County of Monterey

Board of Supervisors
Chambers
168 W. Alisal St., 1st Floor
Salinas, CA 93901

Legislation Details (With Board Report)

File #:	WRAG 18-195	**Name:**	New Source Water Report
Type:	WR General Agenda	**Status:**	Scheduled PM
File created:	9/28/2018	**In control:**	Board of Supervisors of the Monterey County Water Resources Agency
On agenda:	10/16/2018	**Final action:**	
Title:	Consider receiving the New Source Water Report for the Castroville Seawater Intrusion Project.		
Sponsors:			
Indexes:			
Code sections:			
Attachments:	1. Board Report, 2. MCWRA New Source Water - Final Report, 3. 1PowerPoint Presentation		

Date	Ver.	Action By	Action	Result

Consider receiving the New Source Water Report for the Castroville Seawater Intrusion Project.

RECOMMENDATION:
It is recommended that the Monterey County Water Resources Agency Board of Supervisors:

Receive the New Sources Water Report for the Castroville Seawater Intrusion Project.

SUMMARY/DISCUSSION:
The Monterey County Water Resources Agency (MCWRA) and Monterey One Water (M1W), formerly known as Monterey Regional Water Pollution Control Agency (MRWPCA), entered into an Amended and Restated Water Recycling Agreement (Restated Agreement), which included consideration of the financing, design, construction, operation, maintenance, and replacement of New Source Water Facilities to provide approximately 4,381 acre-feet per year (AFY) of additional recycled water to MCWRA for use in the existing Castroville Seawater Intrusion Project (CSIP), a coastal irrigation project . In addition, M1W would be provided approximately 4,320 AFY of new source water to supplement the Pure Water Monterey Groundwater Replenishment Project which has been developed to provide drinking water.

MCWRA currently obtains water from three sources: recycled wastewater from the Salinas Valley Reclamation Project (SVRP) (which has included industrial wastewater since 2015), surface water from the Salinas River Diversion Facility (SRDF), and water from CSIP supplemental groundwater wells. The objective of obtaining new source waters is to reduce the use of water from CSIP groundwater wells ("supplemental wells").

In 2017, MCWRA and M1W contracted with Raftelis Financial Consultants, Inc. (Raftelis) to conduct a New Source Waters Study (Study). The purpose of the Study, and the report, is to provide a cost analysis for the operation, maintenance, and capital costs for New Source Water Facilities to determine specific rates and charges for final consideration. Through discussions with MCWRA and M1W the new source waters evaluated in this Study were narrowed to Blanco Drain and Reclamation Ditch, including existing source waters of treated wastewater, supplemental wells and Industrial Wastewater (IWW). The Salinas Pond Water Return Facilities will be considered independently and are discussed at the end of the report.

The report includes capital, operations, maintenance, and repair and replacement costs associated with developing New Source Water Facilities and provides incremental costs for CSIP operations under four different scenarios developed by MCWRA and M1W based on climate conditions and water rights for each water supply.

The major objectives of the Study include the following:

a. Identify currently estimated operational costs of existing water sources;
b. Review how historical demand has been accommodated by available source waters, including treated recycled water, Salinas River Diversion Facility (SRDF) surface water, and groundwater from supplemental wells;
c. Determine the operational costs of new source waters;
d. Review and confirm capital costs of new source waters;
e. Calculate the marginal cost of new source waters above existing customers (growers) charges (Utility Charges);
f. Evaluate various water supply blend scenarios to meet demand during a year with low rainfall (dry year), average rainfall (normal year), high rainfall (wet year), and low rainfall (dry year) with separate water rights compared to the historical baseline (base case);
g. Derive the change in utility rates for each scenario while identifying the change in groundwater pumping to pursue the future sustainability goal of the basin; and
h. Determine appropriate funding levels for both capital costs and operational costs associated with New Source Waters, which may require different funding mechanisms based on type of improvements and benefits conferred.

The Study and associated New Source Waters Report is the first step towards developing an Engineer's report and assessment process. Those future phases will be developed further in the near future.

OTHER AGENCY INVOLVEMENT:
Monterey One Water has assisted in the preparation of this report.

FINANCING:
There is no financial impact to receive this report.

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Approved by: _____
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Attachments:
1. New Source Water Report