



CVA Water Committee March Report

March 4, 2015

- 1) **Flood control** – Margaret Robbins had indicated that the projects were on schedule and no action was necessary.
- 2) **Export of water from Carmel Valley** – Bob Siegfried mentioned that a group of Quail Lodge area homeowners had petitioned Carmel Area Wastewater District (CAWD) for service. He pointed out that by virtue of CAWD service, the reclaimed water that would be produced from the wastewater of these customers would be exported from the valley to the Pebble Beach basin. If the project moves forward, EIR approval and related Local Area Formation Commission decisions will provide a forum at which to address these matters.
- 3) **Status of water supply activities** – Cal Am has indicated that the test well construction is completed and pumping will begin soon. The schedule for the release of the Draft EIR for the project has been delayed again. The current project website projects an end of April 2015 date for release.
- 4) **Delinking of GWR from Desal project** – The committee reviewed the draft Position Paper and offered modifications. The draft was revised and sent to David Stoldt, GM of the water management district, who responded that he will review it and discuss it with us.
- 5) **March 18 meeting with Dave Stoldt** – Janet Brennan and Roger met with Dave Stoldt and discussed delinking along with several other projects.
 - a) Dave said that a proposal to delink GWR from the Desal project is premature until the recently instigated HDR study is completed. At this time, the official schedules of both projects are similar and the California Public Utility Commission is planning to use cost data to decide if GWR should be part of the project. At this point, that data do not exist. Water Management District has authorized a study by the engineering firm of HDR into the cost of externalities that should be included in an accurate estimate of the cost of desal and GWR water. When that report is complete, the findings and conclusions may support a request for delinking. CPUC and CalAm have been using a cost accounting approach that concentrates on first year costs and ignores life cycle impact of high replacement cost for desal components. The result of this approach is that the GWR project

costs, while less than the overall cost of desal water, may cost more than the compensation CalAm/CPUC is willing to pay. Further, the desal project team is minimizing the potential importance of the likely application of State water policy requiring maximum use of recycled water. Such a request would entail filing a request to modify the existing Settlement Agreement to drop or change the language interlinking the two projects.

- b) GWR Source Water-** The new water sources for GWR are the agricultural drains, Salinas stormwater and scrub water from the food processing industry. The total amount of this water is about 9000 afy, of which 5500 is earmarked for tertiary treatment (without Reverse Osmosis) by PCA and contribution to the CSIP project. 4300afy will go to GWR, which will produce 3500 acre feet per year (afy) of product water. In addition, 247 afy will be used to produce 200 afy of product water to be injected into the Seaside basin as a reserve. At this point, reliable data does not exist on which to allocate costs, so the above allocation is tentative, pending the outcome of the HDR report.
- c) Peninsula relationship with MCWD –** The opinion was expressed that the time is not right for outreach to MCWD to become involved in the Peninsula project. MCWD still does not appear to be acting rationally on behalf of their own customers and has not proven to be a reliable partner in past affairs. There are some new members of the board, but the culture of being a victim of the Peninsula’s search for water seems to have taken hold; while some of us see things the other way around.
- d) DWD progress –** DWD is searching for added capital as well as a solid anchor customer in the server bank cooling-water element of their project. They continue to be taking the samples and doing the site evaluation work that the State will require.
- e) Slant Well progress –** The drilling has been completed. The tip of the well is not beyond the low tide line, so the entire well is in the Salinas Valley and not under the ocean, in State controlled land. The casing and gravel packing is underway and it will be followed by installation of the pump and start-up of pumping.