





# TODAY'S ACTION

Consider:

- a. Approving Amendment No. 2 to the Amended and Restated Water Recycling Agreement with Monterey One Water for a time extension related to the Conditions Precedent for the New Source Water Facilities; and
- b. Request the Chair of the Monterey County Water Resources Agency Board of Supervisors to execute the Amendment.



# Prior BOD/BOS Action

- On May 18, 2020 the MCWRA BOD recommended approval of Amendment No. 2.
- On May 21, 2020 the M1W Board approved Amendment No. 2.
- In June of 2019 the MCWRA BOD approved Amendment No. 1 of the subject Agreement.
- In July 2019 the MCWRA BOS approved Amendment No. 1 of the subject Agreement.
- The original Agreement was approved by the MCWRA BOD in October 2015.
- The original Agreement was approved by the MCWRA BOS in November 2015.



# Financial Impact

- None, this is primarily a time extension.



# Discussion

- MCWRA and Monterey One Water (M1W), entered into an Amended and Restated Water Recycling Agreement (Restated Agreement), for activities related to:
  - Salinas Valley Reclamation Project (SVRP)
  - Castroville Seawater Intrusion Project (CSIP)
  - Salinas River Diversion Facility (SRDF)
  - New Source Water Facilities



# Discussion

- New Source Water Facilities applies to:
  - Blanco Drain
  - Reclamation Ditch
  - Tembladero Slough
  - Winter-time operations of SVRP
- Terms for financing, design, construction, operation, maintenance, and replacement of these facilities
- Sources shared between M1W Pure Water Monterey Groundwater Replenishment Project approved on October 8, 2015 and MCWRA projects

# Discussion (cont.)

- Portions of the Restated Agreement applicable to the New Source Water Facilities will not become effective until the following conditions in Section 16.15 are all met:
  1. Obtain Water Rights for the Blanco Drain and Reclamation Ditch
  2. California Public Utilities Commission approved, Water Purchase Agreement
  3. Written finding by the Regional Water Quality Control Board that utilization of the Blanco Drain dry weather flows meets all treatment requirements
  4. An approved Engineer's Report
  5. A successful assessment or Proposition 218 process for rates and charges related to the operation and maintenance of the New Source Water Facilities
  6. Enter into a separate agreement for use of Salinas Pond Water Return

# Discussion (cont.)

- Current Status:
  - An Amendment to extend the MCWRA payment schedule until June 30, 2020 was granted in June of 2019
  - The construction of the Blanco Drain and Reclamation Ditch New Source Water Facilities are complete.
  - MCWRA and M1W continue to work cooperatively through the conditions in Section 16.15 but they have not all been completed.
    - Regional Water Quality Control Board meetings have occurring regularly and will continue.
    - An additional year is needed for the conditions to be reasonably satisfied.
  - During the extended term, M1W has the right to full use of the Blanco Drain and Reclamation Ditch New Source Waters until such time the conditions in Section 16.15 have been satisfied.
  - All other terms and conditions of the Agreement remain unchanged and in full force.





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