

PEBBLE BEACH COMPANY
Del Monte Golf Course TEST WELL PROJECT
Project
Grant Application Form

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AUG - 6 2015

DATE: July 29, 2015

MPWMD

Eligibility Summary

- Project Geographic Eligibility:** The Del Monte Golf Course is within the geographic boundaries of the Monterey Peninsula Water Management District ("District"). Benefits of the Test Well Project accrue to all water users within the territory of the District.
- Project Sponsor:** The Pebble Beach Company is the Project Sponsor and is a California General Partnership located within District boundaries.
- Project Purpose Eligibility:** Discovery and utilization of well water will produce a new, non-potable supply to off-set the potable supply currently used by the Del Monte Golf Course (Course) for irrigation. This off-set amount will be distributed by the District to be used for other potable supply purposes throughout the community.
- Matching Requirement:** The Pebble Beach Company requests matching funds of \$100,000 to off-set the cost estimated @ \$160,000 to \$200,000 required to perform the Test Well work.

EXHIBIT 16-A

Requirements

- 1) Project Sponsor: Pebble Beach Company
- 2) Type of entity: Private entity
- 3) Project Title: Del Monte Golf Course Test Well
- 4) Project Sponsor Contact Information: Mr. Brent Reitz
Project Manager
Pebble Beach Company
4005 Sunridge Road
Pebble Beach, CA
93953
(831) 625-8498
reitzb@pebblebeach.com
- 5) Amount of Funding Requested \$100,000.00
- 6) Project Geographic Location: City of Monterey
- 7) Project Purpose and Description.
 - a. Purpose of the project – Identify potential non-potable water source for golf course irrigation in an effort to free-up potable water for alternative District distribution.
 - b. Description of the project – Geologic Mapping, Research & Recommendations are complete. The scope of this funding request consists of; Project Management, Permitting, Final Well Design, Test Well Drilling Operations & Water & Well Testing. These are the next steps required to search for a self-sustainable water source for The Del Monte Golf Course.

Facilities:

The Del Monte Golf Course has been in continuous use as a golf course since the 1890's. The Course has historically been irrigated with water from the municipal supply system of the Monterey Peninsula -- first from the systems that preceded California-American (Cal-Am), and now, from Cal-Am. Water supply availability on the Monterey Peninsula is increasingly impacted by regulatory and environmental constraints and all solutions under consideration to mitigate the problem will significantly increase the cost of water.

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Given this, the Pebble Beach Company is looking for an alternative supply for irrigation of the Course.

Major Components:

1. The first component of the Project consisted of hiring a Consulting Hydrogeologist to develop an alternative groundwater supply on the Course property by reviewing available data to assess hydrogeologic conditions underlying and proximate to the site. The report recommendations were to construct a test well as the next step in determining the feasibility of the project. Once completed, *Actual* water testing results can be derived vs. hypothetical assumptions. Pebble Beach Company paid for this report in 2013.
2. The second phase of the project is constructing a single test well in order to obtain underground water testing results.
3. The third component of the project will be a complete evaluation of the well drilling and water testing results. Water will be tested for quality to ascertain what, if anything will be required in the way of treatment to be suitable for golf course irrigation. Flow testing will be performed in an effort to determine the need, or desire, to drill additional wells. From these actual results, logical decisions can be made related to future scope & new supply implementation.
4. This grant application is to cover the costs of the second & third phase of the work referred to above.

EXHIBIT 16-A

Operations:

The Del Monte Golf Course currently uses approximately 124 acre-feet of irrigation water annually, with a peak month consumption of approximately 23 acre-feet. This water is supplied from the California-American Water Company system.

8) District Goals:

Can the Project provide water supply to the District for drought/rationing reserve (i.e. water that is not supplied to a beneficial use immediately upon project completion) and if so, how much?

Yes, the project noted above would supply an additional non-potable water source that could be used for irrigation purposes.

Can the Project provide water supply to the District for potential future reallocation to the jurisdictions (i.e. water that is not supplied to a beneficial use immediately upon project completion) and if so, how much?

Yes, the project ultimately will be used to offset outdoor irrigation that currently uses potable water.

9) Technical Feasibility of Project. Information about the project and include as exhibits or define links to documents or websites for future reference.

Please see our response to Item 7 above.

10) Project Schedule. Describe basic project schedule milestones including, but not limited to feasibility study, conceptual design, CEQA/NEPA Process, other permits required, etc. Major milestones included in the schedule are as follow:

The well is expected to be drilled and tested by OCT 15-2015

11) Project Financing. Describe project capital costs and construction schedule, even if the project is currently applying only for "planning phase" projects. For "planning phase" projects, also describe costs for solely that phase and sources of funding.

Please see our response under "Matching Requirement" above.