

The Coastal Water Project

A water supply solution for our coastal communities

**Seaside Townhall Meeting
August 24, 2004**

EXHIBIT 7-D.1

The Coastal Water Project

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Purpose

- Give Project Overview
- Provide Project Update
- Answer Questions & Receive Feedback

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Agenda

- Project Team Presentation
- Questions & Answer Session
- Project Information Stations

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Presentation Includes

- Team Introductions
- Project Description
- Environmental Studies & Approval
- Project Timeline
- Public/Private Partnership
- Construction Cost Estimates
- Community Outreach
- Questions & Discussions

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Project Information Stations Include

- Desalination Site Facilities
- Conveyance Facilities
- Aquifer Storage & Recovery
- Environmental Studies
- MCWRA Governance Models

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Team

California American Water

- ❖ Steve Leonard, VP/General Manager, Monterey Division
- ❖ Fred Feizollahi, CWP Project Manager

- Resources to form expert team in study, design & operations
- Commitment to Carmel River replacement
- Infrastructure & local experience



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Team

Monterey County Water Resources Agency

- ❖ Curtis Weeks, General Manager
- ❖ Bill Phillips, Deputy General Manager

- Water resource management and protection
- Research, operations, monitoring & protection
- Proven track record of regulatory approvals & project implementation
- Plan to meet long-term regional water demands

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Team

RBF Consulting

- ❖ Larry Gallery, Project Manager ❖ James Brezack, Permitting
- ❖ Patrick Dobbins, Project Coordinator ❖ Alan Ashimine, Environmental
- ❖ Paul Findley, Engineering

- Over 10 desalination projects in California
- Five ocean desalination plants constructed on Baja Coast
- Local office at MBEST Center in Marina
- Environmental & technical studies
- Regulatory experience



PRIDES

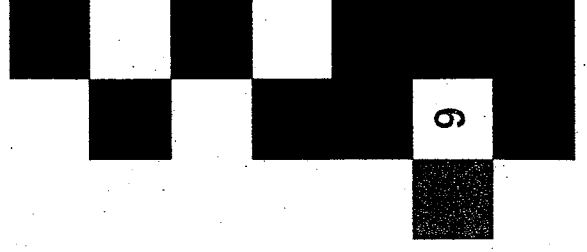
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Team

PRIDES

- International leader in desalination construction & operation
- More than 50 operating potable desalination plants worldwide



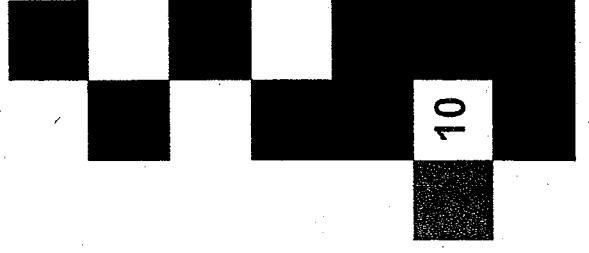
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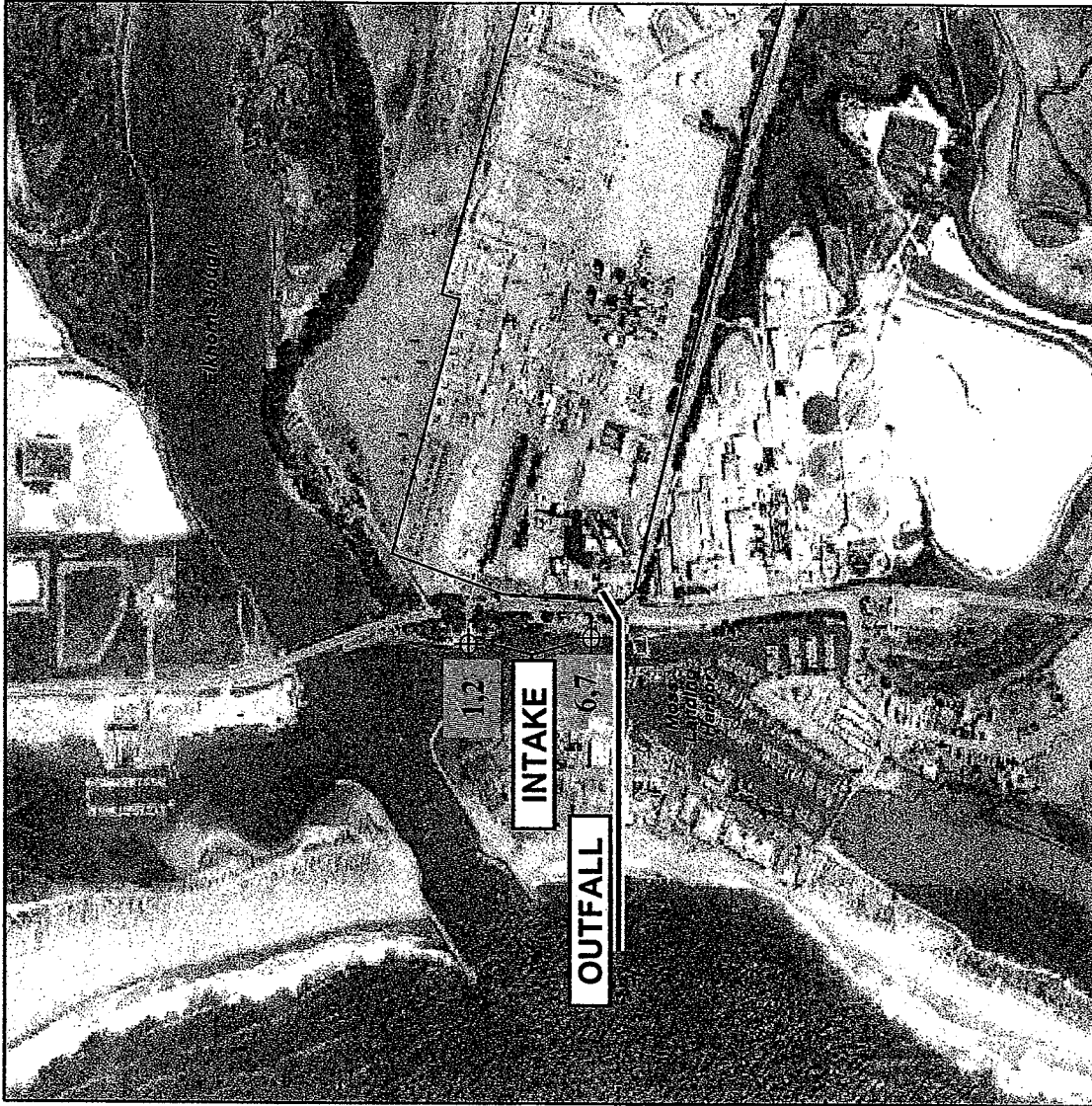
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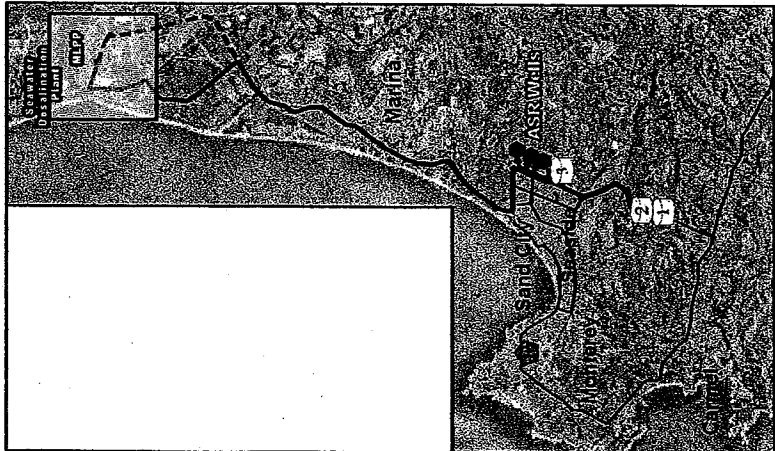
Preferred Project Description

- Desalination Plant
 - ❖ Pretreatment
 - ❖ Reverse Osmosis (RO)
 - ❖ Post Treatment
- Conveyance and Storage Facilities
- Aquifer Storage and Recovery (ASR)

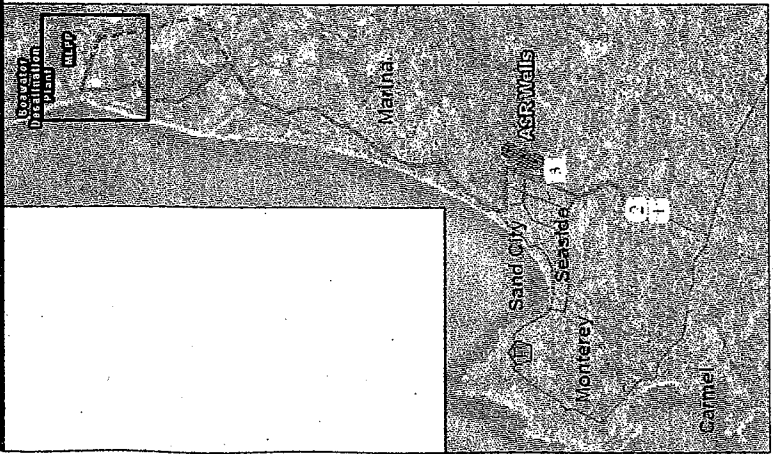




Map Index



Map Index



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Moss Landing Power Plant (MLPP) Intake & Outfall Locations, & Pilot Plant

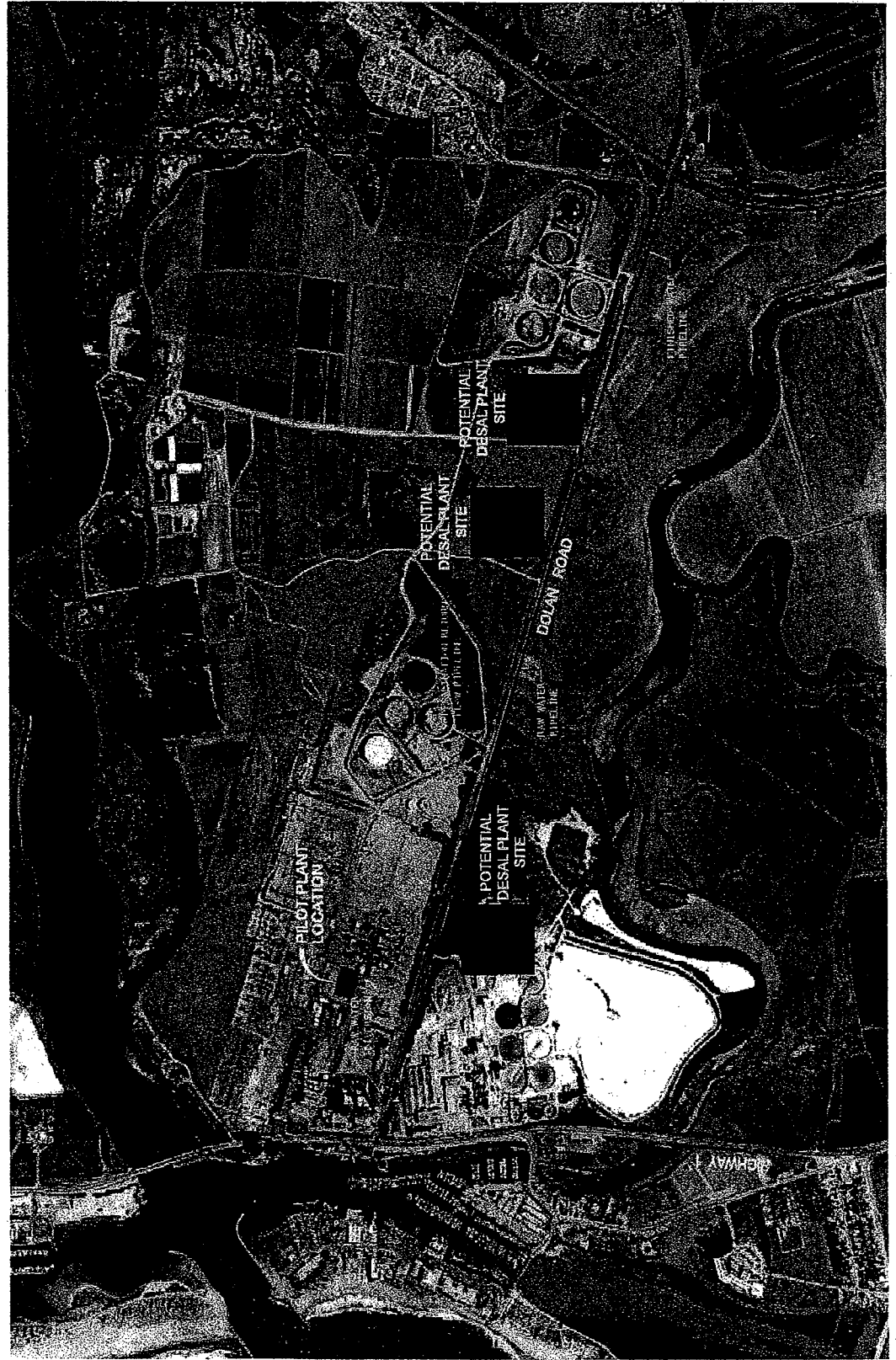
Site Characteristics

- ❖ Existing seawater intake (1 & 2)
 - Recent 316(b) approved
- ❖ Existing outfall pipeline
 - 1.22 bgd maximum flow
- ❖ Integration with existing operations

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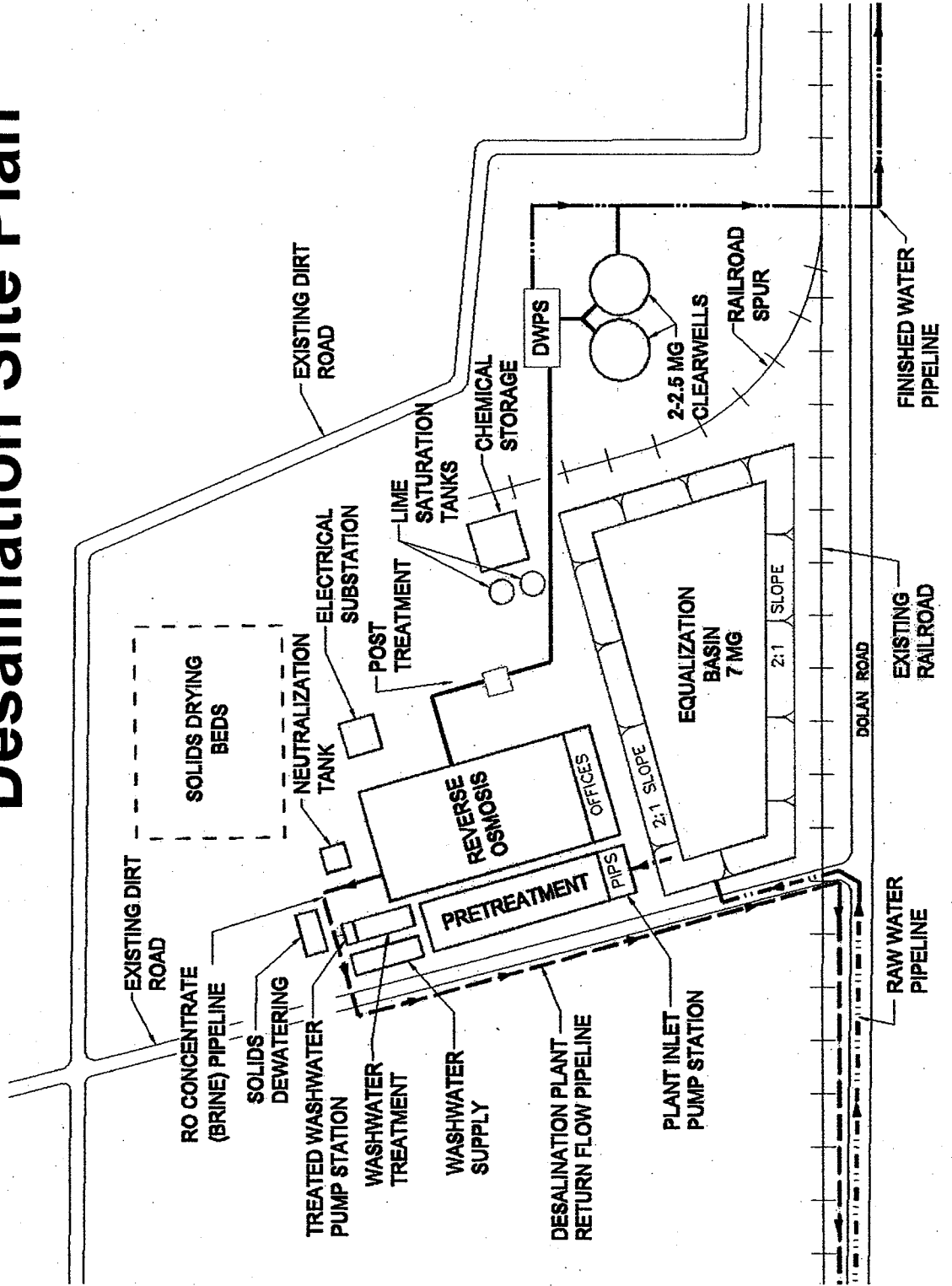
Potential Plant Sites



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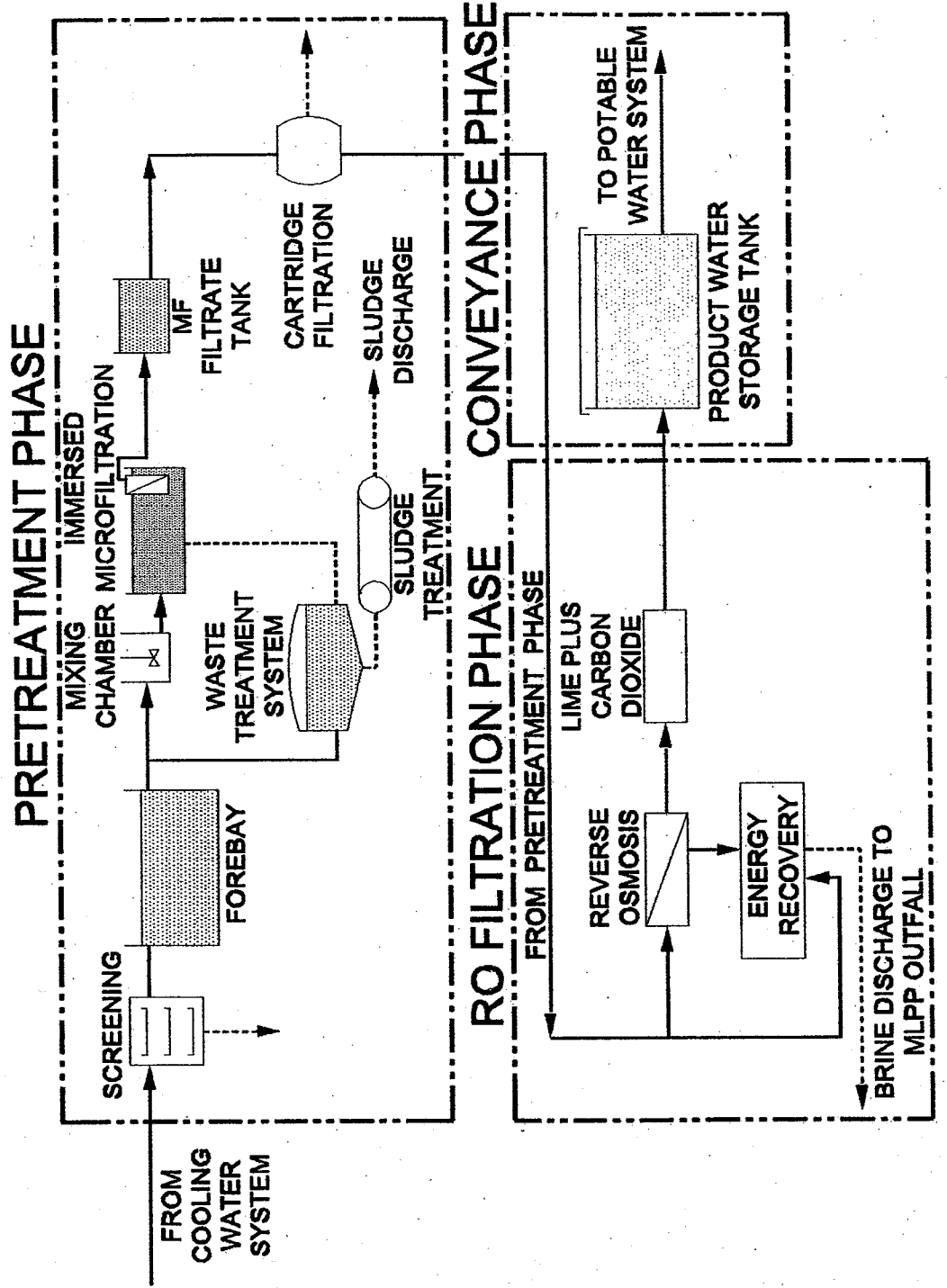
Desalination Site Plan

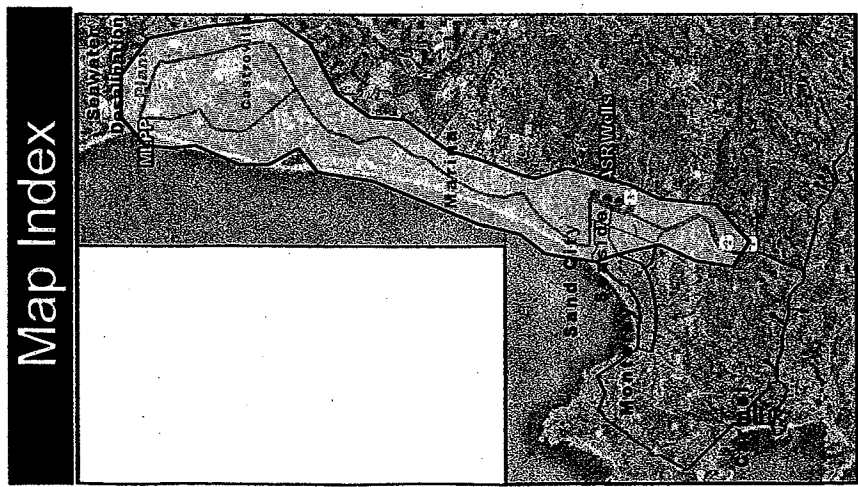
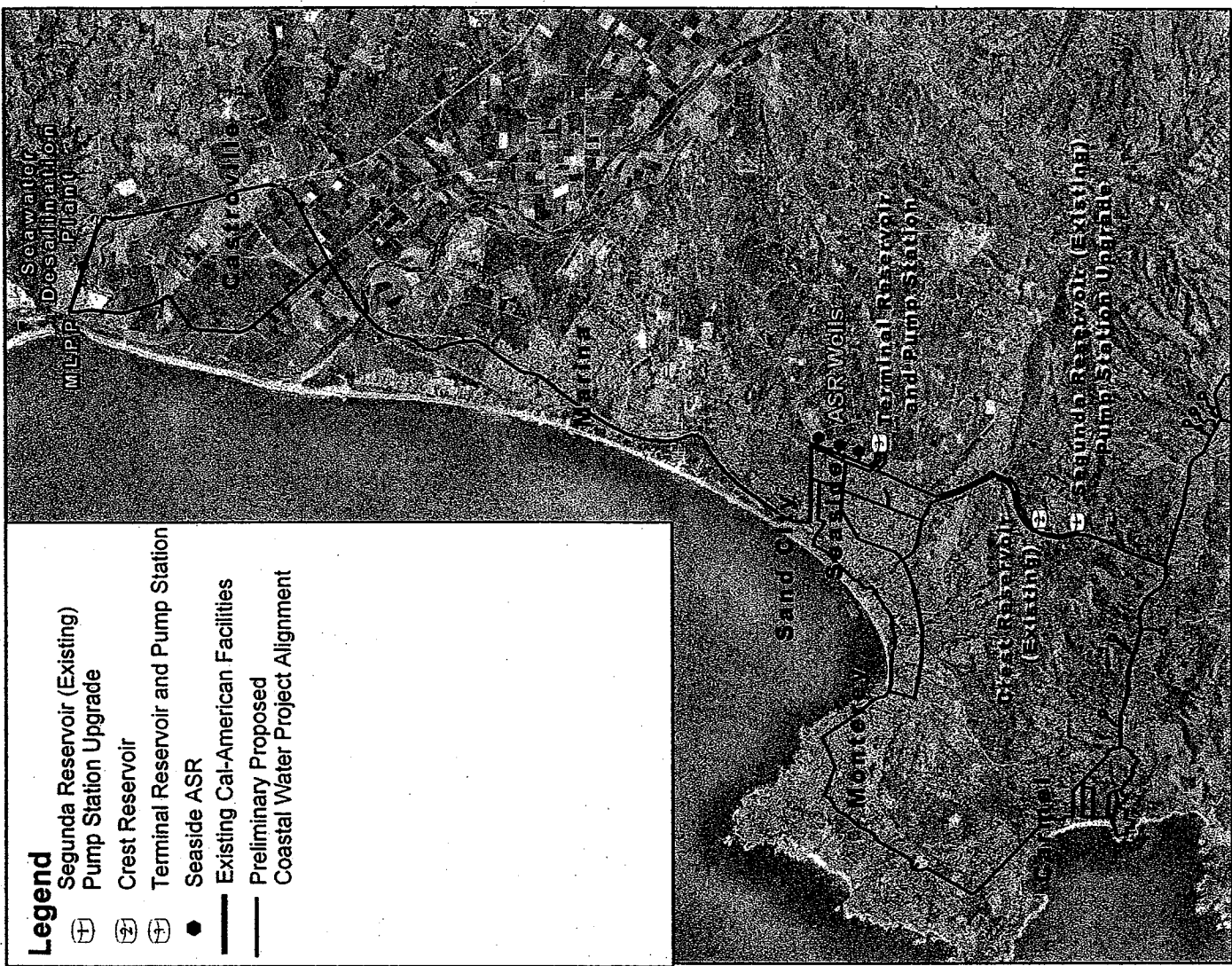


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Desalination Plant Process





- Legend**
- Segunda Reservoir (Existing)
 - Pump Station Upgrade
 - Crest Reservoir
 - Terminal Reservoir and Pump Station

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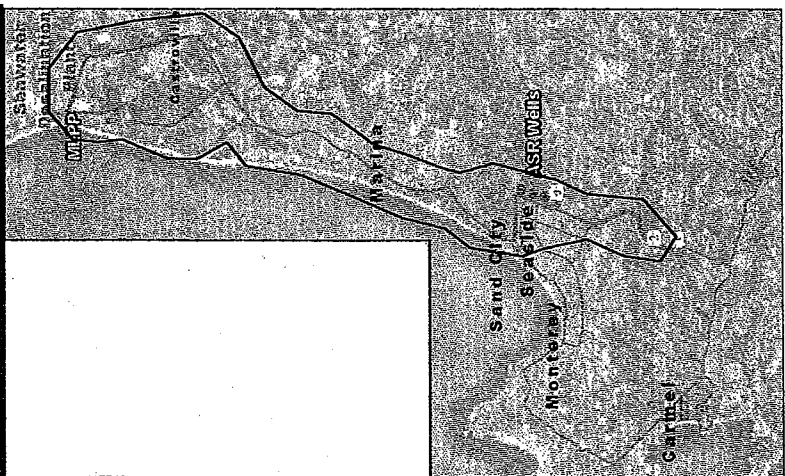
Transmission Pipeline & Facilities

- ❖ 24 Miles of New Pipelines
- ❖ ~15 Stream/River Crossings
- ❖ 6 Local Coastal Planning Areas
- ❖ 3 Pump Stations
- ❖ 2 Storage Tanks
- ❖ Use TAMC RXR line RW
- ❖ Former Farmland
- ❖ Connection Into Existing Distribution Systems

Seawater Desalination Plant
MLP

Marina

Map Index



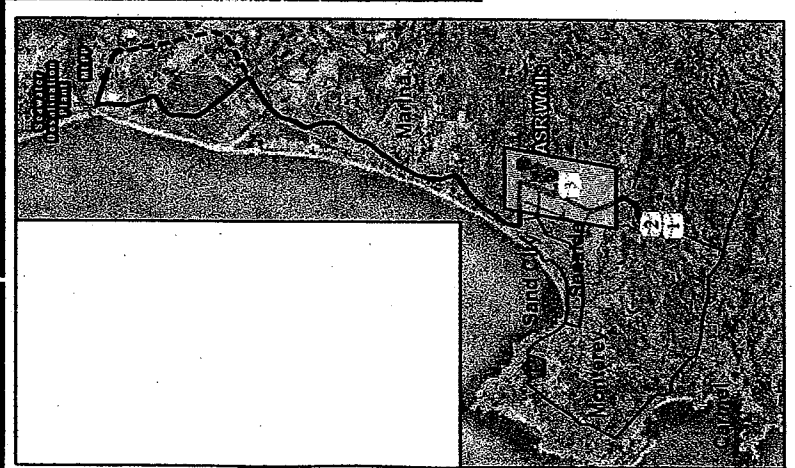
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Aquifer Storage & Recovery Facilities



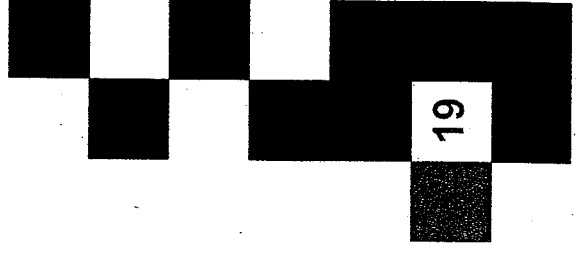
Map Index



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Environmental Studies & Approvals

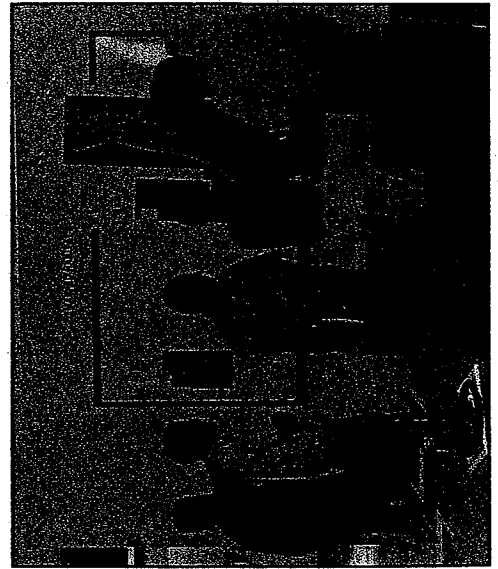


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Permitting

- Early Permit Coordination
- July 15 Agency Coordination Meeting
- Follow-up Meetings with Agencies
- Permit Schedule



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Regulatory/Permit Coordination Presentation & Workshop

July 15, 2004

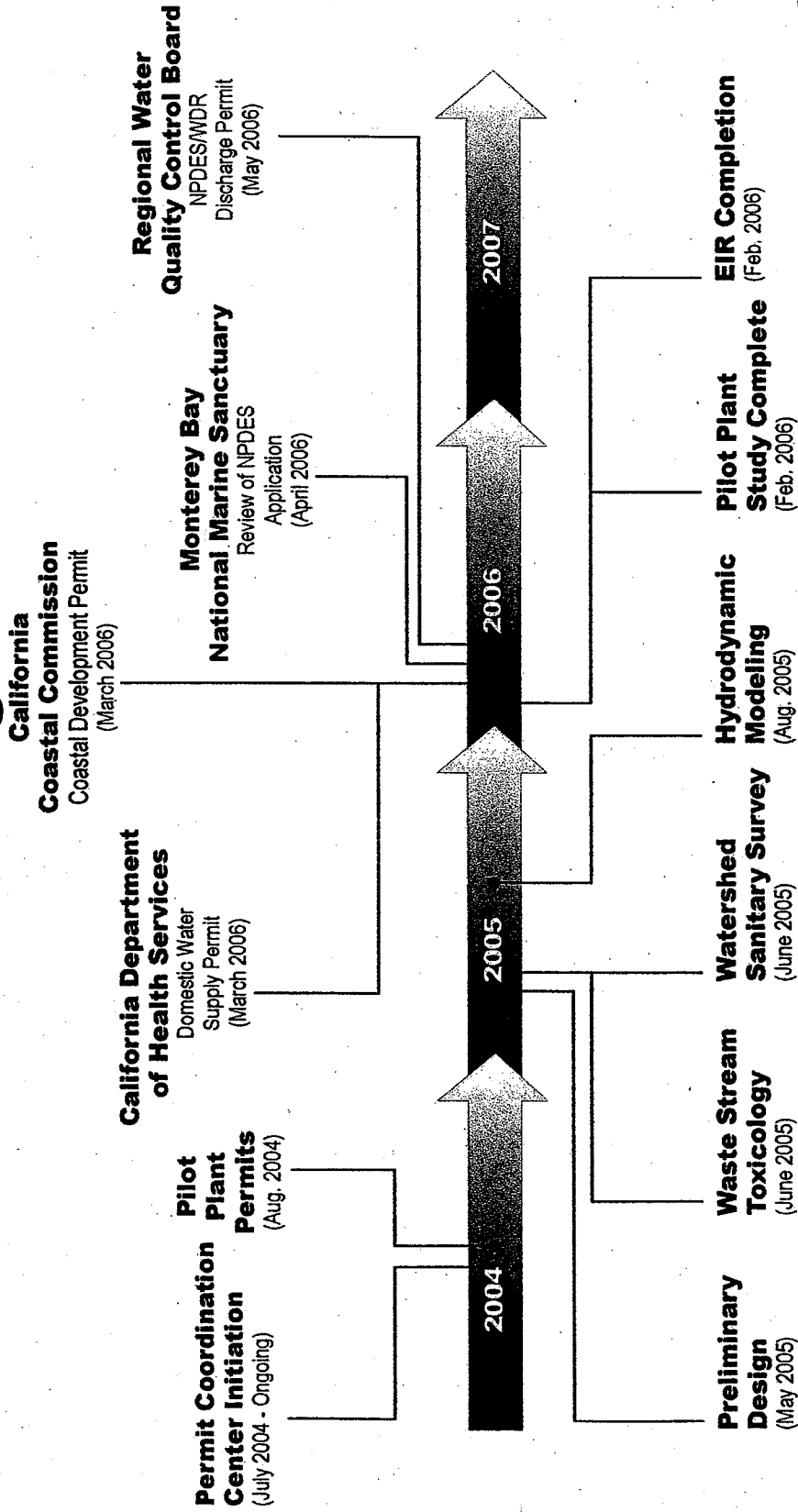
Agencies represented:

- ❖ California Coastal Commission - Central Coast District Office
- ❖ California Department of Fish and Game
- ❖ California Department of Health & Services
- ❖ California Public Utilities Commission
- ❖ CalTrans District 5
- ❖ Castroville Water District
- ❖ City of Pacific Grove
- ❖ City of Seaside Public Works Department
- ❖ Fort Ord Reuse Authority
- ❖ Monterey Bay National Marine Sanctuary
- ❖ Monterey Bay Unified Air Pollution Control District
- ❖ Monterey County Health Department
- ❖ Monterey County Planning & Building Department
- ❖ Monterey County Water Resources Agency
- ❖ Monterey Peninsula Water Management District
- ❖ Moss Landing Harbor District
- ❖ National Oceanic & Atmospheric Administration - Fisheries
- ❖ Regional Water Quality Control Board Central Coast Region 3
- ❖ State Dept of Health Services Drinking Water Field Operations Branch
- ❖ State Parks & Recreation
- ❖ United States Army Corps of Engineers
- ❖ US Bureau of Land Management

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Permitting Timeline



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Examples of Local Agency Approvals

AGENCY	PERMIT
Monterey County Department of Environmental Health (MCDEH)	Well Permit
Monterey Peninsula Water Management District (MPWMD)	Distribution System Expansion
County of Monterey, Cities of Monterey, Seaside, Marina, Del Rey Oaks, Sand City, Pacific Grove, & Carmel	Encroachment & Construction Permits
Marina Coast Water District (MCWD) & Castroville County Water District (CCWD)	Approval of Water Facilities Within Their Service Areas

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Examples of State Approvals

AGENCY	PERMIT
California Public Utilities Commission (CPUC)	Lead Agency - CEQA, CPCN
California Coastal Commission (CCC)	CDP
California Energy Commission (CEC)	AFC Amendment
California Department of Fish and Game (CDFG)	1600 Streambed Alteration Agreement
California Department of Health Services (CDHS)	Public Water System Permit
Caltrans	Encroachment Permit
State Lands Commission (SLC)	Lease / Encroachment
State DPR - Department of Parks and Recreation	Use / Encroachment
California Department of Toxic Substances (CDTS)	Finding of Suitability to Transfer / Finding of Suitability for Lease (FOST / FOFL)
Regional Water Quality Control Board (RWQCB)	NPDES / 401 Certification

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Examples of Federal Approvals

AGENCY	PERMIT
U.S. Army Corps of Engineers (USACE)	Cleanwater Act Section 10 & 404 Permits
Fish and Wildlife Service (FWS) / NOAA Fisheries	ESA Section 10 and/or 7 Consultation
Base Reuse and Closure Office (BRACO)	License on FORA
US Army & Environmental Protection Agency (EPA)	Finding of Suitability to Transfer / Finding of Suitability for Lease (FOST / FOSL)
U.S. Bureau of Land Management (USBLM)	Use Permit
U.S. Coast Guard (USCG) / National Oceanic and Atmospheric Administration (NOAA)	Corps Permit Review
U.S. Environmental Protection Agency (USEPA)	Review California Energy Commission Approval
Monterey Bay National Marine Sanctuary (MBNMS)	Permit to Construct

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Pilot Plant

- Will be installed on Duke MLPP site
- Use of Duke Site and Permits
- Schedule for Operation
- Process

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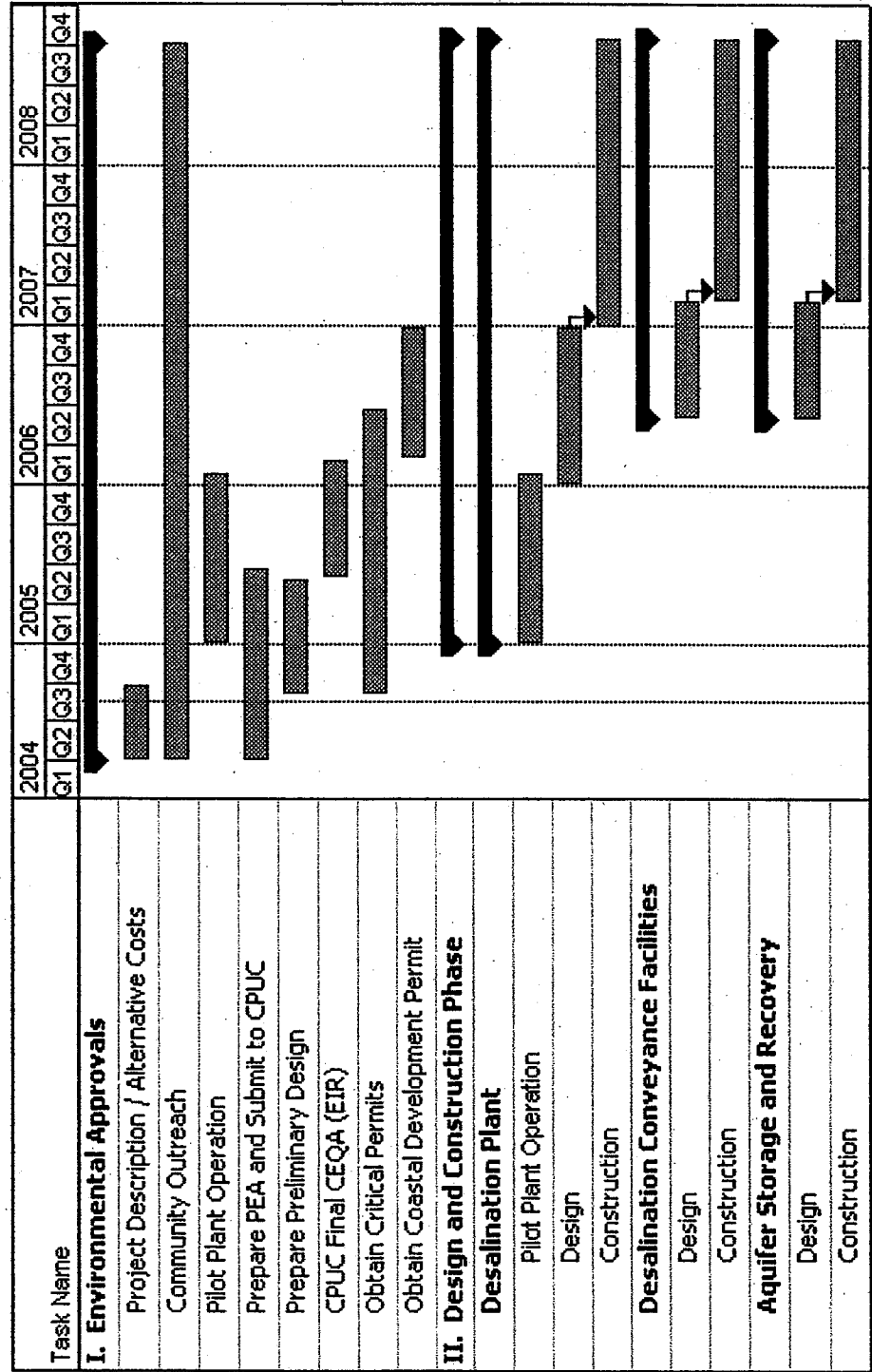
Key Studies to Support Proponents Environmental Assessment

- Studies Underway
- Brine Modeling
- Aquifer Storage and Recovery (ASR)
- Horizontal Directional Drilling (HDD)
- Pilot Plant Testing

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Proposed Project Timeline



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Public/Private Partnership

- CWP - public ownership
- Financing
- Project delivery concept under review
- Partnership status
 - ❖ Letter of Intent (LOI) - March 2004
 - ❖ Partnership agreement – September 2004
 - ❖ Implementation (construction, operation, maintenance)
- Other agency & district participation

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Component	Description	Demand (AFY)
Coastal Water Project Includes		
1	Carmel River Replacement - CAW	10,730
2	Seaside Aquifer Replacement - CAW	1,000
Subtotal		11,730
Additional Elements from MIP/WMD		
	City of Monterey	766
	City of Seaside	406
	City of Carmel-by-the-Sea	405
	City of Sand City	300
	City of Pacific Grove	531
	City of Del Rey Oaks	197
	Unincorporated Areas of County	893
	Monterey Peninsula Airport District	74
Subtotal		3,572
Potential Water for Communities		
4	Marina Coast Water District	2,400
5	Moss Landing, North County & Castroville	
	Moss Landing	70
	North County	1,500
	Castroville Water District	1,000
Subtotal		4,970
Total		20,272

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Preliminary Estimated Capital Construction Costs Methodology

Estimated
Cost per
ac-ft*

- Based on Prorata Share of CWP Facility Participation
- Component 1 – Order 95-10 (10,730 AFY) \$1,100
- Component 2 – Seaside Overdraft (1,000 AFY) \$1,090
- Component 3 – MPWMD 20 Year Projections (3,572 AFY) \$1,100
- Component 4 – MCWD (2,400 AFY) \$940
- Component 5 – Northern County Areas (2,570 AFY) \$750

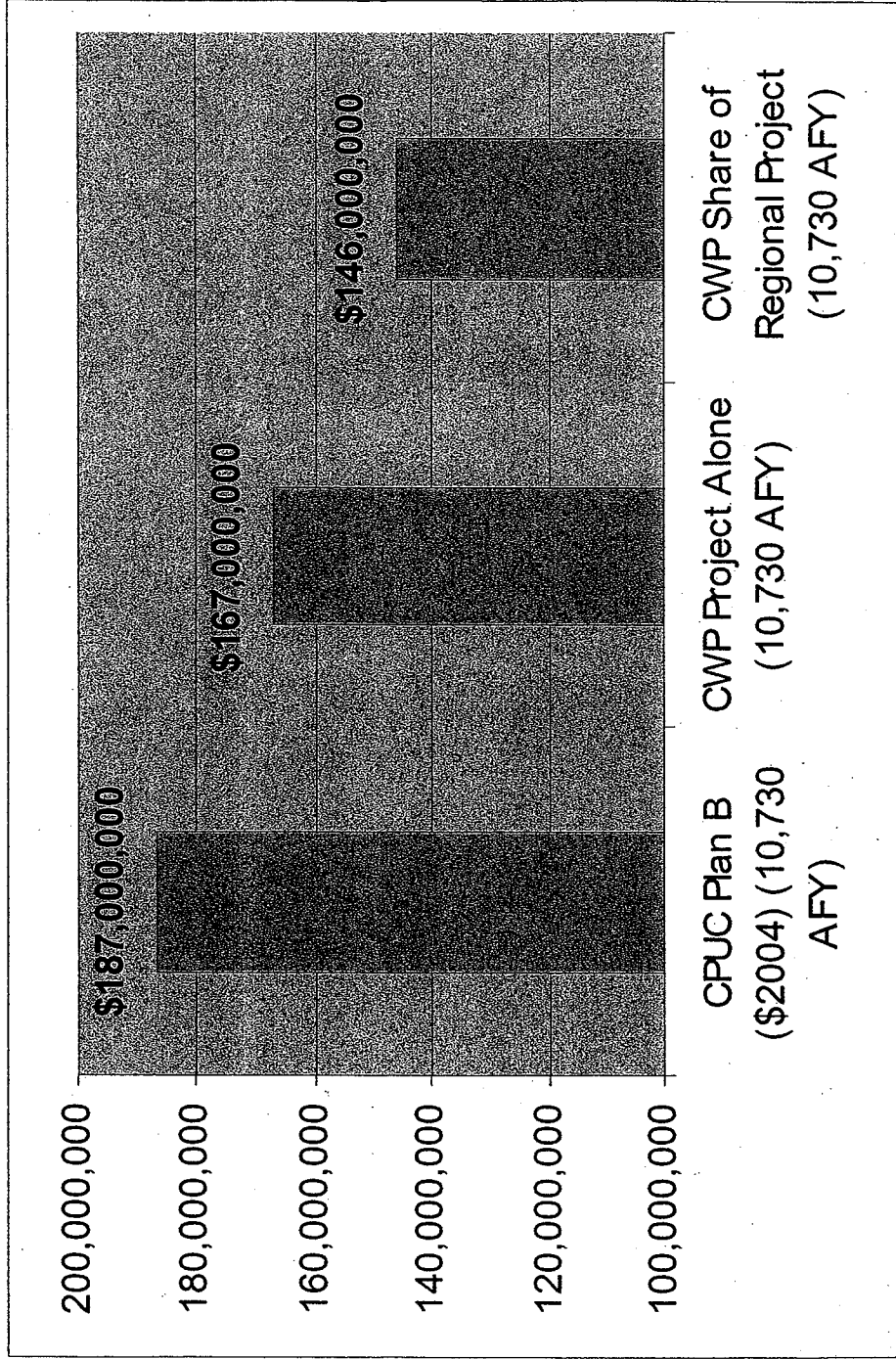
(note: AFY = Acre-Feet per Year)

*Based on interest rate of 7% for 30 year return period

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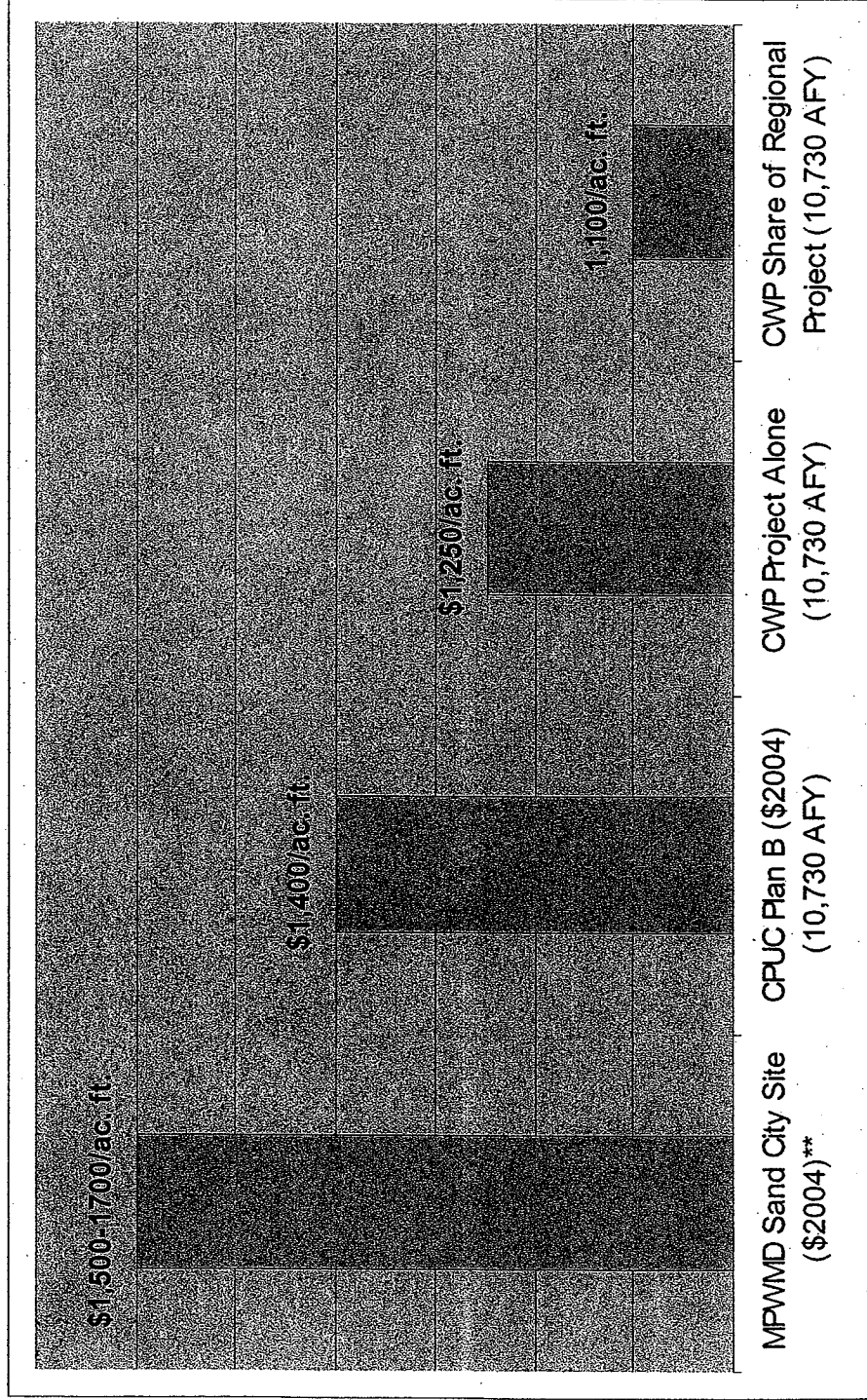
Preliminary Estimated Capital Cost Comparisons For Replacement Project (10,730 AFY)



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Preliminary Estimated Capital Cost Comparisons For Replacement Project (10,730 AFY)*



*Based on interest rate of 7% over 30 year return period.

** Per Final Phase 1 Technical Memorandum dated March 2003

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Preliminary Operation & Maintenance Annual Costs Methodology

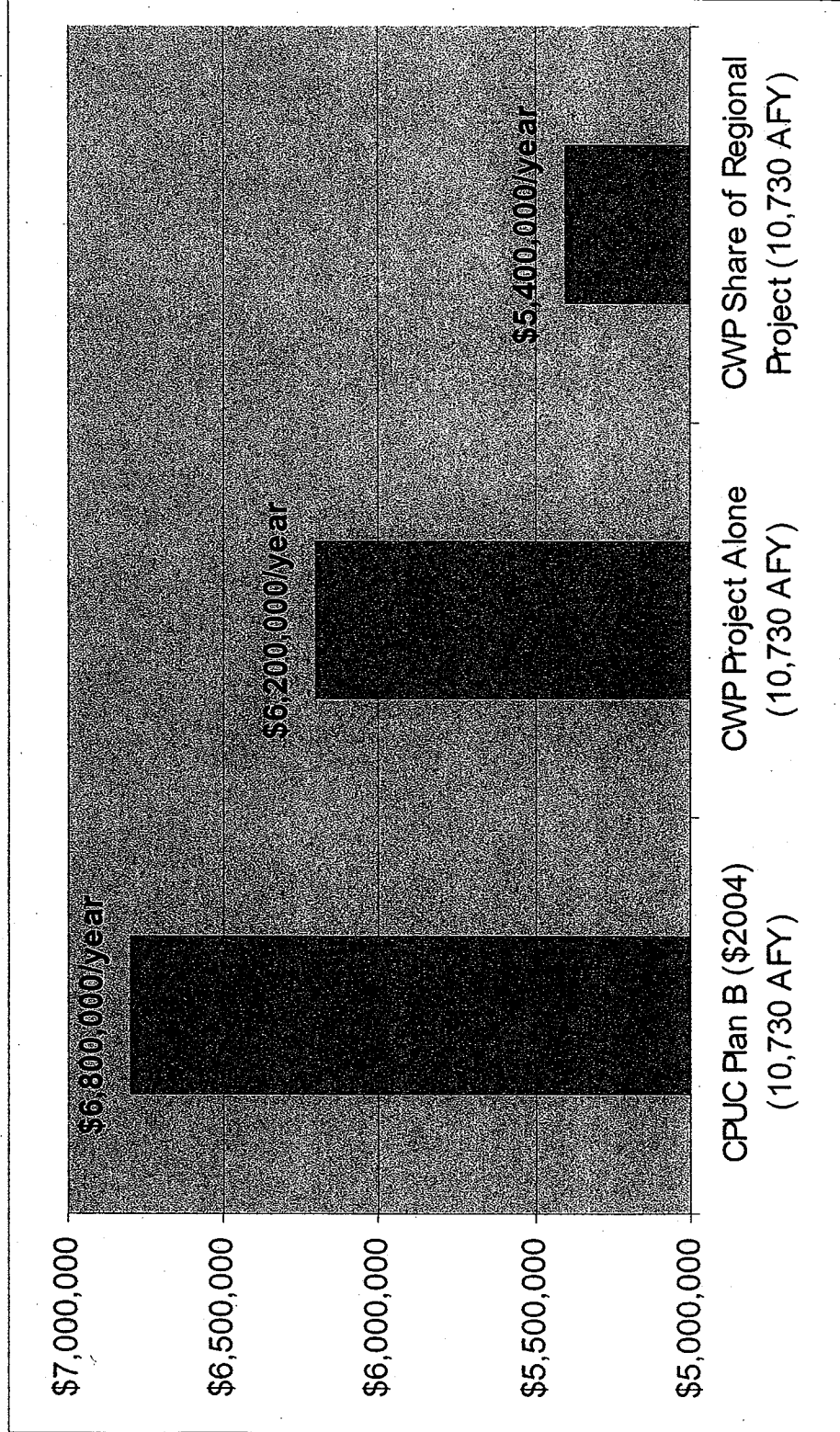
	Estimated Cost per ac-ft
■ Based on Prorata Share of CWP Facility Participation	
■ Component 1 – Order 95-10 (10,730 AFY)	\$503
■ Component 2 – Seaside Overdraft (1,000 AFY)	\$501
■ Component 3 – MPWMD 20 Year Projections (3,572 AFY)	\$505
■ Component 4 – MCWD (2,400 AFY)	\$585
■ Component 5 – Northern County Areas (2,570 AFY)	\$588

(note: AFY = Acre-Feet per Year)

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Preliminary Operations & Maintenance Annual Cost Comparisons For Replacement Project (10,730 AFY)*

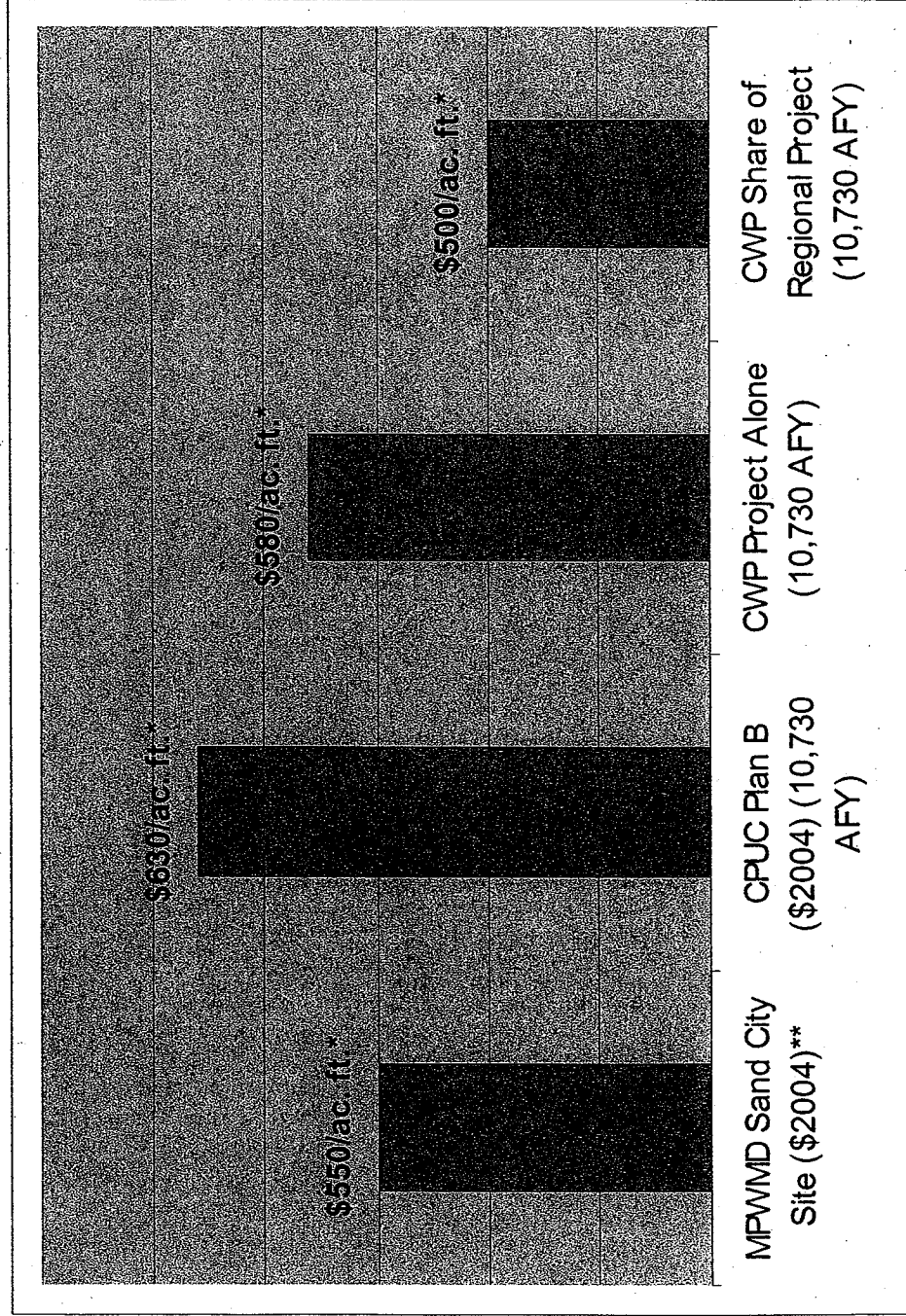


*Based on electrical rate per CPUC Plan B

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Preliminary Operations & Maintenance Annual Cost Comparisons For Replacement Project (10,730 AFY)*



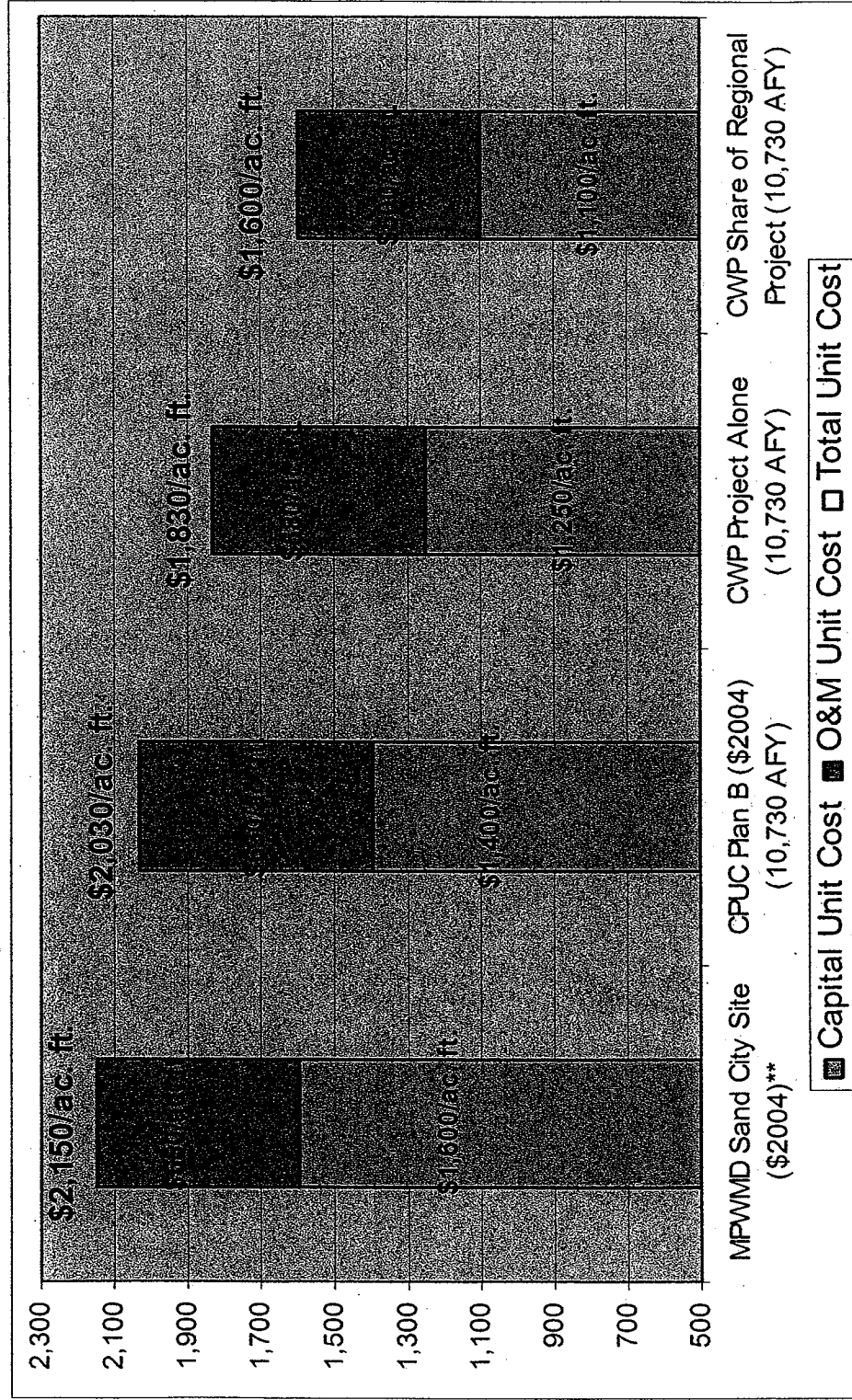
*Based on electrical rate per CPUC Plan B

** Per Final Phase 1 Technical Memorandum dated March 2003 & lowered to represent CPUC Plan B electrical rate

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Preliminary Capital & O&M Cost Comparisons For Replacement Project (10,730 AFY)*



*Based on electrical rate per CPUC Plan B

** Per Final Phase 1 Technical Memorandum dated March 2003 & lowered to represent CPUC Plan B electrical rate

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Overall Project Cost Variables

- Agency Participation
- Aquifer Storage & Recovery
 - ❖ Capacity
 - ❖ Success
- Regulatory Conditions
- Technology Advances
- Pilot Plant Results
- Energy Costs
- Legislation
- Financing Options

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Community Outreach

- Townhall meetings
- Permit Coordination Center & Project Library
 - ❖ Location - RBF Consulting Office, 3180 Imjin Road, Marina
 - ❖ Telephone Number - 831.883.8187
- Project website
 - ❖ www.coastalwaterproject.com
- County website
 - ❖ www.mcwra.co.monterey.ca.us
- Email
 - ❖ info@coastalwaterproject.com

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Community Outreach Schedule*

- **Carmel-by-the-Sea Townhall Meeting**
 - ❖ Monday, August 30, 2004, 3:30-5:30pm, Carmel-by-the-Sea City Hall
- **Pacific Grove Townhall Meeting**
 - ❖ Wednesday, September 8, 2004, 6:30-8:30pm, Sally Griffin Senior Center
- **Carmel Townhall Meeting**
 - ❖ Monday, September 13, 2004, 6:30-8:30pm, Crossroads Community Room
- **Monterey Townhall Meeting**
 - ❖ Thursday, September 16, 2004, 6:3 –8:30pm, Monterey Youth Center
- **Moss Landing Townhall Meeting**
 - ❖ TBA
- **Carmel Valley Townhall Meeting**
 - ❖ TBA

**Meeting dates subject to change*

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Questions & Discussion

