County of Monterey

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

Board Report

File #: WRAA 16-003, **Version:** 1

Consider recommending that the Monterey County Water Resources Agency Board of Supervisors approve the Agency being a party to the Return Water Planning Term Sheet; approve the Return Water Planning Term Sheet; and, authorize the General Manager to sign the Return Water Planning Term Sheet, substantially in the form attached subject to County Counsel approval.

RECOMMENDATION:
It is recommended that the Monterey County Water Resources Agency Board of Supervisors:
Approve the Agency being a party to the Return Water Planning Term Sheet; approve the Return Water Planning Term Sheet; and, authorize the General Manager to sign the Return Water Planning Term Sheet, substantially in the form attached subject to County Counsel approval.

SUMMARY:

The Cal-Am Monterey Peninsula Water Supply Project continues to move forward on a number of fronts, one being the development of a solution to returning a portion of the extracted water to the Salinas Basin. Work still needs to be completed determining how much of the water extracted is to be returned to the Salinas Basin. However, having a solution to return the portion of water that is extracted needs to be worked out before the Monterey Peninsula Water Supply Project can go online.

DISCUSSION:

The Cal-Am Monterey Peninsula Water Supply Project (MPWSP) continues to move forward on a number of fronts, one being the development of a solution to returning a portion of the extracted water to the Salinas Basin (Basin). While Cal-Am feels that the MPWSP source water production is not likely to injure Basin groundwater resources, the Monterey County Water Resources Agency (Agency) Act authorizes the Agency to prohibit the exportation of groundwater outside of the Basin. Therefore, for Basin water to be used as source water for the MPWSP, a determination of the amount of Basin water extracted needs to occur, and subsequently returned to the Basin.

On a related note, the Castroville Community Services District (CCSD) has been informing the Agency Board of Directors (BOD) of drastically falling water levels in their supply wells for the last two years. Also, the CCSD has experienced water quality degradation, primarily from increased salinity. The CCSD provides municipal and domestic water services to the Town of Castroville. Castroville's water use (recently) is about 800 acre-feet annually; though historically the water use has been closer to around 1000 acre-feet annually.

The proposed solution is to provide the CCSD with the water to be returned to the Basin, thus fulfilling the Agency Act requirement to not export any water from the Basin. Additionally, any water produced and delivered that is above what the CCSD capacity can effectively utilize will then be delivered to the Agency's Castroville Seawater Intrusion (CSIP) Project

OTHER AGENCY INVOLVEMENT:

Currently, no County department has been involved in this effort. The County's Resource Management Agency, County Counsel, and the Monterey County Environmental Health Bureau may be engaged at a later date.

The Monterey County Water Resources Agency Board of Directors will consider this matter during their regular Board of Directors meeting on January 25, 2016.

Due to the late submission of this report, the CAO Budget and Analysis division was not provided adequate time to review for potential fiscal, organizational, policy or other implications to the County of Monterey.

FINANCING:

Currently, Paragraph 4b contains a placeholder cost. Referring to the Calculation of Avoided Cost (Attachment 3), the Agency proposes the avoided cost of $56.48/AF be the charge to the Agency in lieu of an identical Monterey Regional Water Pollution Control Agency cost, thereby insuring no additional cost to the Agency.

Prepared &
Approved by:

David E. Chardavoyne, General Manager, (831) 755-4860

Attachments:
1. Draft Return Water Planning Term Sheet
2. Board of Directors Board Order dated January 25, 2016
3. Calculation of Avoided Cost for Recycled Water Produced for Use by CSIP