

PROJECT GETS \$10 MIL GRANT

ADDITIONAL GRANTS
SOUGHT THAT COULD
LOWER COST TO
CUSTOMERS

ALSO INSIDE

CONSTRUCTION PREPARATION
UPDATED PROJECT SCHEDULE

DESALINATION PROJECT AWARDED \$10 MILLION GRANT

The California Department of Water Resources announced it will provide a \$10-million grant to California American Water to help build the seawater desalination component of the Monterey Peninsula Water Supply Project, the company's solution to the Peninsula's long-standing water shortage.

"We are extremely grateful to DWR for supporting our project," said California American Water president Rich Svindland. "This grant will reduce costs to our customers for this urgently needed project, which will protect the local river and groundwater and meet community water demands in a sustainable way."

The Monterey Peninsula Water Supply Project is a \$329 million project featuring a portfolio of water supply components to address the area's water needs.

In 2009, the California State Water Resources Control Board issued a Cease and Desist Order to limit pumping from the Carmel River, the community's major source of water supply and home to threatened species.

The Monterey Peninsula Water Supply Project includes a seawater desalination facility relying

on slant well technology, which eliminates harm to marine life in the process of drawing ocean water for treatment.

Other aspects of the project include recycled water, continued conservation and aquifer storage of excess winter river flows. The company received approval for the project from the California Public Utilities Commission in September of 2018. Additional permits are required, including approval from the California Coastal Commission, anticipated later this year.

"With only 100,000 customers served in our Monterey District, finding cost savings for this project is of critical importance," said Svindland. "We have also applied for State Revolving Fund low-interest loans and will continue to engage in value engineering and look for additional opportunities for savings."

DWR provides grants for the planning, design, and construction of desalination facilities for both brackish and ocean water. Since 2005, DWR has completed three rounds of funding using Proposition 50 funds. Grant disbursements typically occur after costs are incurred and after review of expense documentation. After project completion, annual reporting describing project outcomes may be required for up to five years.



PROJECT TEAM PREPS FOR CONSTRUCTION

With project construction scheduled to begin at the end of September, a flurry of activity is underway on the Monterey Peninsula Water Supply Project. California American Water’s engineering staff along with a team of consultants is busy wrapping up final permitting work, putting contracts out to bid and lining up equipment and resources needed to hit the ground running this fall.

Pipeline Work is Commencing

The contractor is under contract and pipe material has been ordered with a delivery schedule that allows work to begin in September on the transfer pipeline. At a total length of 50,000 feet, the transfer pipeline will carry water from the desal plant to the Monterey Peninsula, travelling along Charles Benson Road, passing under Highway 1 and continuing down General Jim Moore Boulevard to the City of Seaside where it will connect to the recently completed Monterey Pipeline.

“Ordering of the pipe will allow us to start construction on the transfer pipeline in September,” said Engineering Manager for the Monterey Peninsula Water Supply Project Tim O’Halloran.

Request for Proposals have been issued for the project’s remaining major pipeline – the Castroville pipeline. The Castroville pipeline will provide water from the desal plant to the community of Castroville, running 3.5 miles through the TAMC right-of-way and along county roads, including a portion to be suspended from the Monte Road Bridge and another section that will be bored under the Tembladero Slough.

Wells and Desal Site Ready for Construction

The company is also actively seeking bids for civil work related to the slant well construction, including grading and installation of above-ground pipeline and well pads on the CEMEX property.

Contracts for construction of Aquifer Storage Recovery (ASR) wells # 5 and 6 have already been executed. These wells, combined with existing ASR infrastructure, will increase production capacity and allow Cal Am to extract desal and Pure Water Monterey water from the Seaside Basin and deliver it through the recently completed Monterey Pipeline.

Design work on the desalination plant is now 100 percent complete. Plans are in place to begin grading and construction of Best Management Practice storm water components at the plant site, upon approval of County permits.

Mitigation Plans Underway

In addition to gearing up for construction on all remaining components of the project, the company is in the process of finalizing the Mitigation Monitoring Plan, which will identify responsible parties to implement the mitigation measures identified in the EIR.

“The Cal Am team has coordinated with more than 27 different permitting agencies for this project,” O’Halloran said. “All the project partners are working together closely to make sure construction deadlines are met.”

Contracts for the remaining project components are expected to be in place by the end of August.

READ EIR/EIS ONLINE

Folks looking for information on the EIR/EIS, can do so by visiting the project’s website www.water-supplyproject.org/eir.

WANT TO STAY UP TO DATE WITH THE LATEST PROJECT DEVELOPMENTS?

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watersupplyproject.org

ABOUT THE PROJECT

The Monterey Peninsula is facing a severe water supply problem. That’s because the State Water Resources Control Board has ordered California American Water to significantly reduce its pumping of water from the Carmel River.

This order coupled with pumping restrictions in other parts of the county means that nearly 70 percent of the Monterey Peninsula community’s historic water supply must be replaced.

The current project is comprised of three elements:

- [Desalination](#)
- [Aquifer Storage and Recovery](#)
- [Pure Water Monterey: A Groundwater Replenishment Project](#)

This multi-faceted approach brings numerous advantages over a single-source solution. For one, it will enable California American Water to build a smaller desalination plant that will reduce the project’s environmental footprint.

Secondly, this strategy will build-in redundancy that is critical for all municipal water supply systems, allowing the water system to continue to provide water if one component becomes temporarily unavailable.

DESALINATION

The Monterey Peninsula Water Supply Project consists of sub-surface slant intake wells, a desalination plant, and related facilities including source water pipelines, product water pipelines and brine disposal facilities.

The desalination plant will produce 6,250 acre-feet of treated water per year. One acre-foot is

equal to one acre filled with one foot of water, which is typically enough water to support four households on the Monterey Peninsula for a year. California American Water purchased a 46-acre parcel of land located off of Charles Benson Road in Marina as the site for the proposed desalination plant.

California American Water has also purchased permanent easements near the coastline in the North Marina area to host its slant intake wells. California American Water’s project will use a series of slant wells designed to draw ocean water.

The slant wells will be up to 800 feet long. The final location, layout and configuration will be based on the results of the slant test well and groundwater modeling work. In addition to the plant and its intake wells, other pipeline, storage and pump facilities will need to be constructed to ultimately deliver water to customers.

PURE WATER MONTEREY

The proposed Pure Water Monterey project, a partnership between Monterey One Water and the Monterey Peninsula Water Management District, recycles wastewater through an advanced treatment process. The resulting highly purified drinking water will be injected into the Seaside groundwater basin.

A new, advanced water treatment plant will be constructed for the project in addition to a number of supporting facilities. Source water for this project will go through a three-step treatment and purification process of microfiltration, reverse osmosis and oxidation with ultraviolet light and hydrogen peroxide — all commonly used in numerous industries and food manufacturing.

AQUIFER STORAGE AND RECOVERY

California American Water will expand its current ASR project – a partnership with the Monterey Peninsula Water Management District – which captures excess winter flows from the Carmel River for storage in the Seaside Aquifer and withdrawal during the dry, summer months. Winter flows are considered excess only when they exceed what is needed to protect the river’s threatened population of steelhead.

For the Monterey Peninsula Water Supply Project, the company plans to construct two additional ASR wells that will increase capacity of the program and allow the desalination plant to be smaller than would be needed without the wells.

BUDGET*

Subsurface Intake System: \$80M
(22% spent to date)

Desalination Plant: \$132M
(37% spent to date)

Pipeline Facilities: \$67M
(28% spent to date)

Pipeline/Pump Station: \$50M
(100% spent to date)

*NOTE: These figures are based on a 6.4 MGD desalination facility. Pre-construction costs are included in the \$329-million project total. These figures include financing and some contingency costs and therefore differ from the capital costs listed in the settlement.



Future editions of this newsletter will contain information on project expenditures, construction progress and milestones. Once collection begins for the Construction Funding Charge (or Surcharge 2), amounts collected by the charge will also be reported. Progress regarding slant well construction and information regarding slant well monitoring data will also be reported in future editions, as well as estimates as to the return water obligation and actual return water obligation calculated.

PROJECT SCHEDULE

MPWSP ANTICIPATED SCHEDULE

