



MONTEREY REGIONAL WATER POLLUTION CONTROL AGENCY

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SUMMARY OF RECENT ACTIONS

October 2015

After a process which has taken more than two years, on October 8, 2015 the MRWPCA certified its final EIR for the Pure Water Monterey Groundwater Replenishment Project (GWR). This project is supported by: FORA, Cal Am, the League of Women Voters, the Monterey County Water Resources Agency (MCWMD), the Monterey Peninsula Water Management District (MPWMD), and the Board of Supervisors.

When the Regional Treatment Plant was originally built, it had a capacity to treat 33,156 acre feet per year (afy) of waste water though, in reality because of local trends - including conservation and reduced water use on the Peninsula - it never received more than 21,163 afy. Even with this, however, the WaterReuse Association selected the Agency's reclamation project as the 2015 Agricultural Project of the Year.

Through a lot of creative efforts to identify new sources of water and negotiate for that water to be used by the MRWPCA, the Agency has been able to find and negotiate for up to 10,931 additional afy of water however.

One of the sources of water, for instance, is the Salinas agricultural wash water ponds. The Agency can use that water during the summer and then fill the ponds with winter storm water for storage. This, in effect, transfers about 800 to 1,200 acre feet of water from winter storm water to summer use. This project will also gather many other unused sources of water such as storm water runoff and industrial drain water. To do this, a 5 party Memo of Understanding (MOU) was developed. The parties to this are:

Type of Agreement	Parties Involved
Water Purchase Agreement	Cal Am, MPWMD, MRWPCA
Water Recycling Agreement	MCWRA and MRWPCA
Water Rights – Agricultural Wash Water	City of Salinas and MRWPCA
Operation of Industrial Wastewater Ponds	City of Salinas and MRWPCA
Marina Coast Water District for RUWAP Pipeline	MCWD and MPWPCA

In order to do this, the Agency and the Monterey County Water Resources Agency (MCWRA), which represents landowners, have had close to a dozen meetings to rewrite the 1992 agreement which has governed the use of water coming from the Peninsula up to now.

The agreement does include some amount of "impaired" water in the Blanco Drain and the Reclamation Ditch, but that will not be used unless absolutely needed. Tembledero Slough, also, will not normally be used unless there is an emergency requiring this water also.

The new allocation of additional waters allows for the delivery of 4,320 acre feet per year (afy) of water to Pure Water Monterey. There is about a 19% loss of water in the process of cleaning the water up to higher than drinking water standards, which leave us with 3,500 acre feet per year (afy) of water each year for injection into the Seaside Aquifer for later Cal Am use as drinking water for the Peninsula. The Agency is also authorized to produce another 200 acre feet (af) per year to put up to 1,000 af of water into the aquifer for storage as an "emergency drought reserve" from other water that is not being used for other purposes (such as agriculture).

Another 4,381 afy will go to the Castroville Seawater Intrusion Project (CSIP) for their use in irrigation and fighting saltwater intrusion into their aquifer. We also accepted and adopted some Cal Am recommendations on pipeline alignment for our water distribution pipeline system.

This whole process started in April of 2013 and, with this approval, is now in the final stages. The approval will allow the Agency to apply to the State of Californian for a low interest loan (1.1% for 30 years) from the State Revolving Fund (SRF) for such projects. This also requires a new agreement with the growers to allow them to keep all sewage water that comes from the Peninsula for a new period of 30 years (the term of the loan for the project) until 2045.

The project is estimated to cost between \$80 and \$100 million, and such payments from the SRF are processed on a reimbursement basis, with the Agency only receiving cash after purchases are made. While staff anticipates requesting reimbursements on a monthly basis, delays could occur due to the processing time. Since this could impact the Agency's operating cash flow as we could spend as much as \$5 million in some months during the construction process, we are working on steps to minimize any impacts.

The California Public Utility Commission (CPUC) has approved the MRWPCA's water purchase agreement with Cal Am, though this will still require a successful Proposition 218 vote.

Before all of the parts fall into place, there are several things that still need to happen. Some Landowners (not necessarily growers) still need to meet with their members to get their approval for the new water rates they will have to pay, and the Agency will now calculate the several tranches of water costs for parcels based on their status. The MCWRA and MRWPCA will also need to approve the final agreements on October 26 of this year. After that, the agreements will go to the Board of Supervisors on November 3rd for their approval.

If all of those things fall into place, the MRWPCA could be producing water for the Peninsula by the spring of 2018.

Anyone having questions should contact me. I will try to either answer or – if I don't know the answer – get the information for you.

Respectfully Submitted

RUDY FISCHER

Councilman Rudy Fischer