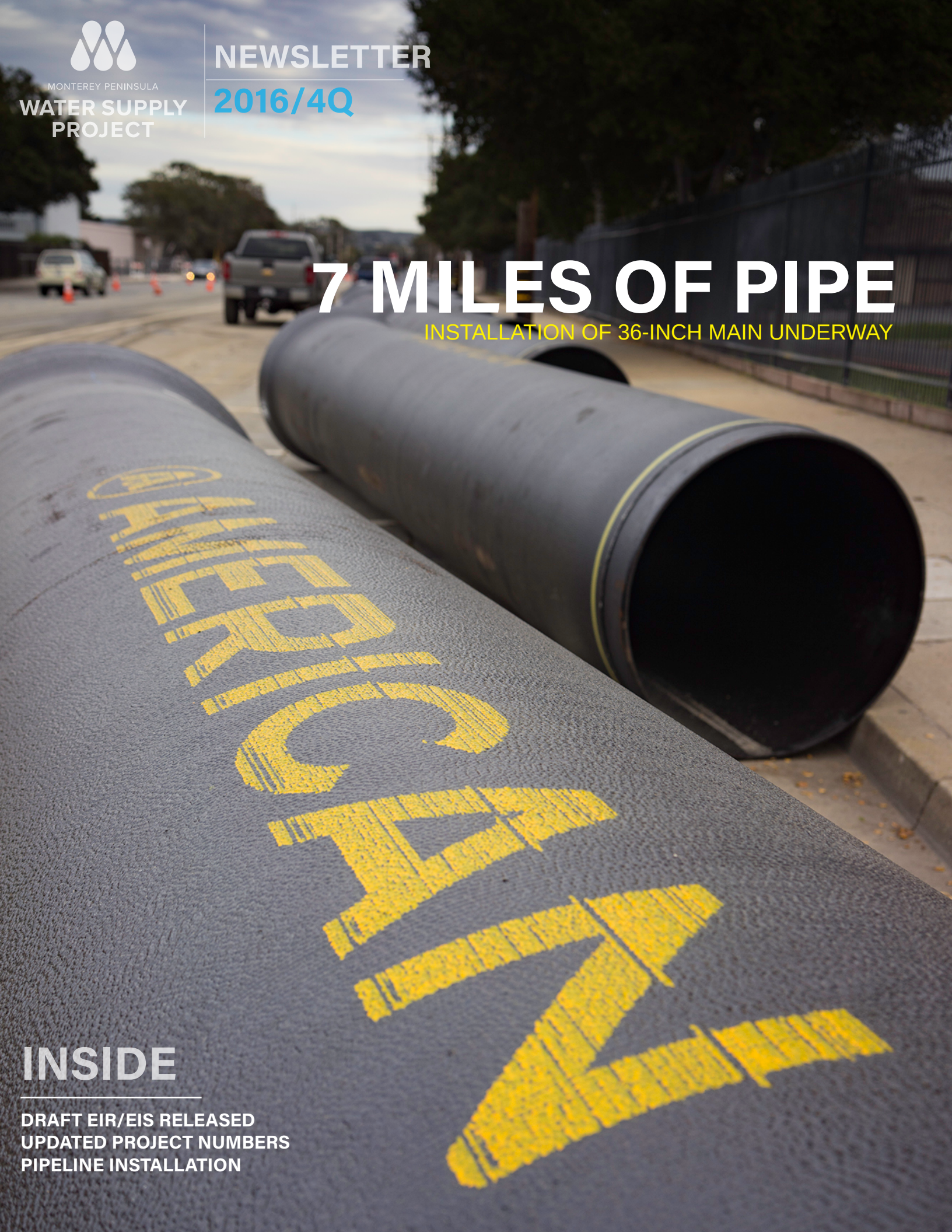
MONTEREY PENINSULA
WATER SUPPLY PROJECT

NEWSLETTER
2016/4Q

7 MILES OF PIPE

INSTALLATION OF 36-INCH MAIN UNDERWAY



INSIDE

DRAFT PROJECT ENVIRONMENTAL IMPACT REPORT RELEASED

On January 12 the California Public Utilities Commission (CPUC) and the National Oceanic and Atmospheric Administration released a joint Draft Environmental Impact Report/Environmental Impact Statement (EIR/EIS) for the Monterey Peninsula Water Supply Project consistent with the California Environmental Quality Act and the National Environmental Policy Act.

The report marks a critical milestone to develop a reliable water supply for the Monterey Peninsula. It represents considerable progress and is the public's key opportunity to become informed and provide comments on the project's effects on the local environment.

The Monterey Peninsula Water Supply Project EIR/EIS is available online at:

http://www.cpuc.ca.gov/Environment/info/esa/mpwsp/comms_n_docs.html

In its application to the CPUC, filed in April of 2012 and subsequent updates, California American Water proposed the Monterey Peninsula Water Supply Project to comprise various facilities and improvements, including: a subsurface seawater intake system located at the CEMEX property in Marina; a 9.6 million gallons per day desalination plant located on Charles Benson Road adjacent to the Monterey County Environmental Park; water pipelines and storage facilities and improvements to the existing Seaside Groundwater Basin Aquifer Storage and Recovery facilities in Seaside.

California American Water also proposed an alternate option that would meet all of the project objectives by combining a reduced-capacity desalination plant (6.4 mgd) with a water purchase agreement for 3,500 acre-feet per year of product water from another source, the Pure Water Monterey Groundwater Replenishment (GWR) Project.

The MPWSP Draft EIR/EIS details these proposed project facilities and evaluates and describes the potential environmental impacts associated with the construction, operation and maintenance of the proposed project, as well as presenting and evaluating mitigation measures to minimize such impacts. The document also evaluates alternatives to the proposed project.

The release of the Draft EIR/EIS starts a 45-day review and comment period. Written comments are due by February 27, 2017.

Written Comments should be addressed to: California Public Utilities Commission; c/o Environmental Science Associates; 550 Kearny Street, Suite 800; San Francisco, CA 94108. Written comments can be sent by fax to: 415-896-0332, or by email to: MPWSP-EIR@esassoc.com.

The CPUC and the Monterey Bay National Marine Sanctuary will host two open house/public meetings and one public hearing to facilitate review of the Draft EIR/EIS. The open house/public meetings will include a brief presentation on the contents and conclusions of the Draft EIR/EIS and interested parties will be provided an opportunity to interact with technical staff and preparers of the Draft EIR/EIS. The public hearing will focus on receiving oral public comments on the Draft EIR/EIS.

1. Open House: Wednesday, February 15, 11:00am-1:00pm, Marina Public Library Community Meeting Room, 188 Seaside Ave. Marina

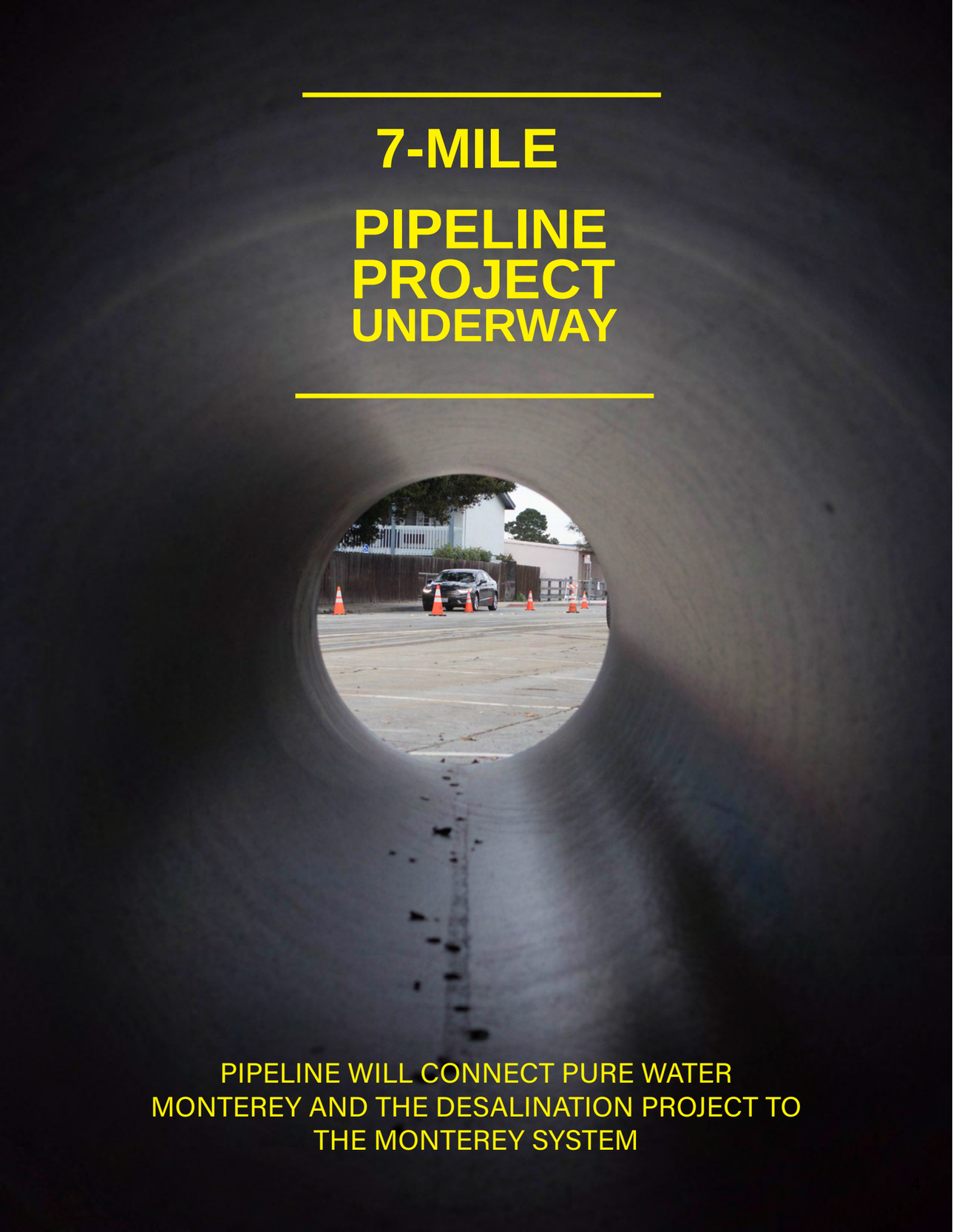
2. Open House: Wednesday, February 15, 6:00-8:00, Oldemeyer Center, 986 Hilby Ave. Seaside

3. Public Hearing: Thursday, February 16, 4:00-8:00 pm, Sunset Center, Carpenter Hall, San Carlos Street, Carmel

The MPWSP Draft EIR/EIS is available for review during normal business hours at the following places:

- California Public Utilities Commission, 505 Van Ness Avenue, San Francisco
- Monterey Bay National Marine Sanctuary, 99 Pacific Avenue, Building 455a, Monterey
- Castroville Public Library, 11160 Speegle Street
- Marina Public Library, 188 Seaside Avenue
- CSU Monterey Bay Library, 100 Campus Center, Seaside
- Seaside Public Library, 550 Harcourt Avenue
- Carmel Valley Public Library, 65 W. Carmel Valley Road
- City of Marina Community Development Department, 209 Cypress Avenue
- City of Seaside Community Development Division, 440 Harcourt Avenue
- MCWRA, 890 Blanco Circle, Salinas
- MPWMD, 5 Harris Court, Monterey
- MRWPCA, 5 Harris Court, Monterey

7-MILE PIPELINE PROJECT UNDERWAY



PIPELINE WILL CONNECT PURE WATER MONTEREY AND THE DESALINATION PROJECT TO THE MONTEREY SYSTEM

After completing nearly all of the service line relocations, work has begun on installing the pipeline that will be used to transport water from the Pure Water Monterey groundwater replenishment project and a new desalination facility that will be constructed North of Marina.

The pipeline will run about seven miles from Seaside to Pacific Grove and is expected to be completed by the end of 2017. Initial construction has already begun on the $50-million project, which is expected to have varied traffic impacts throughout the year of its construction.

The massive pipeline is being installed incrementally in two different locations that will eventually link up to form the seven-mile transmission main. Cal Am has undertaken an outreach campaign to notify all affected customers of the potential traffic impacts during construction. This campaign includes a new "pipeline" section of the project's website watersupplyproject.org.

Here, customers will be able to see where construction is taking place, how long the work is expected to take and forecasted traffic impacts to the area. Customers can also sign up for a weekly email construction update. In addition, company representatives have held community meetings, city council presentations and sent direct notification to impacted residents and businesses.

PIPELINE UPDATES ONLINE

Folks looking for information on the pipeline installation schedule, traffic impacts and informative maps can do so by going over to the project's website www.watersupplyproject.org/pipeline. Similar information can also be found on the project's facebook page www.facebook.com/Monterey_Water. For those with any concerns or special request can call California American Water's pipeline hotline at: **831-646-3297**. All calls will be followed up with in a timely manner.

ABOUT THE PROJECT

The Monterey Peninsula is facing a severe water supply problem. That's because the State Water Resources Control Board has ordered California American Water to significantly reduce its pumping of water from the Carmel River.

This order coupled with pumping restrictions in other parts of the county means that nearly 70 percent of the Monterey Peninsula community's historic water supply must be replaced.

The current project is comprised of three elements:

- Desalination
- Aquifer Storage and Recovery
- Pure Water Montery: A Groundwater Replenshiment Project

This multi-faceted approach brings numerous advantages over a single-source solution. For one, it will enable California American Water to build a smaller desalination plant that will reduce the project's environmental footprint.

Secondly, this strategy will build-in redundancy that is critical for all municipal water supply systems, allowing the water system to continue to provide water if one component becomes temporarily unavailable.

DESALINATION

The Monterey Peninsula Water Supply Project consists of sub-surface slant intake wells, a desalination plant, and related facilities including source water pipelines, product water pipelines and brine disposal facilities.

The desalination plant will produce 6,250 acre-feet of treated water per year. One acre-foot is equal to one acre filled with one foot of water, which is typically enough water to support four households on the Monterey Peninsula for a year.

California American Water purchased a 46-acre parcel of land located off of Charles Benson Road in Marina as the site for the proposed desalination plant.

California American Water has also secured access to and the ability to purchase permanent easements for locations to host its slant intake wells. California American Water's project will use a series of slant wells located near the coastline in the North Marina area designed to draw ocean water.

The slant wells will be up to 800 feet long. The final location, layout and configuration will be based on the results of the slant test well and groundwater modeling work. In addition to the plant and its intake wells, other pipeline, storage and pump facilities will need to be constructed to ultimately deliver water to customers.

AQUIFER STORAGE AND RECOVERY

California American Water will expand its current ASR project – a partnership with the Monterey Peninsula Water Management District – which captures excess winter flows from the Carmel River for storage in the Seaside Aquifer and withdrawal during the dry, summer months. Winter flows are considered excess only when they exceed what is needed to protect the river's threatened population of steelhead.

For the Monterey Peninsula Water Supply Project, the company plans to construct two additional ASR wells that will increase capacity of the program and allow the desalination plant to be smaller than would be needed without the wells.

BUDGET*

Subsurface Intake System and Supply Return Facilities: $79M (24% spent to date)

Desalination Plant: $115M (14% spent to date)

Pipeline Facilities: $128M (13% spent to date)

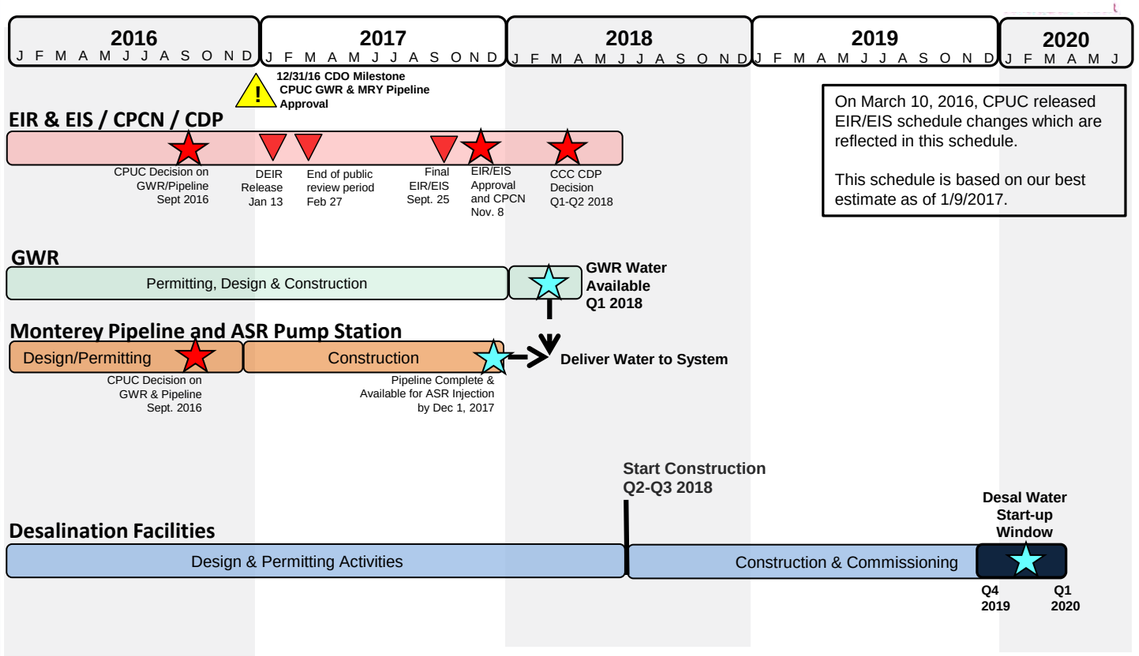
Pre-Construction Cost: $8M (100% spent to date)

*NOTE: These figures are based on a 6.4 MGD desalination facility. Pre-construction costs are included in the $322-million project total. Further breakdown of the above components will occur after the CPUC issues a Certificate of Public Convenience and Necessity permit for the MPWSP. These figures include financing and some contingency costs and therefore differ from the capital costs listed in the settlement.

For more information on the pipeline construction schedule and traffic impacts, please visit the project's website: www.watersupplyproject.org

Here you will find informaton on where construction crews will be and when. You can also sign up to receive a weekly email with traffic alerts and general project progress.

PROJECT SCHEDULE



On March 10, 2016, CPUC released EIR/EIS schedule changes which are reflected in this schedule.

This schedule is based on our best estimate as of 1/9/2017.

Note: The schedule is based on the information and assumptions available at time of update and is accurate to +/-6 months.

MONTEREY PENINSULA
WATER SUPPLY PROJECT

WATER FOR OUR FUTURE