination would induce growth and development on the Monterey Peninsula.

Opposition to the latest proposed Cal Am desalination plant is often associated with an ongoing campaign for government takeover of the privately owned Monterey Peninsula water supply and distribution system. In November 2018, 55.8% of voters in the Monterey Peninsula Water Management District (MPWMD) approved Measure J, the “Monterey Peninsula Water System Local Ownership Feasibility Study Initiative.” It authorized a government takeover of the private water system if and when this action is deemed financially feasible. A takeover would be more expensive and less financially feasible if the system includes an operational desalination plant.

The Public and Its Elected Representatives Review the M1W Financial Audit

On July 22, 2024 — almost a year after authorization — the consulting firm in charge of the audit released a report explaining its findings related to phase one, M1W financial management and expenses. The Monterey County Water Resources Agency provided the audit report to the Monterey County Board of Supervisors on July 30. On Aug. 13, the Board of Supervisors, meeting as the Board Supervisors of the Monterey County Water Resources Agency, received the audit report and discussed it. Here are the seven findings:

1. Noncompliant Indirect Cost Methodology
2. Inconsistent Time Records
3. Noncompliance With Required Monthly Reporting
4. Accounting Practices and Limited Transparency
5. Percent Overcharged
6. Weak Control Environment

<p>Water Recycling Agreement Expenses Audit</p> <p>July 22, 2024</p>  <p>GPP Analytics Government Performance & Policy 2478 Tierra Dr, Los Osos, CA 93402 (805) 242-2071 info@gppanalytics.com www.GPPAnalytics.com</p>	<p>Table of Contents</p> <p><i>Transmittal Letter</i> 1</p> <p><i>Introduction</i> 4</p> <p><i>Findings</i>..... 8</p> <p> Finding 1: Noncompliant Indirect Cost Methodology 8</p> <p> Finding 2: Inconsistent Time Records..... 17</p> <p> Finding 3: Noncompliance With Required Monthly Reporting 22</p> <p> Finding 4: Accounting Practices and Limited Transparency 23</p> <p> Finding 5: Percent Overcharged 31</p> <p> Finding 6: Weak Control Environment 33</p> <p> Finding 7: Breaches of the Agreement..... 34</p> <p><i>Recommendation List</i> 35</p> <p><i>Attachments – Response from Monterey One Water</i>..... 37</p>
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Finding 5: Percentage Overcharged

- Based on Finding 1, indirect cost methodology.
- For the four-year audit period, this totaled \$1,110,117.41.
- We recommend that, per the Agreement, M1W reimburse the WRA this amount.

	FY 2018–19	FY 2019–20	FY 2020–21	FY 2021–22
Total Operating Expenses for WRA Programs	\$4,351,925.00	\$4,767,198.00	\$5,488,494.00	\$6,125,172.00
Overpayment of Indirect Costs as Calculated in Finding 1	\$64,226.76	\$175,362.29	\$343,192.18	\$527,336.19
Percent Difference From Expenses Charged	1.5%	3.7%	6.3%	8.6%

7. Breaches of the Agreement
The “Agreement” refers to the Amended and Restated Water Recycling Agreement between Monterey One Water and the Monterey County Water Resources Agency.

Among the most egregious findings was that M1W had overcharged MCWRA about \$1.1 million total over four years and needs to pay it back. There were also questions related to a separate “Reclamation Fund” that held about \$850,000.

At the meeting, the Monterey County Auditor confirmed that the audit was accurate. For its part, M1W provided a formal response asserting that the audit was “commissioned

with a preconceived bias” and “conclusions are almost exclusively based on a narrow interpretation of an ambiguous agreement.”

Recognizing the essential partnership between M1W and MCWRA, the Board of Supervisors urged officials of the two agencies to resolve the problems identified in the findings.

What Comes Next?

Proceeding with the planned second phase of the M1W audit (examination of source water and water supply) is important for your Chamber of Commerce and for the people and businesses of Northern Monterey County. It matters because openness, transparency and

accountability concerning source water and water supply and water flow measurement is critical for wise, coordinated multi-agency public policy decisions about regional water supply. Data will help local government officials to tackle this issue with a degree of separation from political considerations.

Since the Sumerians 5,000 years ago, control of water has meant control of civilization. Water can be provided or withheld to determine the political, economic, and social destiny of a region. Monterey County is not an exception. Your Salinas Valley Chamber of Commerce will continue its leadership on this issue. 🌱



BUSINESS JOURNAL

Uncomfortable But Necessary: An Audit of Water Flow Data

Kevin Dayton, Government Affairs Liaison

On May 2, 2023, the Salinas City Council considered what appeared to be a relatively customary and boring meeting agenda item. They reviewed a 186-page Salinas Sanitary Sewer Master Plan Update prepared by a consulting firm.

The report identifies future city sewer needs and justifies sewer rate increases to fund necessary construction projects. As expected, the Salinas City Council accepted the report on a 7-0 vote.

Accepting it was a mistake.

It Was Important to Actually Read the Report

The Salinas City Council should have sent the report back to the consulting firm with specific directions on how to revise it. The reputable, experienced firm that prepared the report should have explained in writing to the city council and the public why it ended up using older data to develop the city's Sanitary Sewer Master Plan Update.

Before the May 2, 2023 city council meeting, your Chamber's Government Affairs Liaison read the report and noticed the consultant heavily depended on Monterey One Water (M1W) wastewater meter flow data from 2014-2017. The consulting firm also set

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up a special project of temporary meters to measure wastewater flow in March and April of 2021, with the meters presumably located to provide supplemental information about “the seven flow-splits/diversions” in the city wastewater system.

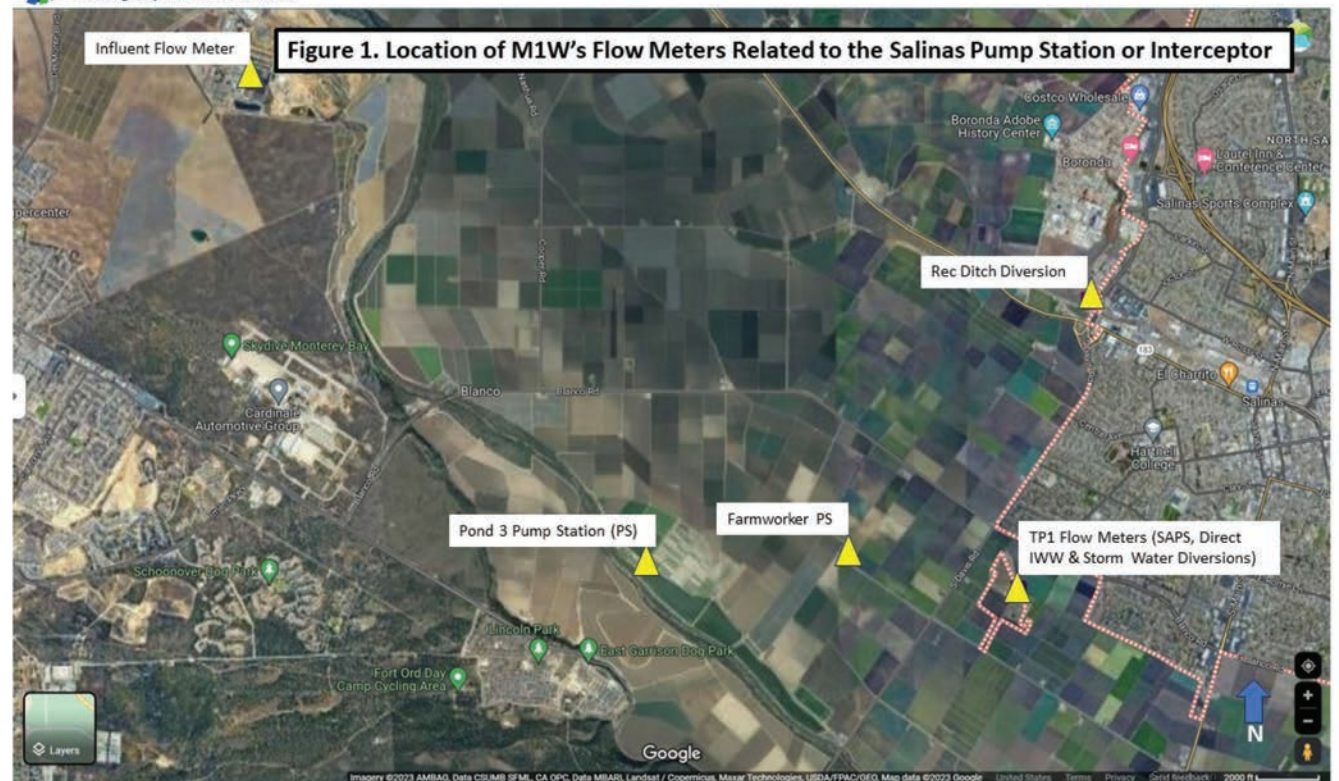
This 2014-2017 data may not have offered an accurate perspective on City of Salinas wastewater production in 2023. M1W has reported a significant decline in municipal wastewater influent to its Regional Treatment Plant over the past several years (although the annual data it reports over time is not always consistent). The population of Salinas has been declining. People have been more judicious with their water use because of high rates.

Why not use data more recent than 2014 to 2017? A potential clue within the report are two references to “anomalies” in M1W water flow meter data from “the latter half of 2018 through 2020” that apparently made that data unreliable.

Your Chamber’s Government Affairs Liaison emailed key M1W and City of Salinas wastewater personnel asking what happened with the flow meter. He also asked why the consulting firm didn’t use flow meter data that M1W reports on a monthly basis to the Central Coast Regional Water Quality Control Board. Shortly before the city council meeting, a M1W official responded via email with a statement that did little to answer the questions.

City Council Passes on an Opportunity to Learn the Truth

At the city council meeting, your Chamber’s Government Affairs Liaison encouraged the city council to ask the consulting firm and M1W officials about the use of old data and the flow meter anomalies. He contended that the



city council and the public should know why recent water flow data was unreliable and therefore not incorporated into the report.

Councilmember Steve McShane heard the comments and asked the consulting firm to explain the data and the flow meters. A representative of the consulting firm evaded answering the questions. The city council then moved on to other thoughts.

As revealed in documents subsequently obtained through a public records request, officials of Monterey One Water, the City of Salinas, and the consulting firm strategized in advance to avoid answering the questions. Emails obtained from M1W include these comments: (1) “I would like to talk to you about this. This is on the city’s agenda tonight. I will give you a call shortly. Hopefully you are available to chat.” and (2) “FYI not sure if they will come to the meeting, and ask the same question but we probably should have a good answer in hand. The same

question might come through one of the Council members.”

They ended up devising a “good answer in hand.” It wasn’t the real answer.

Not Time Yet to Move On...

One official published document besides the 2023 Salinas Sanitary Sewer Master Plan Update references a flow meter malfunction. The 2022 City of Salinas Industrial Wastewater Treatment Facility (IWTF) Annual Report states that “On Feb. 24, 2022, Cooper Controls completed flow meter installation and certified meter for IWTF that needed to be replaced because it malfunctioned and stopped reading flow.” No further information is found in this annual report or in any earlier annual reports about this flow meter malfunction.

In the past year, the Chamber obtained several emails, generally devoid of larger context, that suggest all three effluent flow meters affiliated with City

of Salinas wastewater may have been malfunctioning at unknown times for uncertain reasons from 2018 into 2022. These flow meters are at the TP1 (Treatment Plant 1) Salinas Area Pump Station, the TP1 Salinas Industrial Wastewater Direct Diversion, and the Pond 3 Pump Station. If as many as three flow meters were malfunctioning over a five-year period, this may explain why different agencies have reported flow data that doesn’t match up when compared.

Or, it may not. We do not have enough information to know.

Chamber Requests Local Governments to Take Specific Actions

Your Salinas Valley Chamber of Commerce is insisting that the Monterey County Board of Supervisors and the Monterey County Water Resources Agency (MCWRA) Board of Directors proceed with the originally planned source water/water supply second phase of the independent audit series known as the “Monterey

One Water 2023 Reconciliation Process.” This would answer questions no one has been willing to answer in public.

In addition, your Chamber has an ultimate policy objective: routine production and publication of monthly and annual flow maps for the complete Monterey One Water recycled water system. At each water diversion identified on the map, a table would show the influent or effluent amounts reported by the flow meters. Ideally, this map would include data so accurate that slight differences in flow between locations would reveal the amount of wastewater leakage or loss within the system.

When the Monterey County Board of Supervisors held its series of water workshops in 2022 to seek a collaborative path forward

on water supply, it should have established the creation and maintenance of such maps as a measurable and reasonable goal. These maps would serve as data-based foundational documents that show what’s really going on with flow in the recycled water system.

The board can still establish this policy. And it should, now.

Without trustworthy flow data, our local government officials will feel pressure to make critical decisions about water policy based on special interest demands, political considerations and emotional appeals that stir up voter passions but don’t actually accomplish anything. It’s time for local government leadership to change how their agencies handle water issues. Your Chamber asks for that change. 🌱

Violent and Property Crimes in Salinas Continue Long-Term Downward Trend

By Kevin Dayton, Government Affairs Liaison

Is there a public perception that the City of Salinas has a “crime problem?” If so, does that perception hinder economic development and community pride? Regrettably, your Chamber thinks the answer to both questions is “Yes.”

Is the perception accurate? Although no statistics are perfect, fairly reliable data is available to the public through the website “Police Service of Salinas: Statistics” at <https://salinaspd.org/statistics/>.

The Salinas Police Department collects and compiles crime data through the National Incident-Based Reporting System (NIBRS), established for the Uniform Crime Reporting (UCR) Program of the Federal Bureau of Investigation in the U.S. Department of Justice. Eight types of crimes are tracked:

- four types of violent crimes: murder and non-negligent manslaughter, rape, robbery, and aggravated assault
- four types of property crimes: burglary, larceny-theft, motor vehicle theft, and arson

Accompanying this article are tables and graphs showing trends since 2015 for the four types of violent crimes and four types of property crimes. Rates for most crimes have dropped significantly since 2015. Most statistics for 2023 are close to or at their lowest levels in the last nine years.

There are unsubstantiated

arguments that this City of Salinas crime data understates the amount of crime because an increasing number of crimes are not reported by victims or recorded by police. It might be useful for the Salinas City Council to review this data and determine its accuracy. Note that murder is a crime that is likely to be accurately reported

and recorded, and that annual data shows a significant and enduring decline.

In the meantime, please share this information with residents, workers, visitors, and supporters of the City of Salinas — especially people who says they avoid Salinas because it has a perceived “crime problem.” 🌿

Crime Trends in City of Salinas Through 2023

Crime	Trend	Time Period
Burglaries	Down 76%	2017 to 2023
Murder	Down 75%	2015 to 2023
Motor Vehicle Thefts	Down 74%	2015 to 2023
Serious "Part 1" Crimes	Down 74%	2015 to 2023
Forcible Rapes	Down 58%	2018 to 2023
Larcenies/Thefts	Down 54%	2017 to 2023
Total Crimes (includes non-aggravated assaults)	Down 51%	2015 to 2023
Arson	Down 50%	2022 to 2023
Robberies	Down 37%	2015 to 2023
Aggravated Assaults	Down 24%	2015 to 2023

Annual Crimes in City of Salinas 2015-2023 with Population and Police Budget Trends

	Murders	Forcible Rape	Arson	Robberies	Burglaries	Aggravated Assault	Larcenies-Theft	Motor Vehicle Theft	"Part 1" Crimes	Total Including Non-Aggravated Assault	Population at Start of Year	Percentage Change for Population	Adopted Police Department Budget	Amended Police Department Budget	Percentage Change for Police Department Budget
2015	40	72	19	369	679	613	1,534	1,932	6,346	7,430	157,206	N/A	\$44,548,900	\$45,024,381	N/A
2016	36	84	11	325	695	559	2,484	1,563	5,759	6,835	158,973	1.12%	\$45,694,745	\$45,424,345	1.49%
2017	29	69	24	358	964	564	2,589	1,242	5,841	6,933	159,708	0.46%	\$50,091,227	\$49,636,278	10.27%
2018	19	99	31	321	897	541	2,180	1,227	5,316	6,547	159,846	0.09%	\$51,247,420	\$51,790,726	3.25%
2019	8	65	25	241	742	467	1,709	1,081	4,340	5,576	160,522	0.42%	\$52,247,657	\$52,997,357	0.88%
2020	8	68	33	233	790	556	1,779	912	4,380	5,470	160,387	-0.08%	\$52,694,683	\$53,248,983	-0.57%
2021	16	70	30	235	694	563	1,820	732	4,160	5,291	160,206	-0.11%	\$53,028,645	\$53,028,645	-0.41%
2022	13	62	42	222	328	461	1,665	683	3,476	4,288	159,932	-0.17%	\$57,452,491	\$57,882,491	8.34%
2023	10	42	21	234	232	468	1,202	505	1,668	3,607	159,475	-0.29%	\$60,085,120	\$60,085,120	3.81%