



PORTFOLIO APPROACH

To maximize our ability to resolve our water shortage by the CDO deadline (currently January 1, 2017, but an extension is under negotiation), the Monterey Peninsula Regional Water Authority (MPRWA) has adopted a portfolio approach to move forward. All projects included in the portfolio must meet four conditions set forth by the Authority.

SUPPORT CONDITIONS REQUIRED BY THE AUTHORITY

1. Project economics must be competitive.
2. Project must have suitable public governance, accountability and transparency.
3. Project must have clear path to permitting and constructing the facility as near to the Cease and Desist Order deadline as possible.
4. Project must have contingency plans to address significant technical, permitting and legal risks.

A further eight financial, governance, and permitting & contingency plan conditions were required of Cal Am to obtain the Authority's support for the desal plant. These can be found at www.mprwa.org.

WATER PORTFOLIO PROJECTS

The Peninsula's water portfolio includes the following four projects:

DESALINATION PLANT

- Owned & operated by Cal Am
- Alternate desal facilities include Deep Water Desal and People's Desal
- 6.4 or 9.6 MGD depending on GWR success
- Desalinates ocean water
- The Authority required eight financial, governance & contingency conditions for Cal Am to obtain the Authority's support for the project
- Scheduled to begin operations mid 2018 or 2019 depending on size

GROUNDWATER REPLENISHMENT (GWR)

- Publically Owned
- Approximately 3.2 MGD
- Recycles & cleans waste water & potentially storm water & Salinas Produce wash water, then injects it into the Seaside Basin for later use
- Modeled after the successful plant in Orange County
- Pilot Facility currently operating
- Projected to begin operations end of 2017

Watch video presentation on GWR project at http://bit.ly/gwr_over

AQUIFER STORAGE & RECOVERY (ASR)

- Publically Owned
- Pumps water into the Seaside Basin for later use
- Two sites already operational
- 20,000 Acre Feet (AF) available for storage
- Receives water from GWR, Desal, Carmel River overflow & Mother Nature

Watch video presentation on the ASR project at http://bit.ly/asr_over

PACIFIC GROVE SMALL PROJECTS

- Publically Owned
- Includes rainwater collection, gray water and other projects
- Will reduce the water demand on the Peninsula
- Decreases water run-off into the ocean

WHY 15,296 AF PER YEAR?

Existing Use + Lots of Record + Economic Rebound Allowance + Pebble Beach proposed Del Monte Forest.

The Monterey Peninsula Regional Water Authority is a Joint Power Authority (JPA) with the goal to find a solution to the Peninsula Water shortage. It consists of six peninsula cities: Carmel-by-the-Sea, Del Rey Oaks, Monterey, Pacific Grove, Sand City and Seaside, with Monterey County participating on the Governance Committee. Visit www.mprwa.org for more information.

HOW'D WE GET HERE? A BRIEF BACKGROUND.

1995	The state Water Resources Control Board decides California American Water is only entitled to about 30% of what it had been pumping.
2003	A court order requires Cal Am to also reduce its take from the under-ground Seaside basin.
2009	The State Water Resource Control Board mandates Cal Am to cut back use of Carmel River, with a Cease and Desist Order (CDO) effective January 1, 2017.
2010	Cal Am's regional desal project approved by the state PUC. The project later fell apart due to legal issues and conflict of interest accusations.
2012	Cal Am files an application for the Monterey Peninsula Water Supply Project with the state Public Utilities Commission with a new desal project proposal as part of its Monterey Peninsula Water Supply project. This is the desal project included in the portfolio.

ECONOMIC EFFECTS OF A LOST WATER SUPPLY

More than \$1 billion a year if the Peninsula loses just half of its current water supply:

An estimated \$742 million annual loss in commercial sales from hotels, restaurants, grocery stores

\$261 million per year in lost industrial production, such as food production;

6,000 lost jobs

MOVING FORWARD: A PATH TO A NEW WATER SUPPLY

2014	SEPT	Introduce legislation enabling Cal-Am to maintain ownership of the desal plant while funding a greater portion of the project with public bonds to save rate payers tens of millions in interest.
	FEB	Install last two bore holes at CEMEX; CPUC circulates Draft EIR for desal project
	DEC	Receive Coastal Commission permit to install test slant well for desal project;
2015	APRIL	Storage Agreement with Seaside Basin Watermaster; Draft EIR Circulated for GWR
	SEPT	90% Desal Facility Design Completed; GWR EIR Certification/Project Approval
	OCT	Execute Agreements for GWR Source Water and/or Declaratory Relief for GWR; CPUC circulates Final EIR for desal project
	DEC	60% Desal Facility Design Completed; Obtain CPUC Financing Order & Certificate of Public Convenience & Necessity (CPCN) for Desal; GWR Financing Plan Sufficient for SRF Funding
CONSTRUCTION OF DESAL PROJECT; CONSTRUCTION & FACILITY TESTING OF GWR		
2016	JUNE	CPUC Final Decision for GWR
	SEPT	Obtain Rating on Water Rate Relief Bonds for Desal project
	OCT	Determine Desal Capacity (9.6 MGD if GWR is not approved, 6.4 MGD if GWR project is under construction)
	NOV	Finalize results of test slant well and receive permits for production wells; Final Desal Design Completed/Construction Begins
	EOY(?)	Water Rate Relief Bonds Issued for Desal project
	4TH QTR	GWR Construction begins
2017	JANUARY 1, 2017 DEADLINE	
	DEC	Grand Opening & Startup of GWR
2018	JUNE	Start-up of Desal Plant

HOW WILL MY WATER BILLS CHANGE?

Overall, water bills will increase by an estimated 41% by 2018, when it will level out except for general rate increases.

VIDEOS TO WATCH

Overview of the Project	http://bit.ly/wsp_over
Tour Orange County's Waste Water Treatment Plant	http://bit.ly/Octour
Sand City Desal Plant	http://bit.ly/SCdesal

For more information on the Monterey Peninsula's water projects and progress toward the CDO deadline, visit www.mprwa.org. You will also find links to GWR & Cal Am's Monterey Peninsula Water Supply project sites.