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CITY OF PACIFIC GROVE
300 Forest Avenue □ Pacific Grove, California

MPWMD

October 20, 2014

Honorable David Potter, Chairman and Members of the Board
Monterey Peninsula Water Management District
5 Harris Court, Building G
Monterey, CA 93942-0085

Re: Distribution of Funds from Local Water Project Funding Program

Chairman Potter and Members of the Board:

The City of Pacific Grove's Local Water Project (LWP) is the only significant source of new water on the Monterey Peninsula capable of being operational prior to the scheduled implementation of the Cease and Desist Order (CDO). Continued commitment to and progress on the project is the proof that the peninsula can cite in its efforts to delay the CDO's implementation by the State Water Resources Control Board (SWRCB).

The LWP is being developed in multiple phases. Phase I will recycle 125 acre feet per year (AFY) of the City's sewage flows as a substitute to potable water used for local irrigation. By locally recycling wastewater, the project will reduce regional treatment and collection costs, impose a smaller total footprint, and will not utilize any water formally committed to the PCA. Phase II will recycle 176 AFY of dry and wet weather storm water currently being discharged to the Pacific Grove Area of Special Biological Significance (PG-ASBS), in conflict with newly adopted SWRCB standards, instead becoming additional source water to the Monterey Regional Water Pollution Control Agency (MRWPCA) for reuse by the Castroville Seawater Intrusion Project and the Groundwater Replacement Project.

The LWP will not "skim" water that would otherwise be available for the growers. Just the opposite. During Phase I, flows will remain at least equal to flows if there were no project. And, when both phases are operational, the LWP will actually deliver more water to the PCA than under current conditions. This results from three key factors:

- First, the City has been in discussions with the PCA throughout the development of the LWP, and plans to backfill any seasonal shortfalls during Phase I, using dry and wet weather storm water flows from other City watersheds.
- Second, the potable water that would otherwise be used for irrigation would become available for interior water uses (showers, dishwashing, etc.). Approximately 80% of this potable water will flow back into the sewer system and return to the PCA for regional recycling and reuse.
- Third, the residual dry and wet weather storm water flows from the LWP are new water sources that have never before been available to the MRWPCA. Even in dry years, Pacific Grove storm water (from storms below the 85th percentile) is more than

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7 times the total volume of current sewer flows. If this additional water is injected into the water table through the proposed groundwater recovery project, it will actually reverse some of the recent decreases in PCA flows to the MRWPCA.

The \$100,000 for the project granted by the District this past year has been vitally important to the development of the LWP. It made possible much of the engineering and environmental work that has been accomplished to date. The Facilities Plan Report, already accepted by the SWRCB, and the draft EIR, currently out for public review, are major accomplishments toward the City's application for a low interest construction loan. (The draft EIR is available at:

<http://www.ci.pg.ca.us/index.aspx?page=28&recordid=182&returnURL=%2Findex.aspx>)

Similarly, the \$100,000 currently requested from the District for this fiscal year is also vitally important. It will enable continuing design and engineering, procurement of the design-build-operator, and additional efforts necessary to secure state funding for project construction and operational start-up. This last point is critical, as the District's assistance will help bring over \$4 million of funds into the area, benefiting the local economy and our residents. The ability of Phase 2 to develop storm water and dry weather flow sources that make additional flows available for injection can be realized only by our ongoing commitment and completion of Phase I.

Please continue your crucial support of this vital project for the peninsula.

Sincerely,



Thomas Frutchey
City Manager

Cc: Mayor Bill Kampe
David Stoldt, General Manager