MEETING
NOTICE AND AGENDA
RECYCLED WATER COMMITTEE

Dennis Allion, Chair
Libby Downey, Dave Pendergrass, Ralph Rubio and Ron Stefani
[Rudy Fischer – Alternate]

DATE: Thursday, February 12, 2015
TIME: 3:00 pm
LOCATION: Admin Conference Room
5 Harris Court, Building D
Monterey, CA 93940

1. CALL TO ORDER
2. ROLL CALL
3. PUBLIC COMMENTS
   Anyone wishing to address the Committee on matters not appearing on the Agenda may do so now. Comments
   on any other matter listed on the Agenda are welcome at the time the matter is being considered by the
   Committee.
4. APPROVE JANUARY 15, 2015 RWC MINUTES (see attachment)
5. UPDATE ON CPUC WATER PROCEEDINGS (A.12-04-019), MONTEREY PENINSULA REGIONAL WATER AUTHORITY,
   AND TECHNICAL ADVISORY COMMITTEE (see attachment)
6. UPDATE ON LEGISLATIVE ADVOCACY (see attachment)
7. UPDATE ON THE GROUNDWATER REPLENISHMENT (GWR) PROJECT AND URBAN RECLAMATION PROJECTS
   (see attachment)
8. CONSIDER GWR (UR 502) BUDGET INCREASE TO PROCURE PERMANENT DEMONSTRATION FACILITY (see attachment)
9. CONSIDER APPROVAL OF CONTRACT WITH E2 ENGINEERING
   FOR DESIGN AND CONSTRUCTION SERVICES FOR THE SALINAS
   SOURCE WATER INDUSTRIAL WASTEWATER DIVERSION PROJECT
   (see attachment)

10. STAFF MEMBER COMMENTS/REPORTS

11. COMMITTEE MEMBER COMMENTS/REPORTS
    Committee Members may ask a question for clarification, make a brief announcement or make a brief comment
    or report on his or her own activities within the jurisdiction of the committee. No discussion or action is
    appropriate other than referral to staff for consideration or setting a matter as a future agenda item

12. ADJOURNMENT
This Committee Meeting Notice and Agenda was hereby posted at:

MRWPCA
5 Harris Court, Building D,
Monterey, California  93940

POSTED:  Monday, February 9, 2015
By:  /s/ Chayito Ibarra
Executive Assistant/Clerk to the Board of Directors
COMMITTEE
MINUTES/REPORT

RECYCLED WATER COMMITTEE
Thursday, January 15, 2015
3:00 pm to 4:17 pm
5 Harris Court, Building D
Monterey, CA 93940

1. CALL TO ORDER
2. ROLL CALL
3. PUBLIC COMMENTS
4. APPROVE NOVEMBER 13, 2014 RWC MINUTES
5. UPDATE ON CPUC WATER PROCEEDINGS (A.12-04-019), MONTEREY PENINSULA REGIONAL WATER AUTHORITY, AND TECHNICAL ADVISORY COMMITTEE
6. UPDATE ON THE GROUNDWATER REPLENISHMENT (GWR) PROJECT AND URBAN RECLAMATION PROJECTS
7. CONSIDER GWR AND URBAN RECLAMATION BUDGETS FOR FY 2014/15
8. UPDATE ON SALINAS EMERGENCY BYPASS CONSTRUCTION BID AND REIMBURSEMENT AGREEMENT
9. STAFF MEMBER COMMENTS/REPORTS
10. COMMITTEE MEMBER COMMENTS/REPORTS
11. ADJOURNMENT

PRESENT: Recycled Water Committee:
Dennis Allion, Chair
Ron Stefani
Libby Downey
Dave Pendergrass
Ralph Rubio
ABSENT: None

PRESENT: MRWPCA Staff:
Keith Israel General Manager
Rob Wellington Legal Counsel
Paul Sciuto Director of O&M/Deputy GM
Bob Holden Principal Engineer
Mike McCullough Recycled Water Project Assistant
Jennifer Gonzalez Engineering Supervisor
Cheryl Rogers Administrative Support Specialist
Chayito Ibarra Executive Assistant

OTHERS PRESENT: (None)

3. PUBLIC COMMENTS:
At 3:01 pm, Chair Allion called for Public Comments – none received.

4. APPROVE NOVEMBER 13, 2014 RWC MINUTES
Chair Allion stated that the November 13, 2014 draft RWC minutes are presented to the Committee for their approval.

ACTION TAKEN: On a motion by Ms. Downey, seconded by Mr. Rubio, the Recycled Water Committee unanimously approved the November 13, 2014 RWC Minutes.

5. UPDATE ON CPUC WATER PROCEEDINGS (A.12-04-019), MONTEREY PENINSULA REGIONAL WATER AUTHORITY, AND TECHNICAL ADVISORY COMMITTEE
Mr. Israel stated that the Minutes and Agenda for the MPRWA Board and TAC meetings were provided to the RWC for review. He noted that Stephen St. Marie, of the CPUC, presented at the WateReuse Association Northern California Chapter meeting on December 12, 2014. A copy of the presentation titled "Comprehensive Policy Framework and Minimum Project Criteria for Recycled Water Projects" was also provided to the RWC.

- Information only – no action needed.
6. UPDATE ON THE GROUNDWATER REPLENISHMENT (GWR) PROJECT AND URBAN RECLAMATION PROJECTS

A. Schedule

Completed Events: November and December: Mr. Holden reported that the rewriting of the GWR CEQA project description was completed and has been shared with the CPUC’s CEQA Team. Staff continued extensive meetings and document exchanges with the CPUC CEQA team on areas of overlap and interest. New CEQA surveys and reports were performed resulting from the change in project description necessitated by the MOU.

Recent/Upcoming Events:

Critical Events

CEQA: MRWPCA staff and consultants have met with the CPUC CEQA team to coordinate the separate DEIR’s. Many of the meetings have related to the consequences of the desal brine on the MRWPCA’s Ocean Outfall. The CPUC CEQA staff has changed their project so that mitigation will not be needed. Additional analyses have been performed to look at the effects of the desal project changes.

Design/Build: Included in the proposed budget is money for a supportive legal review of design/build, a consultant’s review of the best type of design/build to pursue for each component of GWR and a schedule for that work.

Definitive Agreement: Mr. Holden stated that the large negotiation group met on October 29 to review the roadmap. Since then, the following four meetings of the Water Availability and Quality group have been held: October 30, December 2, December 16, 2014 and January 8, 2015. Mr. Holden noted that progress has been made with the water availability and quality but acknowledged that some steps backwards were taken. He clarified that a suggestion was made at one of the Water Availability and Quality meetings that the Ag wash wastewater would come in for the benefit of the growers and GWR should pursue the Blanco Drain as a water source to get the water the project needs. Discussion continued and Mr. Pendergrass noted that the MOU states that the MCWRA could use the Ag wash water. Mr. Holden clarified that the MOU states MCWRA could use it until GWR becomes operational. He noted that it was a friendly discussion and was not antagonistic and the growers are still positive about GWR. He noted that a couple of meetings are planned to help get us back to where we were. Mr. Allion added that one of the spreadsheets that Mr. Dave Stoldt put together showed that blending the waters could help lower the cost to the growers. Blanco Drain will be very expensive to clean up and for everyone’s benefit it would lower the cost by bringing in these other waters. Mr. Allion expressed confidence that the issues will be worked out.
Mr. Holden continued by stating that a meeting was held with the MCWD/MRWPCA Ad-Hoc Committee negotiation group on November 5, 2014. The following three meetings have been held at the staff level on the following dates: December 10, 2014, January 6 and January 7, 2015.

Two meetings on water rights were held on November 26, 2014 and January 8, 2015. The January 8 meeting included the SWRCB staff and Legal Counsel, which included a tour of the sites.

Interruptible Water Rates: Mr. Holden stated that a draft rate study model will be brought to the RWC in February.

➢ Information only – no action needed.

7. CONSIDER GWR AND URBAN RECLAMATION BUDGETS FOR FY 2014/15

Mr. Holden stated that he will be presenting several budgets and contracts for recommendation for approval by the Board. First, Mr. Holden asked the Committee to recommend that the Board approve the UR 501 (RUWAP and Winter Storage) budget of $55,036. The proposed legal and internal labor costs are for GWR negotiations for use of the RUWAP pump stations and pipeline. Once the negotiations are successfully completed, a consultant will be required to complete 100% design of MRWPCA’s portion of RUWAP and SVRP winter operations. Mr. Holden noted that the 100% designs will address changes made since the designs were stopped at about the 90% design level in 2009. Completion of the designs and preparation of the bid documents would occur in FY 2015/16 with the bid and construction in FY 2016/17.

To Ms. Downey’s question, Mr. Holden answered that the $3,143,852 that the Agency spent on the RUWAP project was written off for audit purposes only and the money is still owed by MCWD.

ACTION TAKEN: On a motion by Mr. Stefani, seconded by Mr. Pendergrass, the RWC unanimously recommends that the Board approve the UR 501 budget of $55,036 for FY 2014/15.

Mr. Holden stated that he would like to change the recommended Committee action to recommend that the Board approve the full UR 504 (Brine/Outfall) fiscal year budget of $654,590, which includes approving reallocation of the Brine Receiving/Mixture Structure design budget of $141,930 to UR 504 and approving three new contracts with Trussell Technologies in the amounts of
$34,923 (Desal Brine Discharge Analysis), $32,433 (Desal Water Quality Assessment), and $34,583 (Desal CEQA Support) for a combined cost not to exceed $101,939.

Mr. Holden noted that listed in the chart provided to the RWC, is a reimbursement of $112,600 from Cal Am that was received in FY 2013/14 but was not expended until FY 2014/15. Cal Am is currently paying for one-half of an ongoing corrosion and flow study of MRWPCA’s ocean outfall. Funding for that work was part of the Exclusive Negotiating Agreement which was transferred to the Short Term Lease between Cal Am and MRWPCA. Work on that study should be finalized in early 2015.

Mr. Holden stated that staff obtained a permit from the Regional Board to accept water from Cal Am’s pilot test well into MRWPCA’s Ocean Outfall. He noted that the permit fee, modeling, and labor costs are all reimbursable through the Short Term Lease. Negotiations will begin soon with Cal Am for a long-term lease for desalination brine disposal (Brine Lease) for accepting the brine from Monterey Peninsula Water Supply Project (MPWSP) into the land and ocean outfalls. Mr. Holden noted that if that lease is completed in FY 2014/15, then an additional corrosion study would be performed within the MRWPCA Land Outfall. The costs for that corrosion study have not been included.

Mr. Holden stated that in his recommendation he is asking the Committee to recommend approval of reallocation of the Brine Receiving/Mixing Structure in the amount of $141,930 to UR 504. He noted that the UR 504 budget provided to the RWC includes the 10% design costs of the Brine Receiving Structure that was originally charged to the GWR project. At the time, it was incorrectly thought to be necessary for the GWR project only. Since then, MRWPCA’s consultants have confirmed that the Brine Receiving Structure is required for desal brine but not for GWR concentrate. Consultant costs also include basis of design reports for ammonia treatment and for biological filtration to reduce effects of desal brine plus brine discharge analyses to determine how MRWPCA’s ocean outfall will behave with Cal Am’s brine. He explained that this work is required now as part of MRWPCA’s cooperation and support of the CPUC (Cal Am) MPWSP.

Mr. Holden added that included in the $654,590 UR 504 budget are three new contracts that are required to complete the CEQA support needed this fiscal year for the CPUC CEQA process. Reimbursement for most of the consultant expenses will be negotiated as part of the Cal Am Brine Lease.
To Mr. Allion’s question, Mr. Holden answered that included in the Cal Am reimbursement amount of $625,445 listed in the UR 504 budget are expected reimbursements from Cal Am as follows: $161,225 in FY 2015, $96,365 in FY 2016, $54,140 in FY 2017. He noted that the expected reimbursement could be more if the lease does not end after two years. The expected reimbursement from the brine lease is $313,715 in FY 2015, 2016 or 2017. Mr. Allion stated that while it’s important for people to know that we are anticipating future reimbursements from Cal Am he suggested that those anticipated reimbursements be listed clearly in a separate column and labeled “anticipated reimbursements”.

ACTION TAKEN: On a motion by Ms. Downey, seconded by Mr. Rubio, the RWC unanimously recommends that the Board approve the UR 504 FY 2014/15 budget of $654,590, within that budget amount staff also requests reallocation of the Brine Receiving/Mixture Structure design of $141,930 from UR 502 (GWR) to UR 504, and approval of three new contracts with Trussell Technologies for a combined cost not to exceed $101,939.

Lastly, Mr. Holden stated that staff is requesting that the RWC recommend that the Board approve the overall UR 502 fiscal year budget of $3,000,000, which includes two contracts with Trussell Technologies for an amount not to exceed $69,931, a contract with Hazen and Sawyer for a cost not to exceed $43,368 and a contract with Denise Duffy & Associates for a cost not to exceed $338,920.

Previously, the Board approved the budget through January 2015 in the amount of $2,239,000. The proposed overall FY budget of $3,000,000 reflects funding for activities through the rest of the fiscal year.

To Ms. Downey’s question, Mr. Israel answered that these figures have been given to MPWMD staff for review and they will be bringing it to their committee for recommendation for approval to their Board. Mr. Pendergrass added that the MPWMD Water Supply Planning Committee will be meeting on January 21 and will be considering this item for approval. Ms. Downey stated that she would not want to vote in favor of approving the $3M budget until she knows that the MPWMD has approved it. Mr. Allion noted that the recommendation could state that the approval is contingent upon MPWMD approval.

Discussion continued and members asked if the MPWMD had outstanding MRWPCA GWR invoices for reimbursement. Mr. Sciuto answered that we have been invoicing them quarterly, but missed a quarter, and will be providing them with an invoice this week for July through December 2014.
After further discussion it was the consensus of the Board that the $3M GWR budget be approved contingent upon budget approval from MPWMD. RWC Members stated that a lot of information was received and that a clear and concise presentation needed to be given to the Board.

**ACTION TAKEN:** On a motion by Mr. Rubio, seconded by Mr. Stefani, the RWC unanimously recommends that contingent upon budget approval from MPWMD that the Board approve the GWR UR 502 FY 2014/15 budget of $3,000,000, within the requested budget amount, staff also requests approval of two contracts with Trussell Technologies for an amount not to exceed $69,931, a contract with Hazen and Sawyer for a cost not to exceed $43,368 and a contract with Denise Duffy & Associates for a cost not to exceed $338,920.

8. **UPDATE ON SALINAS EMERGENCY BYPASS CONSTRUCTION BID AND REIMBURSEMENT AGREEMENT**

Ms. Gonzalez stated that the RWC receive an update at the October 2014 meeting regarding the Salinas shunt structures. At that meeting, one of the options that the City of Salinas and the Agency were discussing was a potential change order for the City’s Industrial Waste Water Pipeline replacement contractor. Since then, the City of Salinas has had concerns surrounding the construction process and it has been decided to bid the work out as a separate contract.

Ms. Gonzalez stated that initial estimates for the construction work are in the range of $800,000 to $1,000,000. Currently, the plan is to split the cost for the design with the City of Salinas. E2 Engineering is finalizing the bid package for the Ag wash shunt and emergency bypass installation, and staff anticipates it will be ready by the last week in January. The bid results and the Cost Reimbursement agreement will be brought to the RWC in February for recommendation to the Board.

Mr. Pendergrass asked if the City of Salinas will reimburse the Agency 100%. Mr. Sciuto answered that staff has met with City of Salinas staff and agreed to a 50/50 split on the design fee. The Agency agreed to pay for the construction costs of the Emergency bypass because we benefit from that infrastructure. Discussions are still continuing on how the Ag wash shunt costs will be split.

- Information only – no action needed.
9. **STAFF MEMBER COMMENTS/REPORTS**  (None)

10. **COMMITTEE MEMBER COMMENTS/REPORTS**
    In response to Mr. Rubio’s question, Mr. Sciuto answered that Mario Santoyo, Executive Director of the Latino Water Coalition, along with other members of the Coalition visited the Central Coast on December 12. He noted that many Legislators had signed up to attend but because of the media reports of the storm of the century, some dropped out, and in total 20 attended. The group toured the Sand City Desal facility, Taylor Farms, Salinas Pump Stations and heard a presentation on the uniqueness of the GWR project at the MPWMD office. Mr. Sciuto added that the presentation and tour were well received.

➢ Information only – no action needed.

At 4:17 pm, with no further business, Chair Allion adjourned the Recycled Water Committee meeting to the next regularly scheduled Recycled Water Committee meeting on February 12, 2015 at 3:00 pm.
MEMORANDUM

TO: RECYCLED WATER COMMITTEE

FROM: KEITH ISRAEL, GENERAL MANAGER

DATE: FEBRUARY 12, 2015

SUBJECT: UPDATE ON CPUC WATER PROCEEDINGS, MONTEREY PENINSULA REGIONAL WATER AUTHORITY (MPRWA), AND TECHNICAL ADVISORY COMMITTEE (TAC)

As requested, the following minutes and agendas are attached:

- MPRWA TAC meeting agenda for February 2, 2015
- MPRWA meeting agenda for February 12, 2015
- MPRWA TAC minutes of December 1, 2014

The January 22, 2015 MPRWA meeting was canceled.

Attached is the latest schedule for the Cal Am Desalination Project showing completion in 2019.

Also attached is the February 10, 2015 Agenda for the Special Joint meeting of the Board of Supervisors, Board of Supervisors of the Water Resources Agency and the Water Resources Agency Board of Directors. Along with a copy of the proposed Comprehensive Basin Sustainability Plan for halting sweater intrusion in the Salinas Valley Groundwater Basin, as discussed at the February 10 joint meeting.

- Update only – no action is required

Attachment A: February 2, 2015 MPRWA TAC Agenda
Attachment B: February 12, 2015 MPRWA Agenda
Attachment C: December 1, 2014 MPRWA TAC Minutes
Attachment D: Cal Am Desalination Project Schedule
Attachment E: February 10, 2015 Special Joint Meeting Agenda of the BOS, BOS of the MCWRA and MCWRA Board of Directors
Attachment F: Proposed Comprehensive Basin Sustainability Plan
Agenda
Monterey Peninsula Regional Water Authority (MPRWA)
Technical Advisory Committee (TAC)
Regular Meeting

10:30 AM, Monday, February 2, 2015
Council Chamber
580 Pacific Street
Monterey, California

CALL TO ORDER
ROLL CALL
PLEDGE OF ALLEGIANCE
REPORTS FROM TAC MEMBERS

PUBLIC COMMENTS
PUBLIC COMMENTS allows you, the public, to speak for a maximum of three minutes on any subject which is within the jurisdiction of the MPRWA TAC and which is not on the agenda. Any person or group desiring to bring an item to the attention of the Committee may do so by addressing the Committee during Public Comments or by addressing a letter of explanation to: MPRWA TAC, Attn: Monterey City Clerk, 580 Pacific St, Monterey, CA 93940. The appropriate staff person will contact the sender concerning the details.

APPROVAL OF MINUTES
1. December 1, 2014 Regular Meeting

AGENDA ITEMS
3. Discuss Ground Water Replenishment and Desal Cost Comparison Study (Stoldt).
6. Consider A Recommendation To The Water Authority Directors Relative To The Vacant Marina Coast Water District Seat (Cullem).
7. Discuss Preparations For Review Of The Desal DEIR Scheduled For Release In April 2015 (Cullem).
8. Receive Updated MPRWA Fact Sheet and Discuss Authority Expectations Relative to

http://www.isearchmonterey.org/cache/2/jxmztk5np0lpyaita2tm/1300402062015030525486.htm
The Monterey Peninsula Regional Water Authority is committed to including the disabled in all of its services, programs and activities. In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the Monterey City Clerk’s Office at (831) 646-3935. Notification 30 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to this meeting [28 CFR 35.102-35.104 ADA Title II]. Later requests will be accommodated to the extent feasible. For communication-related assistance, dial 711 to use the California Relay Service (CRS) to speak to City offices. CRS offers free text-to-speech, speech-to-speech, and Spanish-language services 24 hours a day, 7 days a week. If you require a hearing amplification device to attend a meeting, dial 711 to use CRS to talk to the Monterey City Clerk’s Office at (831) 646-3935 to coordinate use of a device.

Agenda related writings or documents provided to the MPRWA are available for public inspection during the meeting or may be requested from the Monterey City Clerk’s Office at 580 Pacific St, Room 6, Monterey, CA 93940. This agenda is posted in compliance with California Government Code Section 54954.2(a) or Section 54956.
Agenda
Monterey Peninsula Regional Water Authority (MPRWA)
Regular Meeting

7:00 PM, Thursday, February 12, 2015
Council Chamber
580 Pacific Street
Monterey, California

ROLL CALL

PLEDGE OF ALLEGIANCE

REPORTS FROM BOARD DIRECTORS AND STAFF

PUBLIC COMMENTS
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CONSENT AGENDA

1. January 8, 2014 Regular Meeting - Milton

2. Approval of Checks Through February 12, 2015 - Milton

AGENDA ITEMS

3. Adopt Resolution Authorizing The Authority President To Extend The Contract With The City Of Monterey For Executive Director Services And To Request The City Of Monterey To Extend Its Contract With James M. Cullem For That Position - Milton

4. Discuss Accomplishments of The Water Authority Since Its Formation to the Present - Burnett

5. Receive The 23 January 2015 Update to the CPUC Schedule and Discuss the Delay in the Release of the DEIR and Other Changes and Decide on a Course of Action if Needed - Cullem

6. Approve Invitation to New Interim General Manager of the Marina Coast Water District to Serve As A Member of The Water Authority Technical Advisory - Cullem

8. Designation of Alternate To Serve As A Representative of The Authority On The Governance Committee - Cullem

9. Receive Update, Discuss, And Provide Direction On Water Authority Participation In Obtaining A Cease and Desist Order (CDO) Extension - Burnett


12. Discuss Implications Of An Earlier Start Time For Future Meetings - Milton

ADJOURNMENT

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MINUTES
MONTEREY PENINSULA REGIONAL WATER AUTHORITY
TECHNICAL ADVISORY COMMITTEE (TAC)
Regular Meeting
10:30 AM, Monday, December 1, 2014
COUNCIL CHAMBER
580 PACIFIC STREET
MONTEREY, CALIFORNIA

Members Present: Cullem, Israel, Narigi, Riley, Riedl, Stoldt
Members Absent: Huss, Lee
Staff Present: Legal Counsel, Clerk

CALL TO ORDER
ROLL CALL
PLEDGE OF ALLEGIANCE

REPORTS FROM TAC MEMBERS

No reports.

PUBLIC COMMENTS

Invited comments from the public and had no requests to speak.

APPROVAL OF MINUTES

1. November 17, 2014 Regular Meeting
   
   Action: Continued to next meeting.

2. October 9, 2014 Special Meeting
   
On motion by TAC Member Stoldt and Seconded by TAC Member Israel and approved by the following vote the Technical Advisory Committee approved the minutes of October 9, 2014.

<table>
<thead>
<tr>
<th>AYES</th>
<th>6 MEMBERS:</th>
<th>Cullem, Israel, Narigi, Riley, Riedl, Stoldt</th>
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<tbody>
<tr>
<td>NOES</td>
<td>0 MEMBERS:</td>
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</tr>
<tr>
<td>ABSENT</td>
<td>2 MEMBERS:</td>
<td>Huss, Lee</td>
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<tr>
<td>ABSTAIN</td>
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<tr>
<td>RECUSED</td>
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AGENDA ITEMS


Member Stoldt spoke to the hand out provided, “Roadmap for a definitive agreement on source waters and water recycling”. He spoke to the eight definitive legal agreements that are needed and the tentative dates for the execution for these agreements. The TAC discussed the
different agreements and the agencies that would be parties to them. The TAC also discussed the sources of water included in the agreements and the total targeted acre/ft of water.

Chair Cullem invited public comment and had no requests to speak.

On question, Member Stoldt reported that the externality study contract selection should be made this week and that staff is conducting an in-house cost analysis for a cost comparison and feasibility study at this time. Member Israel reported that the application for SRF Funds cannot be filed until a water purchase agreement is solidified but the state is working with the Pollution Control Agency to qualify for a 1% financing ability.

The TAC discussed possibilities to meet the cease and desist order for either the GWR project or the Desal facility which is anticipated to be in production near 2nd or 3rd quarter of 2017.

This item was for informational purposes and no action was taken.


Ian Crooks, Cal Am provided an update on the Test Slant Well Construction progress and presented the updated production schedule which included the GWR project to demonstrate how the GWR will line up as compared to the Desal project approval and start up. Mr. Crooks reported that Cal Am Staff is working with the Coastal Commission to fulfill the permitting requirements. December 15th would be the start of the big rig for the test well. On question, Mr. Crooks discussed the appeal filed against the Coastal Commission decision and reported that pleadings will be done by declaration.

Chair Cullem invited public comment and had no requests to speak.

Mr. Crooks then presented the MPWSP Master Schedule which is updated through specific milestones. He spoke to the progress anticipated to be made once the Test Well and the EIR are complete, but cited land acquisition issues, including easements that are still unresolved.

The TAC discussed the future possible interactions with the City of Marina as it relates to the Coastal Development Permit and indicated that it will be further discussed at future TAC meetings. Member Stoldt left the meeting at 11:45 AM.

Member Riley spoke to the MPWSP anticipated schedule and the 24 month data collection period. He questioned how much data can and should be collected to be able to make an appropriate decision.

This item was for discussion only and no action was taken.

5. Discuss Presentations and Site Visits to Deep Water Desal and The People's Moss Landing Desal on November 17, 2014 and Make Recommendations to the Authority Board - TAC members
Chair Cullem spoke to the site visits to both the Deep Water Desal Facility and the People’s Moss Landing Desal Project and invited comments from other present TAC members.

Member Riedl questioned how the Moss Landing Harbor District could be the lead agency for the People's Moss Landing Desal EIR. He also questioned if they have the funding in place to see the project to completion. He mentioned that they were proposing to put the intake next to the surf zone which seemed problematic.

Member Narigi questioned if either project had produced definitive schedules, or proof of permits that would provide proof of progress to which it was responded that they produced aggressive schedules but may be unrealistic.

Chair Cullem invited public comment and had no requests to speak.

6. **Discuss Current Issues of Critical Importance to the Organizations Represented by Technical Advisory Committee Members - TAC members**

This was put on the agenda to discuss the interest of the different members of the TAC, to understand the desires of their respective organizations and how each can benefit. Since the key members are not present, Chair Cullem requested that this item be continued to a later meeting.

*On motion by TAC Member Narigi and Seconded by TAC Member Riedl and approved by the following vote the Technical Advisory Committee tabled this item to a future meeting.*

| AYES: | 6 MEMBERS: | Cullem, Israel, Narigi, Riley, Riedl, Stoldt |
| NOES: | 0 MEMBERS: | None |
| ABSENT: | 2 MEMBERS: | Huss, Lee |
| ABSTAIN: | 0 MEMBERS: | None |
| RECUSED: | 0 MEMBERS: | None |

**ADJOURNMENT**

Meeting adjourned at 12:04 pm.

**ATTEST:**

______________________________  ______________________________
Lesley Milton-Rerig, Committee Clerk  Jim Cullem, Executive Director/Chair
**Timeline**

The desalination plant is expected to be completed in 2019. Below is a timeline chart depicting the major components of the project and their expected delivery dates.

**PG LWP**

- **EIR / CPCN / CDP**
  - DEIR: April
  - FEIR: October
  - CPUC Decision: Feb.
  - CCC Decision: Mid 2016

- **Construction**
  - Start-up: November

**GWR**

- **Construction & Commissioning**
  - Q3 to Q4

- **Test Well Operation**
  - Start: Q3/Q4
  - Snowy Plover Nesting Season: Limited Construction Activity

**Production Wells**

- **Slant Wells Phase 1**
  - Snowy Plover Nesting Season: Limited Construction Activity

- **Slant Wells Phase 2**
  - Snowy Plover Nesting Season: Limited Construction Activity

- **Slant Wells Phase 3**
  - (if needed)

**Desal Plant**

- **Design & Permitting**
  - 90% Final: Q3
  - Start Construction: Q4-2016

- **Construction & Commissioning**
  - Late 2018

- **Start-up Window**
  - Partial or Full: Q2-2019

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

*Updated January 25, 2015*
Special Joint Meeting of the Board of Supervisors, Board of Supervisors of the Water Resources Agency and the Water Resources Agency Board of Directors
12:30 P.M. Call to Order

Roll Call

Public Comment

This portion of the meeting is reserved for persons to address the Board on any matter not on this agenda but under the jurisdiction of the Board of Supervisors. Board members may respond briefly to the statement made or questions posed. They may ask a question for clarification; make a referral to staff for factual information or request staff to report back to the Board at a future meeting.

Consent Calendar

1. a. Approve Amendment No. 2 to the Professional Services Agreement with EPC Consultants, Inc. (EPC), revising the amount that may be expended for Preliminary Engineering Program Management Services up to the total amount of $475,000 for Phase 1 of the Interlake Tunnel Project;
   b. Authorize EPC to proceed with additional Phase I - Preliminary Engineering Program Management Services; and
   c. Dispense with prior Capital Improvement Committee review of Amendment No. 2.

   Attachments: Board Report
   Amendment No. 2 - EPC Consultants, Inc.
   Amendment No. 1 - EPC Consultants
   EPC Consultants, Inc. - Original, executed

2. Approve a Budget Amendment authorizing the Auditor-Controller to amend the Monterey County Water Resources Agency’s Fiscal Year 2014-15 Budget for emergency repairs to the standby transfer pump and standby transfer pump power supply in Fund 132 Salinas Valley Reclamation Project (SVRP) in the amount of $100,000 dollars;
   a. Modify appropriations in Fund 132 (SVRP) Dept.9300, Unit 8267, Appropriation Unit WRA021, Account 6613, (Other Professional & Special Services) by $100,000 financed by available Unreserved Fund Balance account 3101, (4/5th Vote Required); and
   b. Authorize the Auditor-Controller’s Office to incorporate approved appropriation and estimated revenue modifications to the FY 2014-15 Budget, (4/5th Vote Required).

   Attachments: Board Report
Scheduled Matters

3. Consider receiving a report and approving Action Plan as recommended by your Ad Hoc Committee for next steps on the Water Resources Agency’s Strategic Plan including: the Interlake Tunnel Project; Sustainable Groundwater Management Act; Water Rights Permit 11043; Salinas River maintenance; drainage channel options; other water supply projects; and, other flood control projects.

Attachments:
- Board Report
- Proposed Comprehensive Basin Sustainability Plan

Adjournment
PROPOSED COMPREHENSIVE BASIN SUSTAINABILITY PLAN

FOR HALTING SEAWATER INTRUSION
IN THE SALINAS VALLEY GROUNDWATER BASIN

The Salinas Valley in Monterey County is one of the most productive agricultural regions in the world. Revenue from the agricultural industry provides over $4 billion annually to the State’s economy. Water is critical to the success of agriculture, with groundwater being the majority of water utilized. Seawater intrusion (SWI) was identified in the Salinas Valley in the 1930’s, with the State Department of Public Works (predecessor to Department of Water Resources) preparing a study of the Salinas Valley in 1946. That study, “Bulletin 52”, provided a strategy to stop SWI in the Salinas Valley. That strategy entails a three-prong approach that involves:

- Develop a new water source;
- Move new water to the coast; and,
- Stop pumping at the coast.

The Monterey County Water Resources Agency (Agency) and its predecessor, the Monterey County Flood Control and Water Conservation District have been using the strategy put forth in Bulletin 52 as a guide for project development and implementation. To date, the following projects have been constructed and implemented:

- New water source – Nacimiento and San Antonio Reservoirs;
- Move water to coast – Salinas Valley Water Project (SVWP); and,
- Stop pumping at the coast – Castroville Seawater Intrusion Project and the Salinas Valley Reclamation Project, jointly called “Monterey County Water Recycling Projects”

Nacimiento and San Antonio Reservoirs were constructed in 1957 and 1967 respectively. The Salinas Valley Reclamation Project and the Castroville Seawater Intrusion Project (CSIP) were completed around 1998; and these projects have reduced the pace of seawater intrusion in the 180-Foot aquifer. However, the goal of halting seawater intrusion, as envisioned in Bulletin 52, has yet to be achieved, much less any chance in achieving a reversal in the advancement of seawater intrusion.

The Agency is presenting this comprehensive solution to present a number of projects comprising the final comprehensive solution; however they will take time to implement completely. These projects are interrelated and when fully implemented, could cumulatively result in more than 58,000 acre-feet annually, which is the additional amount of water that has been calculated as needed to halt seawater intrusion:\n
1. Source Water Development and Water Recycling Project – 9,000 acre-feet;
2. Interlake Connection and Regional Water Conservation Project – 20,000 acre-feet;
3. Permit 11043 Utilization – amount of water to be determined; and,
4. Salinas River Management Program – removal of river channel vegetation that is currently using at least 40,000 acre-feet of water annually.

\Source: GeoScience Technical Memorandum
These projects, in conjunction with projects already in place in the Salinas Valley, will provide the water necessary to halt SWI. Moreover, they will meet the requirements of the Groundwater sustainability Act without requiring cutbacks in groundwater pumping.

**Source Water Development and Water Recycling Project**

**Proposed Project:**

- Parties will work together jointly to develop multiple source waters to expand CSIP and create a supply of water for the Peninsula’s Groundwater Replenishment Project.
- Phase I would deliver 5,292 acre-feet per year to the Growers and 4,320 acre-feet per year to the Peninsula by 2017 to allow for a reduced-size desalination plant.
- Sources include agricultural wash water from Salinas industrial ponds, Salinas stormwater, Reclamation Ditch, Tembladero Slough, Blanco Drain and Monterey stormwater.
- Commitment to work on Phase II by 2022 for CSIP only, another 3,754 acre-feet.

**Current Status:**

Monterey Regional Water Pollution Control Agency, City of Salinas, Monterey Peninsula Water Management District, Marina Coast Water District and Monterey County Water Resources Agency (“Parties”) have negotiated a Memorandum of Understanding, dated October 8, 2014, for implementation of the Project.

Agency filed for water rights with the State Water Resources Control Board on April 9, 2014. Filing encompasses water from the Tembladero Slough, Reclamation Ditch and Blanco Drain.

**Next Steps:**

- Negotiate a Definitive Agreement or combination of agreements to implement the Project.

**Interlake Connection and Regional Water Conservation Project**

**Proposed Project:**

Also known as the Interlake Tunnel Project, this project has been a top regional priority originally identified in a July 1991 Boyle Engineering report entitled *Monterey County Water Capital Facilities Plan*. In addition to increasing water quantity for drought protection in the region, the Project will provide additional flood control benefits, due to the slow fill rate at San Antonio Reservoir.

The project consists of an 11,000-foot long, 10-foot diameter tunnel with a location in Monterey and San Luis Obispo counties connecting the Nacimiento and San Antonio reservoirs located in the Salinas Watershed HUC 1806005.
The current multi-year drought has resulted in zero flow in the Salinas River proper which has caused a sense of urgency around the Project and the fact that it should be constructed as soon as feasibly possible.

Current Status:

This $63 million Project was authorized by the Board of Directors and Agency Board of Supervisors on June 3, 2014, and $3,000,000 has been pledged by the County Board of Supervisors for program management, preliminary engineering and the following scopes of services:

The design scope of services with the following objectives:

1) Perform design consulting services to produce preliminary design documents, specifications and contract bidding documents for the procurement of Design/Build services for the Interlake Tunnel Project in compliance with California Assembly Bill 155.
2) Prepare design and contract bidding documents for the design-bid-build delivery of the San Antonio Spillway Modification Project.
3) Prepare technical documents to support the draft and final EIR environmental and regulatory approval for the Projects.
4) Prepare an Engineer’s Report and detailed capital and operating cost estimates for the Projects to support a California Proposition 218 tax assessment financing plan.
5) Design the Projects within the capital cost constraints established for each project.

The environmental compliance services scope with the following objectives:

1) Obtain the environmental clearance for the Projects through the California Environmental Quality Act (CEQA) process.
2) Obtain permits and approvals for construction of the Projects from relevant governing authorities.

Next Steps:

- Proceed with requesting any changes to water rights;
- Proceed with Request for Proposals for geotechnical and design (75% completion);
- Proceed with request for proposals for an environmental consultant;
- Obtain financing through grants and a 218 process; and,
- Issue a Request for Proposal for design-build services for the design completion and construction.
Permit 11043 Utilization

Proposed Project:

Water Rights of 135,000 acre-feet on an intermittent basis is a critical piece of the Agency’s solution to seawater intrusion. Pursuant to a July 2013 Settlement Agreement between the Agency and the State Water Resources Control Board, the Agency filed a Notice of Preparation (NOP) of an Environmental Impact Report for a project to utilize this water that is currently not being utilized.

Current Status:

As part of the comments on the NOP, an alternate project was proposed to utilize Permit 11043 water, supplemented by increased reservoir releases, to supply potable water to the City of Salinas, thereby halting pumping by California Water Service, Alco Water Service, and the produce wash facilities. Adding a pipeline from the reservoirs to the City of Salinas would enhance supplying water to the City of Salinas during the summer and return the river to a more natural state. Of course, the pipeline would also need to be connected to the Salinas River Diversion Facility.

Next Steps:

- Obtain an extension of Environmental Impact Report due date;
- Develop the alternative project option;
- Prepare an Environmental Impact Report; and,
- Develop scope of work for consultant to determine answers to question about amount and timing of available water.

Salinas River Management Program

Proposed Project:

It is estimated that there is approximately 40,000 to 60,000 acre-feet of water annually evapotranspired from uncontrolled vegetation in the Salinas River Channel. This is water that could be utilized for aquifer recharge into the groundwater basin, thus helping halt SWI. Removing overgrown vegetation from the river channel also mitigates flooding damage potential. There has been no vegetation removal since 2008.

Current Status:

The Agency managed an administrative permit from the Corps of Engineers from 1995 to 2008 that provided for individual landowners to clear portions of the Salinas River Channel under specific guidelines. This program started after the devastating 1995 flood event, in which a tremendous amount of damage was done to the Salinas Valley, as well as other portions of the state. The Agency was successful in receiving two five-year permits that expired in 2008. At
that time, regulators felt the need for an Environmental Impact Report (EIR). Due to funding limitations and other priority needs for Agency funds, it has taken over three years to complete the EIR and get it certified.

This program now consists of landowners joining together in a more cohesive fashion, forming River Management Units (RMUs), to manage stream channel maintenance efforts for specific stretches of the river channel. This program is thought to last about five years, with the Salinas River Management Program building on the success of the stream maintenance project.

The Salinas River Management Program is planned to change the paradigm from Stream Maintenance to River Management. The program is designed to provide a holistic approach to river management for the Salinas River, involving a number of stakeholders and interest groups to come up with a plan and program that is built upon consensus. This program is thought to take roughly seven to ten years to develop and implement.

**Next Steps:**

- Develop strategy to implement Program, including the updating of the Lagoon Plan;
- Develop a funding strategy for the Program;
- Develop roles and responsibilities for Agency and County Staffs, as well as local, state and federal elected officials, and include responsible resource agencies;
- Consider utilizing professional facilitation to develop the Program; and,
- Keep legislative options open

* * * * * * *

The measurement of the success of the above interrelated projects as each is completed will be through use of a model developed by the Agency, with the foundational work being developed through a Salinas River Groundwater Basin (SRGB) Investigation by the County resulting from a General Plan lawsuit settlement. This SRGB Investigation which commenced July 1, 2014 is divided into two parts:

- **Part 1.** A near-term assessment of the health and status of Zone 2C of the SRGB (in accordance with County Board of Supervisors (BOS) Referral No. 2014.01). This evaluation concluded that the SRGB is currently out of balance by 17,000 to 24,000 acre-feet/year.

- **Part 2.** A five-year study of Zone 2C of the SRGB. This will assess the ability of the SRGB to provide a sustainable water supply for projected 2030 land use, as defined in the 2010 General Plan.
Summary:

The Agency is presenting a comprehensive solution to seawater intrusion, showing that there are a number of pieces to the final comprehensive solution; however, it will take time to implement. This document identifies the pieces of a comprehensive basin sustainability plan that the Agency is considering.
MEMORANDUM

TO: RECYCLED WATER COMMITTEE

FROM: PAUL A. SCIUTO, DIRECTOR OF O&M/DEPUTY GM
(via Keith Israel, General Manager)

DATE: FEBRUARY 12, 2015

SUBJECT: UPDATE ON LEGISLATIVE ADVOCACY

BACKGROUND:

Staff continues to meet with State and Federal legislators and regulators and other key organizations in an effort to position MRWPCA for possible funding for the Groundwater Replenishment project (GWR). We have been coordinating many of the activities with the Monterey Peninsula Water Management District to increase effectiveness of advocacy.

Some of the efforts to date include:

- Attending a California Association of Sanitation Agencies (CASA) funding workshop in Sacramento
- Phone conferences with Western Recycled Water Coalition
- Meetings with Department of Water Resources (DWR) and State Water Resources Control Board (SWRCB)
- Attend Mid-Pacific Region Bureau of Reclamation Water Users Conference
- Met with Senator Bill Monning and staff
- Attended CASA Winter Conference
- Represent MRWPCA as Vice Chair of the CASA Federal Legislative Committee.
Recycled Water Committee
Update on Legislative Advocacy
February 12, 2015

- Project kick-off meeting with Bryant and Associates for Federal Strategy and Advocacy for the Pure Water Monterey project.

Advocacy efforts will intensify as Proposition 1 (Water Bond) has funding mechanisms at the State, potential Western Water Bills are drafted at the Federal level, and the GWR project moves forward. These efforts include:

- Submitting key items to SWRCB to complete the State Revolving Fund loan Application by the third quarter of this year.
- Attend the CASA/ACWA Washington D.C. Conference
- Visit key Congressman and Senators with the Western Recycled Water Coalition in Washington D.C.
- Implement the Federal Strategy with Bryant and Associates.
- Continue to meet with local Assemblymen, State Senators, and Congressmen.

➢ Information only – no action necessary.
MEMORANDUM

TO: RECYCLED WATER COMMITTEE

FROM: BOB HOLDEN, PRINCIPAL ENGINEER
       (via KEITH ISRAEL, GENERAL MANAGER)

DATE: FEBRUARY 12, 2015

SUBJECT: UPDATE ON THE GROUNDWATER REPLENISHMENT (GWR) PROJECT AND URBAN RECLAMATION PROJECTS

A. SCHEDULE (see attached project phasing schedule)

Completed Events:
January: Continued extensive meetings and document exchanges with CPUC CEQA team. Received and reviewed a new draft of the Facilities Plan report. Conducted two meetings related to the Definitive Agreement. One meeting concluded the Water Quantity and Quality Group and the second meeting was a general update with all parties. January 8th the SWRCB Water Rights staff and legal counsel spent the day in meetings and site tours related to acquiring water rights at three locations for MCWRA.

Recent/Upcoming Events:
February: Provide CPUC CEQA team with administrative draft sections of the GWR DEIR (their variant project) and continue coordinating with them for their DEIR due in April, 2015. Complete reviewing the new ADEIR sections. Receive and review new draft Feasibility Report. Finalize Incremental Rate analyses. Request proposals from consultants to provide a report on how best to aggregate the project components, which design/build approach should be utilized, and the schedule for GWR construction. The GWR Settlement Agreement Criteria Schedule is attached to show who is responsible for completing criteria that are part of the settlement agreement.
Critical Events:

CEQA: Both the GWR and the CPUC CEQA teams have been developing new administrative draft EIR sections to share with each other. MPWMD staff have been very helpful in the review of technical reports and administrative draft EIR sections. Cooperation is very strong. The GWT DEIR is expected to be published in March. The CPUC DEIR is expected to be published in April. They expect a report on the Salinas Valley groundwater modeling results in early March. The GWR DEIR will make assumptions about the CPUC project if their sections are not available before we release the DEIR.

Design/Build: Staff prepared a request for proposal for a consultant to recommend which pieces of the project should be built by design/build and which type of design/build would be the best to use. Staff will also be obtaining a second legal opinion to confirm MRWPCA ability to utilize the design/build construction method.

Definitive Agreement: The full negotiation group met January 29 to update everyone and to request volunteers to be part of the Financial Review group that will begin meeting in February. The Water Availability and Quality group (Oct. 30, Dec. 2 & 16, and Jan. 8) has completed all it can do and should not meet again. Staff updated the MCWD Board about GWR and some of the benefits of coming to agreement over use of the RUWAP pipeline. A meeting needs to be arranged with MCWD’s new negotiators (President Howard Gustafson and Vice President Peter Le). A graphical representation of the Roadmap is attached. It has become apparent that the financial arrangements are important to each area of agreement. Additional meetings are scheduled.

Interruptible Water Rates. The Agency’s rate consultant developed the rates for accepting interruptible waters into the MRWPCA’s system. Those rates are in line with staff projections. Staff is developing the site-specific costs to set up and monitor the various diversions that would be added to the water specific costs. Staff expects to complete developing those costs in February and expects to bring the new rate model to the Committee and Board for approval in March.

- Information only - no action is requested.
B. EXPENDITURES
RUWAP and Winter Storage (UR 501)

Staff will request a negotiation session with MCWD.

<table>
<thead>
<tr>
<th>RUWAP UR-501*</th>
<th>Budget FY 2014/15</th>
<th>Costs to Date FY 2014/15</th>
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<td><strong>Total Expenditures</strong></td>
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<td><strong>14,274</strong></td>
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*$3,143,852 between FY2006 and FY2014 are identified as prior expenditures for reimbursement but not shown in current financial reports.

Brine/Outfall (UR 504)

Staff is finalizing details of the slant well discharge permit into MRWPCA’s outfall.

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<tr>
<th>Brine/Outfall UR-504</th>
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<td><strong>Total After Reimbursements</strong></td>
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*From Short Term Lease: expect approximately $161,225 in FY15 less $112,600 paid by Cal Am in FY14 but not expended. Future expected reimbursements from Cal Am for Short Term Lease: $96,365 in FY16, $54,140 in FY17 (more if lease does not end after 2 years). In addition, expect $313,715 (FY15, 16, or 17) from Cal Am for Long Term (Brine) Lease.
Groundwater Replenishment (UR 502)

MPWMD has requested an increase in budget (separate Committee agenda item) to procure a pilot facility.

<table>
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<tr>
<th></th>
<th>Expenditures from 2006 - FY 13/14</th>
<th>Updated Budget FY 14/15</th>
<th>Expenses FY 2014/15</th>
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**Funding & Reimbursements**

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<th>Source</th>
<th>Expenditures</th>
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<td>WaterSMART Grant</td>
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<td><strong>MRWPCA Total After</strong></td>
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<td><strong>731,279</strong></td>
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*Invoice for $934,695 dated 1/21/2015

➢ Information only - no action is requested.

Attachment A: Groundwater Replenishment Project Phasing Schedule
Attachment B: Settlement Agreement Criteria Schedule
Attachment C: Definitive Agreement Roadmap Schedule
<table>
<thead>
<tr>
<th>Year</th>
<th>Phase</th>
<th>Key Activities</th>
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<tbody>
<tr>
<td>2013</td>
<td>Q1</td>
<td>EIR Scoping: Project Understanding, Notice of Preparation, and Public Meeting</td>
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<tr>
<td></td>
<td>Q2</td>
<td>Scoping Report</td>
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<td></td>
<td>Q3</td>
<td>Background Development &amp; Investigations</td>
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<td></td>
<td>Q4</td>
<td>Internal Draft Facilities Plan &amp; Feasibility Study Reports</td>
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<tr>
<td>2014</td>
<td>Q1</td>
<td>Technical Team Prepares Conceptual Design Information</td>
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<td></td>
<td>Q2</td>
<td>Water Quality Sampling &amp; Shunt Tests</td>
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<td></td>
<td>Q3</td>
<td>IAP Meetings</td>
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<td>Q4</td>
<td>Outreach Meetings</td>
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<td>2015</td>
<td>Q1</td>
<td>Feasibility Study Report</td>
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<td></td>
<td>Q2</td>
<td>Technical Reports and Draft EIR Preparations</td>
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<td></td>
<td>Q3</td>
<td>CPUC Desal ADEIR Sections</td>
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<td></td>
<td>Q4</td>
<td>Pilot Test Start &amp; Monitoring Well Installation</td>
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<td>2016</td>
<td>Q1</td>
<td>Alternative Analysis Report</td>
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<tr>
<td></td>
<td>Q2</td>
<td>PILOT PLANT &amp; WELL TESTING</td>
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<td>Q3</td>
<td>Final Facilities Plan &amp; Feasibility Report</td>
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<td>Certified EIR and Approve GWR</td>
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<td>2017</td>
<td>Q1</td>
<td>Technical Reports for Admin Draft EIR</td>
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<td>Q2</td>
<td>SRF &amp; Title XVI Funding Coordination</td>
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<tr>
<td></td>
<td>Q3</td>
<td>Construction</td>
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<td></td>
<td>Q4</td>
<td>Start Up</td>
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**Important Dates:**
- **2013:** Q2 - Scoping Report
- **2014:** Q4 - Pilot Test Start & Monitoring Well Installation
- **2015:** Q4 - Certified EIR and Approve GWR
- **2016:** Q1 - Technical Reports for Admin Draft EIR
- **2017:** Q4 - Start Up

**Key Documents:**
- EIR Scoping
- Technical Reports
- SRF & Title XVI Funding Coordination
- Construction

**Critical Phases:**
- Q4 - Critical Phases

**Revised:** 2/4/15
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<td>File Motion for Bifurcation of the GWR Decision</td>
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<td>Executed Agreements for GWR Source Water and/or Declaratory Relief See Definitive Agreement</td>
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<td>Obtain Representations from DPH re Use of Extracted GWR Water Concept Approval 6/14</td>
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<td>April 2015</td>
<td>GWR Basis of Design Complete with At Least 10% Design</td>
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**MRWPCA**

- File Motion for Bifurcation of the GWR Decision
- Executed Agreements for GWR Source Water and/or Declaratory Relief
  See Definitive Agreement
- Obtain Representations from DPH re Use of Extracted GWR Water
  Concept Approval 6/14
- GWR Basis of Design Complete with At Least 10% Design

**MPWMD**

- **DEIR Circulated**
- Definitive Agreement(s) – Delayed (March)
- **Board Actions to Approve Revised Governance Committee Agreement**
  - Storage Agreement with Seaside Basin Watermaster
  - GWR Financing Plan Sufficient for SRF Funding
  - Perform Revenue Requirement Analysis Including Any Debt Equivalency Effect
  - Perform Assessment of GWR Externalities

**Cal Am**

- **Agreement on Terms of WPA**
- **CPUC Evidentiary Hearings**
- **CPUC Action on Phase 2 Decision**

**Due Date**

- 2013 & 2014
- 2013
- 2014
- 2015
- 2016

**Complete**

- Project Approved and FEIR Certified
- All Permits for GWR Construction Obtained

**Critical**

- CPUC Testimony Phase Commences

**Updated:** 2/5/15
Tasks for a Definitive Agreement Roadmap Schedule
(October 2014 – March 2015)

**Legal Agreements**
- Definitive Agreement Scoping
  - MRWPCA – MCWRA incl. Accounting
  - MRWPCA – Salinas
  - MRWPCA – MCWD
  - MRWPCA – Monterey
  - MRWPCA – MPWMD – Watermaster
  - MPWMD – MRWPCA
  - MPWMD – Cal Am

**Water Availability & Quality**
- Water Quality Analysis
- Each Water Provider and Water Users: Discuss water availability assumptions; operational issues; wet year, dry year, average year considerations; impact on facilities and costs
- Decide on which waters to incorporate and phasing

**Financial Issues**
- Rate Study to develop interruptible rate for cost of treatment
  - Meet with stakeholder s to discuss pro rata share and amount of capital costs and initial Prop 218 Strategies
- Public Outreach
  - Incorporate into Definitive Agreement
  - Finalize estimated costs, allocations, and Prop 218 strategy
  - 3rd Party review of costs & facilities

**Water Rights**
- Meet to Establish Strategy for Water Rights Application
- 1% SRF Strategy
- Develop alternative CSIP funding allocations & Prop 218 strategies
- Meet with SWRCB staff, tour area facilities, confirm strategy for water rights application

**Meet with staff and board/counsel Important Issues**
- Definitions Scenarios Key Terms
- First Draft of Definitive Agreement circulated
- Revise Definitive Agreement
- Public Outreach
- Definitions Scenarios Key Terms
- 10% Design Capital Costs updated after Value Eng.
- Complete
- Critical
- Denotes little or no progress

**Identify scope, who will write & sign Agreements**

**Assess all components of Project for Progress; Prepare Revision of Water Rights Application**

**When Definitive Agreement is Reached, File amended Water Rights Application**
MEMORANDUM

TO: RECYCLED WATER COMMITTEE

FROM: BOB HOLDEN, PRINCIPAL ENGINEER (via KEITH ISRAEL, GENERAL MANAGER)

DATE: FEBRUARY 12, 2015

SUBJECT: CONSIDER GWR (UR 502) BUDGET INCREASE TO PROCURE PERMANENT DEMONSTRATION FACILITY

BACKGROUND:
As part of the EIR and pre-design processes, MRWPCA leased advanced water treatment equipment to conduct a variety of tests. The consultants looked at:

- equipment performance
- water quality characteristics
- membrane behavior
- and various chemicals for enhancing the process

The pilot testing helped in determining the scalability of the equipment to a full-sized treatment facility as well as exposing RTP operators to new equipment and training opportunities. The results were used for developing the 10% design of the full-sized treatment facility. The equipment arrived in the fall of 2013 and the testing lasted until July 2014.

Staff conducted many tours of the advanced treatment facility during the eight months the equipment was on site at the RTP. These outreach activities were very successful for validating the technological processes of advanced water treatment and highlighting the value of a multi-benefit, regional project.

In May 2014, MRWPCA and MPWMD talked about purchasing the leased equipment to create a permanent Demonstration Project. The Recycled Water Committee (RWC) agenda packet for the Fiscal Year 2014/2015 budget was
Recycled Water Committee
Purchase of Advanced Water Treatment Demonstration Facility
February 12, 2015
Page 2 of 3

issued on June 17, 2014. That agenda item had five additive budget options (Budget A through Budget E). Budget A included $84,000 ($21,000 per month) for rental of the pilot facilities through the end of October 2014 when MPWMD was hoping to have the funding to purchase the leased facilities. Budget B contained $395,000 (a note indicated if Budget A were also approved that the cost for Budget B would be reduced) for purchase of the leased equipment plus $10,000 internal labor to install new pieces of the Demonstration Project. Before the RWC met on June 19, 2014, MPWMD indicated that they would not reimburse MRWPCA for GWR expenses until a water rights agreement was signed. Consequently, a revised “bare bones” July 2014 only budget was brought to the RWC and the Board. Essential budgets were taken to the RWC and Board for August 2014, and September 2014. All three one-month budgets were based on no reimbursement from MPWMD. A Budget was approved through January 31, 2015 (September 29, 2014 Board Meeting) and through June 30, 2015 (January 26, 2015 Board Meeting) once MPWMD agreed to reimburse MRWPCA.

Because no money was approved for purchase or lease of the pilot facilities, they were returned as soon as possible after the June 2014 Board meeting. It would have cost MRWPCA $168,000 to lease the facilities from July 2014 through February 2015.

DISCUSSION:
The results of the demonstration facility were very valuable for the CEQA team, the Regulatory and Permitting agencies, and Outreach activities. One of the most important aspects of a water supply project like Pure Water Monterey is to have a facility where the public can come and see what is being proposed and how the equipment operates.

In early February, MPWMD indicated that they potentially had additional funding. They asked MRWPCA to consider purchasing and installing a permanent advanced water treatment demonstration facility. In early 2014, MRWPCA staff and consultants roughly estimated the cost of a demonstration project at $400,000 (as reflected in Budget B).

Staff requests a budget increase of $400,000 to allow this to occur.
<table>
<thead>
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<th>Proposed Updated Budget FY 14/15</th>
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<tr>
<td>Technical Consultants</td>
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<td>Legal</td>
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<td><strong>TOTALS</strong></td>
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<td>BOR Title 16 WaterSMART</td>
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<tr>
<td>Grant</td>
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<tr>
<td><strong>MRWPCA Total After Reimbursements</strong></td>
<td><strong>831,279</strong></td>
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**RECOMMENDATION:** That the Committee recommends the Board increase the FY 2014/15 GWR budget to $3,400,000 to include funds for the purchase and installation of an advanced water treatment demonstration facility at the RTP, with the condition that the MPWMD Board approves their share.
MEMORANDUM

TO: RECYCLED WATER COMMITTEE

FROM: JENNIFER GONZALEZ, ENGINEERING SUPERVISOR
(Via Keith Israel, General Manager)

DATE: FEBRUARY 12, 2015

SUBJECT: CONSIDER APPROVAL OF CONTRACT WITH E2 ENGINEERING FOR DESIGN AND CONSTRUCTION SERVICES FOR THE SALINAS SOURCE WATER INDUSTRIAL WASTEWATER DIVERSION PROJECT

BACKGROUND:
Staff’s January update on the Salinas “shunt” structures indicated that the project was ready to go out to bid and that bid results would be brought back to the Committee and to the Board in February. E2 Engineering finalized the bid package for the ag wash shunt and emergency bypass installation, and staff got the project out to bid during the last week in January. On February 4 a pre-bid meeting was held with five interested prime Contractors and two electrical subcontractors in attendance. Two structures have been modified in the plans to minimize future damage due to hydrogen sulfide releases. Those changes are currently in design and the project bid date has been extended to February 24. As a result, bid results will be brought to the Committee and to the Board in March.

Design, Bid Phase Services, Engineering Support during Construction, and Construction Management Services will add a total of $169,620 to the contract with E2 Engineering. The existing contract for $211,940 was for the initial 30% design documents for the project. Estimates for the construction work are in the range of $800,000-$1,000,000. The City and the Agency have agreed to split the cost for the design and construction of the Ag Washwater Shunt portion of the project with the City of Salinas. As the design work is approximately 95% complete, staff will bill the City of Salinas for their portion of the design (approximately $45,000) as
soon as final plans are received. Additional billings will be made during and upon completion of the construction of the project for an estimated additional $60,000.

Staff will bring the bid results back to the Committee and to the Board in March.

Recommendation
Staff recommends that the Recycled Water Committee recommend Board Approval of an additional $126,120 to the E2 Engineering Contract for design, bid phase, and engineering support services during construction of the Salinas Source Water Industrial Wastewater and Emergency Bypass Diversion Project.