



# TODAY'S ACTION

Consider:

- a) Approving the Agency Being a Party to the Return Water Planning Term Sheet;
- b) Approving the Return Water Planning Term Sheet; and,
- c) Authorizing the General Manager to Sign the Return Water Planning Term Sheet, Substantially in the Form Attached



# Financial Impact

- None, given that the proposed charge to the Agency is CSIP customers' marginal avoided cost for recycled water produced for use by the CSIP.



# Discussion

- The Monterey Peninsula continues to seek a replacement water source (CWP / RDP)
  - Latest iteration is the MPWSP
    - Desalination Plant
    - Size of Plant is affected by possible augmentation of supply from Pure Water Monterey Project
- Source water for Desal Plant is proposed to come from slant wells at the coast
- Slant wells would pull water from the substrate below the ocean floor, though a small percentage of the water could be from the Salinas Basin

# Discussion (cont.)

- Returning water to Salinas Basin is a critical factor in this process (Agency Act – no export)
- Current proposal is to provide the extracted basin water to the Castroville Community Services District (“CCSD”)
  - CCSD has come before the BOD regarding falling water levels in their wells
  - CCSD has experienced declining water quality
- Castroville is a disadvantaged community



# Discussion (cont.)

- The amount of return water is tentatively calculated around 800 to 1,000 acre-feet / year
- Water use for Castroville averages around 850 acre-feet / year
- Any additional water could be provided to the CSIP System for use in Zone 2B



# Discussion (cont.)

- This option is a win-win on multiple fronts:
  - Solves Castroville's water quality/quantity issues
  - Stops Castroville from pumping (helps with SWI)
  - Cal-Am eliminates the 'no-export' issue
  - Cal-Am provides water to a disadvantaged community
  - Provides additional water to CSIP

# Discussion (cont.)

## Calculation of Avoided Cost for Recycled Water Produced for use by CSIP

Source <sup>1</sup>	Percentage of Water <sup>2</sup>	Cost / AF (\$)	Weighted Cost (\$)
Supplemental Wells	7.18	102.42	7.3538
SRDF	21.98	35.06	7.7062
Tertiary Treatment Plant	62.68	56.44	35.3766
New Source Facilities	8.16	74.00	6.0384

100%

\$56.4750

Avoided Cost to CSIP = \$56.48/acre-feet

<sup>1</sup>Sources listed are as incorporated in Water Recycling Agreement, dated 3 November 2015

<sup>2</sup>Percentage shown is contained in Scenario No. 2 (normal year operation as presented to MCWRA Board of Supervisors, November 3, 2015).



# Summary

- Monterey Peninsula needs a water solution
- Source water (slant wells) extracted could include Salinas Basin water
- Strategy to return water to SB is to provide to CCSD
- Any additional water could go to CSIP
- This option is a win on multiple levels



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