


MWLA Board  
2/23/2015


Action  
item 9H  
Dave Stoldt  
presented



# Pure Water Monterey

A Groundwater Replenishment Project


Stakeholders Meeting  
January 29, 2015



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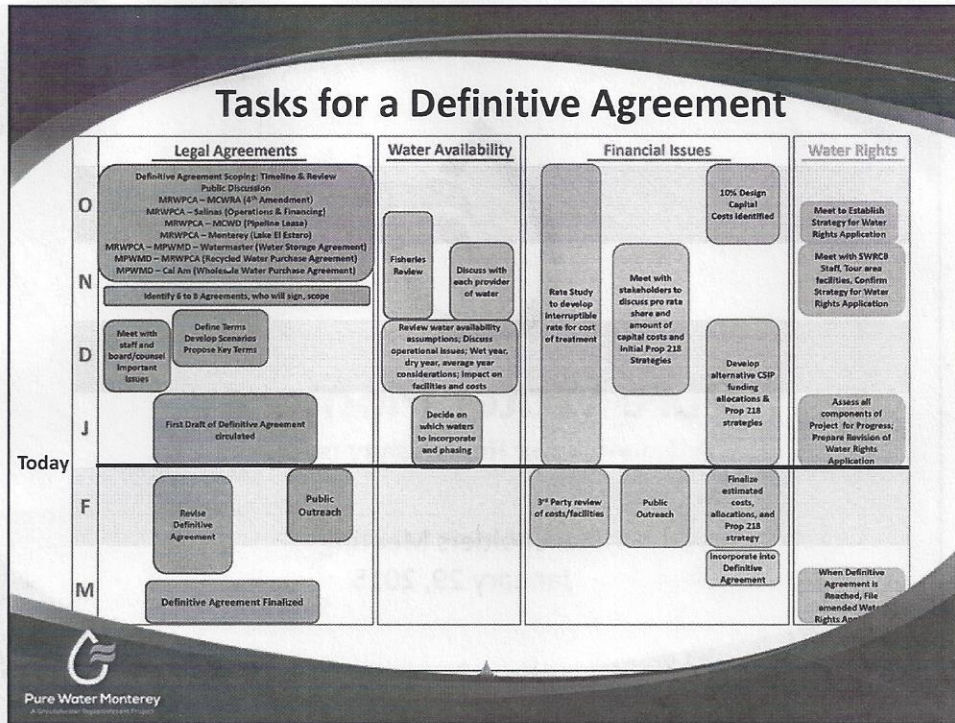
## Agenda

- Introductions
- Changes to Stakeholder Representation
- Progress on 4 Key Tasks on Roadmap
- Next Steps



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### Task Area – Water Quality and Availability

- 3 meetings to determine which facilities and resulting water quality
- What is timing of availability?
- What is cost share per the MOU?
- Use of water – Current need vs. Expanding lands
- 2 key conclusions:
  - A) No value to Tembladero Slough for project
  - B) Concern over paying for facilities for water that may not be used or desired



## Task Area – Water Quality and Availability Key Events Since We Got Started

- Groundwater Sustainability Act signed into law and will require a Groundwater Sustainability Plan
- Regional Board letter “determined that MCWRA is a waste discharger and must file a report of waste discharge...for its activities in and around the Reclamation Ditch and Blanco Drain”
- Brown and Caldwell releases “State of the Salinas Groundwater Basin” report



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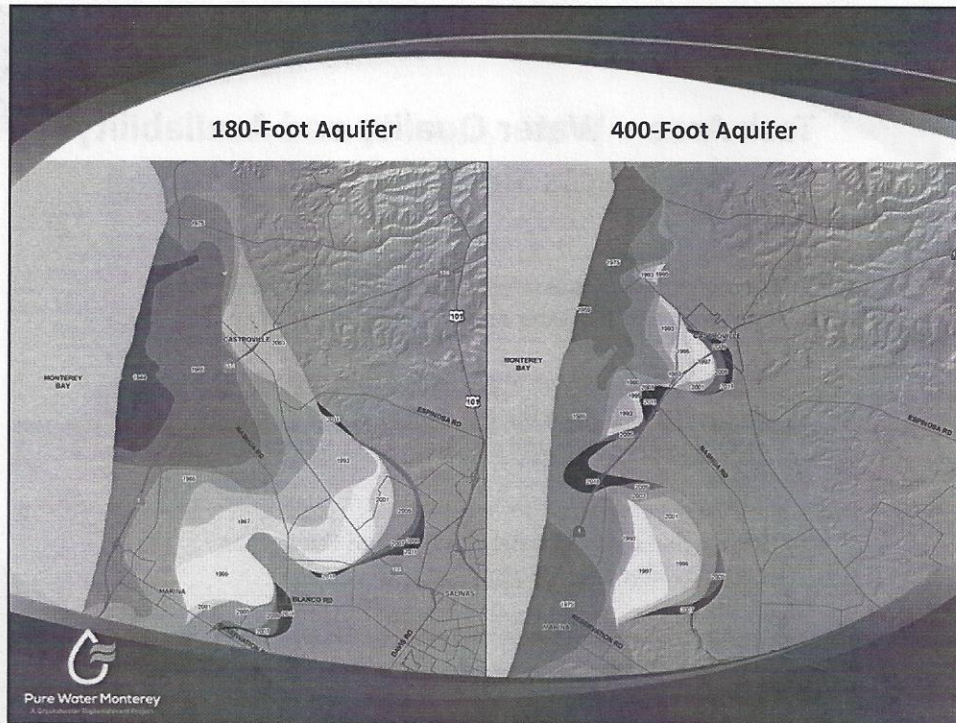
## Task Area – Water Quality and Availability Brown and Caldwell Report

- Zone 2C is out of balance 17,000 to 24,000 AFY
- From 1944 to 2013 Pressure Subarea in decline 2000 AFY; Eastside Subarea in decline 5000 AFY
- “current distribution of groundwater extractions is not sustainable.”
- “Sustainable use of groundwater can only be achieved by aggressive and cooperative water resources planning to mitigate seawater intrusion and groundwater head declines.”



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## Task Area – Water Quality and Availability Revisiting the Stakeholder Goals

### MCWRA/Growers

- Needs new water
- 11043 uncertain and in future
- Interlake tunnel benefits may not reach coastal zone
- Has paid to get surface rights
- Regional Board “discharger”

### MRWPCA/MPWMD

- Need 4,320 AFY for Pure Water Monterey
- Environmentally preferred to bigger desal

### MCWD

- Monetize pipeline investment
- Maximize value of wastewater entitlement

### Salinas

- Need lowest cost permanent solution for industrial ponds and stormwater discharge





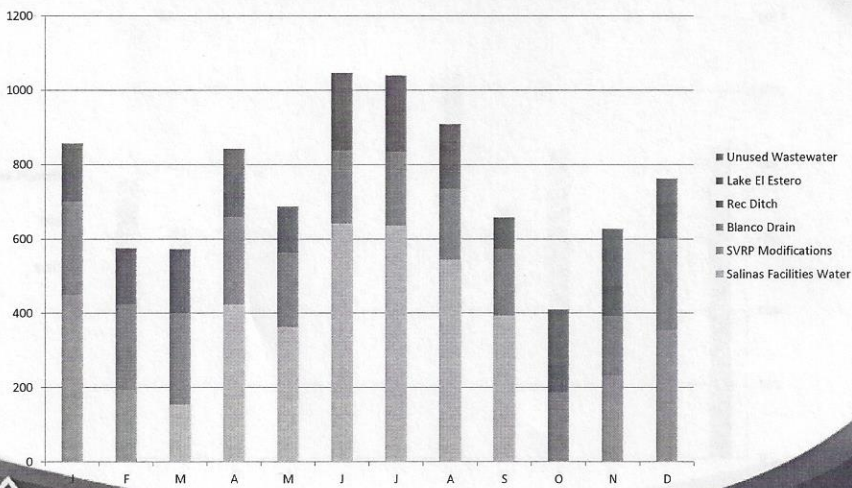
### Proposed Solution

Facilities	Cost	Water
<b>Commence Immediately</b>		
Salinas Ag Wash Water Facilities	\$1,000,000	2,929
Salinas Stormwater Capture	\$1,500,000	225
Salinas Emergency Sewage and Return Flows	MRWPCA	0
SVRP Modifications for Winter Ops	\$1,228,000	1,230
Lake El Estero Intercept	\$370,000	87
Winter Wastewater	\$0	384
<b>Wait Until Water Rights Granted</b>		
Blanco Drain	\$11,754,000	2,531
Reclamation Ditch	\$1,335,000	1,604
<b>Total</b>	<b>\$17,187,000</b>	<b>8,990</b>

Tembladero Slough facilities eliminated due to water quality concerns



### Proposed Solution - Sources



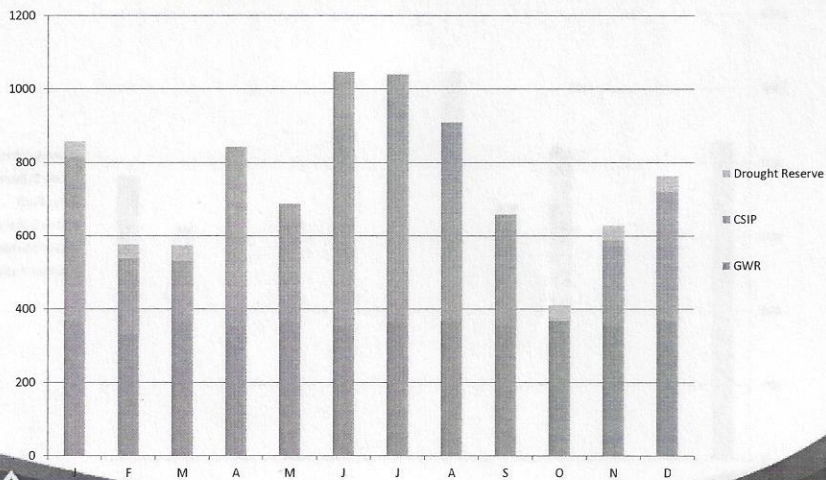


### Proposed Solution - Sources

	J	F	M	A	M	J	J	A	S	O	N	D	Total
Unused													
Wastewater	14	0	0	0	0	0	0	0	0	150	155	65	384
Lake El Estero	24	15	14	5	1	0	0	0	1	4	10	13	87
Rec Ditch	117	137	158	177	122	208	206	174	83	69	70	83	1604
Blanco Drain	254	229	247	237	201	198	199	191	180	187	160	248	2531
SVRP Modifications	448	195	0	0	0	0	0	0	0	0	233	354	1230
Salinas Facilities	0	0	154	423	363	641	635	544	394	0	0	0	3154
	857	576	573	842	687	1047	1040	909	658	410	628	763	8990



### Proposed Solution - Uses





## Proposed Solution

	Water (AF)	Percent
GWR Project	4,320	49.4%
CSIP Available	4,422	50.6%
Total	8,742	100.0%
Drought Reserve	248	
Total	8,990	



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## Key Questions

- What is it going to cost each Party?
- How will those costs be assessed?
- What happens if water rights not granted?
- What to do about Blanco Drain?
  - A) Water is a "nice to have" not "must have" for GWR
  - B) More expensive than other sources
  - C) Do MCWRA/Growers want to address discharge now
  - D) If done as a combined discharge / supply project  
how will costs be shared?



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## Capital Cost Allocation

- As crafted, the MOU would have MCWRA/Growers pay for capital facilities for all available water in excess of GWR and drought reserve needs
- Credit on capital facilities for 1/3<sup>rd</sup> of water from Salinas Ag Wash operations, as follows:

	Water (AF)	Percent
GWR Project	4,320	55.6%
CSIP Adjusted	3,452	44.4%
Total	7,772	100.0%



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## Annual Cost Allocation per MOU

	GWR	Per AF	CSIP	Per AF
Water		4,320 AFY		4,422 AFY
Treatment	\$3,930,000	\$910/AF	\$1,050,000	\$237/AF
Capital	\$649,000	\$150/AF	\$518,000	\$117/AF
Total	\$4,579,000	\$1,060/AF	\$1,568,000	\$354/AF
Avoided Cost			(\$524,000)	(\$118/AF)
			\$1,044,000	\$236/AF

Treatment cost as if all water taken. Only pay O&M for water taken. Salinas operating lease treated as capital cost.



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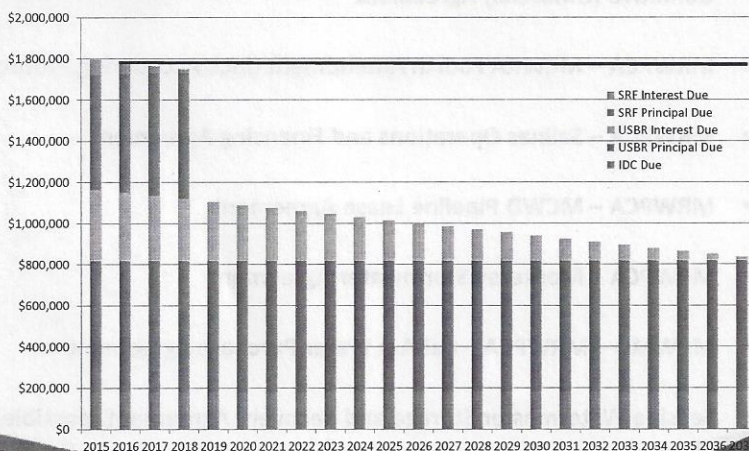


### Task Area – Financial Issues

- Next Step: Focus on Financial Plan
- Who Pays? Allocate CSIP portion like SVRP allocation for facilities, like CSIP allocation for O&M?
- Assign Blanco Drain facility costs to Storm Maintenance District #2? Other?
- How can CSIP only pay for facilities it needs now?
- Establish criteria for CSIP future “buy in”
- Try to structure around existing CSIP/SVRP loans?
- Role of grants, low cost loans, and contributions



### Task Area – Financial Issues Capacity within Existing Payment Structure





## Direction

1. Need to hear MCWRA/Growers agree the facilities are the right ones
2. Need to know how much water CSIP wants today – Agree to limit initial capital to that portion
3. Need to agree on cost share for Blanco Drain
4. Agree any spot purchases of surplus water will have a capital component
5. Agree that consecutive years of spot purchases requires permanent “buy in”
6. Need to hear “We’re in... Let’s work on the \$\$\$”



## Task Area – Legal Agreements

- Definitive (Umbrella) Agreement
- MRWPCA – MCWRA Fourth Amendment (incl. Accounting Protocols)
- MRWPCA – Salinas Operations and Financing Agreement
- MRWPCA – MCWD Pipeline Lease Agreement
- MRWPCA – Monterey Stormwater Agreement
- MPWMD – MRWPCA – Cal-Am Water Purchase Agreement
- Seaside Watermaster Storage and Recovery Agreement (possible)





### Next Steps

- Direction
- Tasks
- Calendar

