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**A blockhead takes
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Assembly committee saves water board by a single vote

Nader Agha promises twice as much water for half the cost

■ **McPherson blames Laird, who offers counter-proposal**

By PAUL MILLER

AN EERIE, empty silence hangs over the hulking remains of the old brickworks in Moss Landing.

Giant paddles in precipitation ponds that look like colossal ice cream makers stir no more. The kilns are cold, the motors are still, the silos are empty and the conveyor belts convey only an idea: America's days as an industrial superpower are behind it.

The magnesium bricks once produced by the millions from the waters of Monterey Bay and used to line furnaces at steel mills in Pennsylvania and Ohio are now made in the Far East. Since 1999, the 200-acre National Refractories plant, just south of the familiar Moss Landing power generating station, has been still.

So sudden, and so complete, was the shutdown, coffee cups can still be seen on abandoned office desks. The place looks as if someone waved a magic wand, causing the employees to disappear but leaving everything else intact. An owl has moved into a storage shed and lives among stacks of finished, cream-colored bricks that were suddenly rendered worthless when the Chinese figured out how to make them cheaper. It's too bad John Steinbeck wasn't around to chronicle the demise of heavy industry in Monterey County.

But a new kind of post-industrial entrepreneur has arrived on the scene, and he sees a big opportunity doing the opposite of what National Refractories did. Instead of extracting valuable minerals from the waters of the Pacific Ocean, he wants to extract valuable water and throw the minerals away.

"This whole community has a water crisis, and we have to do something about it," says Nader Agha, a real estate developer who bought the Moss Landing brickworks out of bankruptcy court last year for \$7.5 million. His solution: Tear



PHOTO/PAUL MILLER

With an unused Moss Landing complex for turning magnesium into bricks behind them, Nader Agha (left) and one of his business associates, leasing specialist Reuben Helick, offered details this week of their plan to demolish the building and replace it with a large desal plant.

down a jumble of towers and pipes that once was the final step in getting the magnesium ready to be shaped into bricks, and turn it into a 21,000-acre-foot desal plant — with room to expand it by 50 percent.

"We intend to provide a safe, reliable and drought-resistant source of high-quality drinking water," Agha said.

And he says he can do it at a much lower cost — less than half as much for more than twice as much water — than the figures being floated for a possible Cal-Am desal plant across the street at the power plant. "Our cost will be \$78 million for a 30,000 acre-foot capacity," Agha told The Pine Cone.

He's already made a deal with a north county water agency, the Pajaro-Sunny Mesa Community Services District, to lease the land for the plant and start the permit process. "It will take about a year to a year-and-a-half to fin-

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By MARY BROWNFIELD

SACRAMENTO — A SENATE bill to dissolve the water management district died in an Assembly committee Wednesday after it failed to garner a fifth vote needed to make it to the full Assembly.

Senator Bruce McPherson, author of SB 1529, blamed Assemblyman John Laird, who also has legislation pending regarding the Monterey Peninsula Water Management District, for scuttling it.

"I hope that John Laird is happy with the status quo of a district that is bankrupt, will spend millions more in the future and have no significant impact on solving an identified water crisis on the Monterey Peninsula," McPherson said Wednesday evening after his bill achieved a 4-2 vote in the Assembly Local Government Committee — one short of the five Yes votes needed.

McPherson said a freshman assemblyman who had voiced support for the bill ultimately did not vote due to pressure from Assembly Speaker Fabian Nuñez.

But Laird, who was busy in the Capitol testifying before other committees and shepherding some of his own 28 bills through the Legislature, said he did not even know the fate of SB 1529 until 6 p.m.

He said the two Assembly members who voted against the bill and the three who did not cast votes drew their own conclusions.

"I didn't lobby this bill heavily," he said. "I've always been advocating for a practical solution that supplies affordable housing and a reliable water source."

To that end, Laird has authored two bills that would affect the Peninsula's water supply: AB 2918, which would require the PUC to study the possibility of supplying cheaper energy to desalination plants, and AB 1300, which would allow the state to approve a water project for the Monterey Peninsula only if it would at least make up for Cal-Am's overpumping of the Carmel River and provide 750 acre-feet for affordable housing.

If the district has not authorized a project by 2010, according to Laird's bill, it would lose its right to develop water projects but retain control over permits, habitat restoration and conservation.

"My suspicion is if there's no project by 2010, we would be looking for a completely alternative structure to every-

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Getting to the nitty-gritty of job cuts

By MARY BROWNFIELD

WITH THE impending loss of 24 coworkers, Carmel city employees are honing their multiple-hat-wearing skills in preparation for the July 1 effective date of the 2004/2005 budget. While the public gets used to closed restrooms and shortened library hours, the police chief will be learning how to run the fire department, forestry and street workers will be lending each other a hand, and clerks will be relocating their offices and taking on new tasks.

"I've told everybody to take their time. July 1 is a target date, but it may take us longer," to implement the changes born of cutting jobs and restructuring departments as called for in the recently adopted 2004/2005 budget, city administrator Rich Guillen said. "That's fine, so long as we're detail-oriented in how we make the transitions so things don't fall through the cracks."

Since the council's adoption of the budget June 3, Guillen has been meeting with department managers to determine the least painful way to implement it.

In city hall, the front desk will be occupied by administrative coordinator Margi Perotti, moving from the public works and forestry building on Junipero, and Stephanie Pearce, moving from the library. They will replace Cindi Lopez-Frincke and Rhonda Ragghianti, whose last day on the job will be June 30.

Perotti and Pearce will continue handling some of the business of their departments as well as taking assignments from Guillen and his executive assistant, Sandy Farrell.

Pooling the clerks makes sense not only because there are fewer people doing more jobs, but so the work still gets done even when the person who normally handles it is out of the office.

See **BUDGET** page 11A

Serial thieves de-pine Sunset Center

By MARY BROWNFIELD

SEVERAL YOUNG Monterey pine trees have disappeared from the recently remodeled Sunset Center, leaving city officials wondering how to stop the thefts.

Someone stole seven of the 11 one-gallon pines planted alongside the steps leading from San Carlos Street to the theater courtyard — almost as many as were taken last December.

"We replaced them and asked the gardener to keep an eye on them," but she has since left the city, said city forester Mike Branson. "Then a couple of weeks ago, someone noticed the trees were gone again."

Branson and city administrator Rich Guillen hope to devise a scheme for catching the thieves, or at least diminishing their thirst for pines.

"Other than having armed guards, it's difficult to control people, whether it's maliciousness or



PHOTO/PAUL MILLER

One of the last pines standing at Sunset Center is struggling for survival under the threat of thievery.

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Carmel Valley

DESAL

From page 1A

ish the EIR and get the permits," maintained Agha, who is known for his hard-charging business style, and also for his optimism.

But he's not the only who's believes the plant will be built. "I'm very confident," said Marc del Piero, lawyer for the P-SMCS and a former member of the State Water Resources Control Board. "Our board of directors has decided to take 'all such actions' as are needed to get it done."

Del Piero also said his agency was working aggressively to lessen any environmental impacts from operating a large desal plant on the shores of the Monterey Bay National Marine Sanctuary.

"We've already asked for the help of the Moss Landing Marine Labs to mitigate the impacts from the intake and the outfall," he said.

Those pipes already exist, and it was fortuitous for Agha that they do. He said he bought the land as a real estate investment, only to discover after completing the purchase that the site was ideal for desal.

"I feel very grateful that we were fortunate enough to acquire this property," said Agha, who arrived from Syria in 1965 with just \$17 in his pocket and has amassed a large fortune from his real estate dealings. "After the acquisition we discovered a bigger gift in the site, which I consider the best gift from the Lord, and I intend to share it with the community that has been very generous, kind and helpful to me over

the years."

Nearby, two large pipes hugged the ground alongside Highway 1, capable of carrying millions of gallons of seawater a day to Agha's property, just as they did in the brickwork days. Underground, another pipe headed to an outfall 300 feet offshore, completing the circuit.

"The coastal commission has already made it clear that they won't allow any more outfalls," said Reuben Helick, who is handling commercial leases on the property.

"Our location has been found to be the most suitable site for desalination and it comes with all the perfect ingredients — including the existing intake and outfall, 27-million-gallon-capacity storage tanks, and a large amount of land which is necessary for future expansion," Agha said.

According to del Piero, the plant will have a capacity of about 21,000 acre-feet per year. Of that, approximately 4,000 AF would be used to eliminate the overdraft of water supplies in the Pajaro-Sunny Mesa area and for new uses in North Monterey County, including Moss Landing. The rest, almost 17,000 AF per year, could be shipped to the Monterey Peninsula to stop the illegal pumping from the Carmel River, and for existing lots of record and growth anticipated by the county and the cities.

"We would build a pipeline to deliver the water to Seaside," del Piero said. Either the Monterey Peninsula Water Management District, Cal-Am or the various cities could sign a contract to buy the water, which will cost between \$1,100 and \$1,400 per acre-foot to produce, depending on the price of electricity. It helps to have a power plant next door.



PHOTO/PAUL MILLER

One of the former brick factory's most valuable assets is its collection of large pipes (above) which could be used to deliver water from Monterey Bay to the proposed desal plant. Another set of existing pipes would take the resulting brine out to sea.

"We've already met with the leaders of Duke Energy, which owns the power plant, about negotiating a lower cost for electricity, and we received a very satisfactory proposal from them," Agha said.

And he claimed to have another competitive advantage over Cal-Am's proposal. "They will be allowed by the Public Utilities Commission to add a profit margin of 9.9 percent to their capital investment, so they have an interest in driving up the cost of building a desal plant," Agha maintained. "But our plant will be built with no profit for anyone."

Despite his optimism, after decades of nothing being accomplished to increase the Monterey Peninsula's water supply, Agha acknowledged that minefields are dead ahead.

"It's easy to get the salt out of the water, but it's not so easy to get the politics, the greed and the egomania out of the process," he said.

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