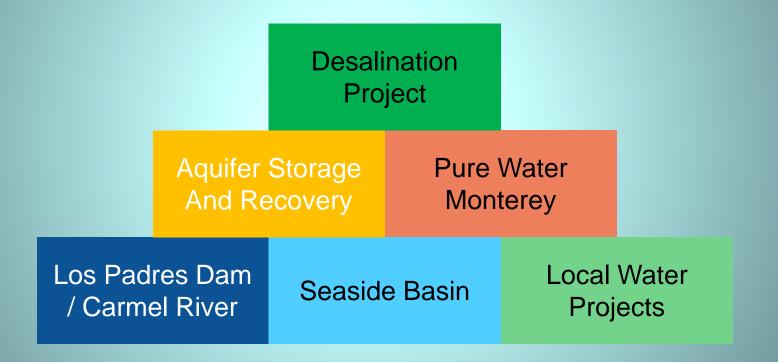




General Manager's Report Item 29:

Update on Development of Water Supply Projects

June 18, 2018 David J. Stoldt **The Water Supply Portfolio**



Project Sizing

Demand	Supply
500 AF for economic recovery1,47325 AF for Pebble Beach buildout(700 Basin1,181 AF for legal lots of record94 A15,296 AF total demand1,303,503,506,25	 76 AF legally from Carmel River (2017) 74 AF legally from Seaside Basin (2021) 74 AF Cal-Am intends to leave in the Seaside n for recharge for 25 years 75 AF available from Sand City long term 70 AF assumed available from ASR 70 AF from Pure Water Monterey 72 AF from Desalination Plant 73 AF total supply

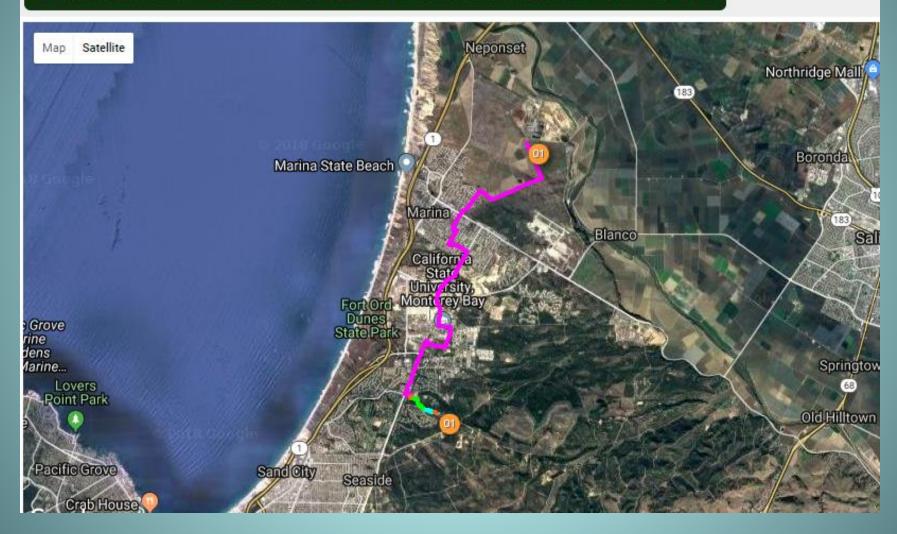
Pure Water Monterey Update

COMPONENT UPDATE HIGHLIGHTS

- Source Waters
- Advanced Water Purification Facility
- Conveyance pipeline (see next page)
- Injection wells

Pure Water Monterey Pipeline

- Prior to construction - 2 Weeks look ahead - Under Active/Ongoing Construction - Complete



Pure Water Monterey Schedule

	Pure Water Monterey Executive Schedule for 6-14-18 RWC Meeting						
ID	Task Name	Duration	Start	Finish			
1			No				
1	Blanco Drain and Reclamation		Mon 5/1/17	Thu 1/31/19	Blanco		
2	Blanco Drain Diversion	448 days	Mon 5/1/17	Thu 1/31/19			
3	Blanco Drain tie-in to RTP He	,		Wed 11/21/18	Blanco Drain tie-in to RTP Headworks 🔶 11/21		
4	Reclamation Ditch	143 days	Fri 6/29/18	Sat 1/19/19	Reclamation Ditch		
5	Rec Ditch tie-in to Salinas Sys		Sun 9/30/18	Sun 9/30/18	Rec Ditch tie-in to Salinas System 🔶 9/30		
6	Storm Water Diversion Phases		Fri 9/1/17	Fri 7/19/19	Storm Water		
7	Design	190 days	Fri 9/1/17	Thu 5/31/18	Design		
8	Bid, Award and Construction		Fri 6/1/18	Fri 7/19/19	Bid, Award and Construction		
9	SW tie-in to Salinas System	0 days	Fri 5/24/19	Fri 5/24/19	SW tie-in to Salinas System 🔹 5/24		
10	AWPF	492 days	Tue 8/29/17	Sat 8/3/19	AWPF		
11	Construction	462 days	Tue 8/29/17	Thu 6/20/19	Construction		
12	AWPF tie-in to Conveyance F	Pipeline 0 days	Tue 4/10/18	Tue 4/10/18	AWPF tie-in to Conveyance Pipeline 💊 4/10		
13	30-Day Plant Acceptance Tes	st 30 days	Fri 6/21/19	Fri 8/2/19	30-Day Plant Acceptance Test		
14	AWPF Completion	1 day	Sat 8/3/19	Sat 8/3/19			
15	Conveyance Pipeline and Rese	rvoir 166 days	Tue 1/9/18	Fri 8/31/18	Conveyance Pipeline and Reservoir		
16	Construction	126 days	Tue 1/9/18	Fri 7/6/18			
17	System Hydrotesting	30 days	Mon 7/9/18	Fri 8/17/18	System Hydrotesting		
18	Flush and Disinfection	10 days	Mon 8/20/18	Fri 8/31/18	👗 Flush and Disinfection		
19	Conveyance System Ready	0 days	Fri 8/31/18	Fri 8/31/18	▶ 8/31		
20	Injection Wells Phase 1	170 days	Mon 5/29/17	Fri 1/26/18	Injection Wells Phase 1		
21	Wells Drilling	129 days	Mon 5/29/17	Sat 11/25/17	Wells Drilling		
22	Wells Development & Testin	g 16 days	Sat 11/25/17	Fri 12/15/17	📥 Wells Development & Testing		
23	Acceptance Testing	13 days	Fri 12/15/17	Thu 1/4/18	Acceptance Testing		
24	IW Ph 1 Completion	1 day	Fri 1/26/18	Fri 1/26/18	T IW Ph 1 Completion		
25	Injection Wells Phase 2	294 days	Fri 12/22/17	Tue 2/19/19	Injection Wells Phase 2		
26	IW Ph 2 Bid and Award	98 days	Fri 12/22/17	Fri 5/11/18	IV/ Ph 2 Bid and Award		
27	Wells Drilling	175 days	Mon 5/14/18	Fri 1/18/19	Wells Drilling		
28	IW's tie-in to Conveyance Pip		Fri 12/7/18	Fri 12/7/18	IW's tie- in to Conveyance Pipeline 🖕 12/7		
29	Wells Development & Testin		Mon 1/21/19	Mon 2/11/19	Kells Development & Testing		
30	Acceptance Testing	4 days	Tue 2/12/19	Fri 2/15/19	Acceptance Testing		
31	IWs ready for service	1 day	Tue 2/19/19	Tue 2/19/19	Vis ready for service		
	Blanc	o Drain and Reclamation Ditcl	n 📕	Blanco	Drain and Reclamation Ditch Summary Blanco Drain and Rec Ditch Milestones		
	Storn	n Water Diversion Phases 1A 8	k 1B	Storm	Water Diversion Phases 1A & 1B Summary V Storm Water Milestones		
Proje	t: PWM GWR Summary AWP	F		AWPF	Summary AWPF Milestones		
	Thu C (7/10	eyance Pipeline and Reservoir	1		yance Pipeline and Reservoir Summary		
		tion Well Ph 1			an Well Ph 1 Summary		
		tion Well Ph 2	_		on Well Ph 2 Summary		
	inject			njecu			

Pure Water Monterey Expenditures

	Expenditures from 2006 - FY 16/17	FY 2017/18 Approved Budget	Costs to Date FY2017/18	Change Orders to Date	FY 2017/18 Costs during May 2018
Combined Categories	\$23,100,108				
Advanced Water Purification		\$31,197,000	\$16,938,460	\$519,175.66	\$294,669
Source Water Facilities		7,068,655	4,035,916	\$38,586.05	490,527
Injection Wells-Phase I		1,371,000	1,674,671	\$36,399.02	45,014
Injection Wells-Phase II		3,101,000	694,126		196,005
Pipeline Conveyance System		26,083,000	8,033		2,503
TOTALS	\$23,100,108	\$68,820,655	\$23,351,206	\$594,160.73	\$1,028,718

Pure Water Monterey Funding

Funding and Reimbursements					
Organization	Funding 2006 – FY 16/17	FY17/18 Approved Budget	FY17/18 Amounts Billed ⁽¹⁾	FY 17/18 Amounts Received	
General Fund	7,204,996	-	_	- it	
Watermaster	100,000	-	-	- #	
MPWMD	12,233,955	-	in y Inter	-	
SRF Facilities Grant	74,883	-		_ :	
SRF Loan ⁽¹⁾	3,336,483	56,187,655	41,142,584	30,583,519	
Prop. 1 Grant - GWR	-	6,711,000	-	-1	
Prop. 1 Grant - Stormwater	-	1,569,000	387,537	362,684	
	-	4,353,000	-		
BOR Title 16 Feasibility Water SMART Grant / Other Resource	149,791	-	_	-1	
(1) SRF loan requests for Source wat	\$23,100,108	\$68,820,655	ant out in May		

(1) SRF loan requests for Source water facilities and Advance water purification were sent out in May.(2) Represents MCWD 13.953% current year contribution for the Advanced Water Purification Facility.

Pure Water Monterey

- New "Fact Sheet" on Constituents of Emerging Concern (CECs) posted at: <u>http://purewatermonterey.org/wp/wp-</u> <u>content/uploads/Pure-Water-Monterey-CEC-Fact-Sheet-</u> <u>0518.pdf</u>
- "Fact Sheet" on Pesticides is posted at: <u>http://purewatermonterey.org/faqs/additional-questions/</u>

Desalination Plant and Pipeline



Cal-Am Monterey Pipeline

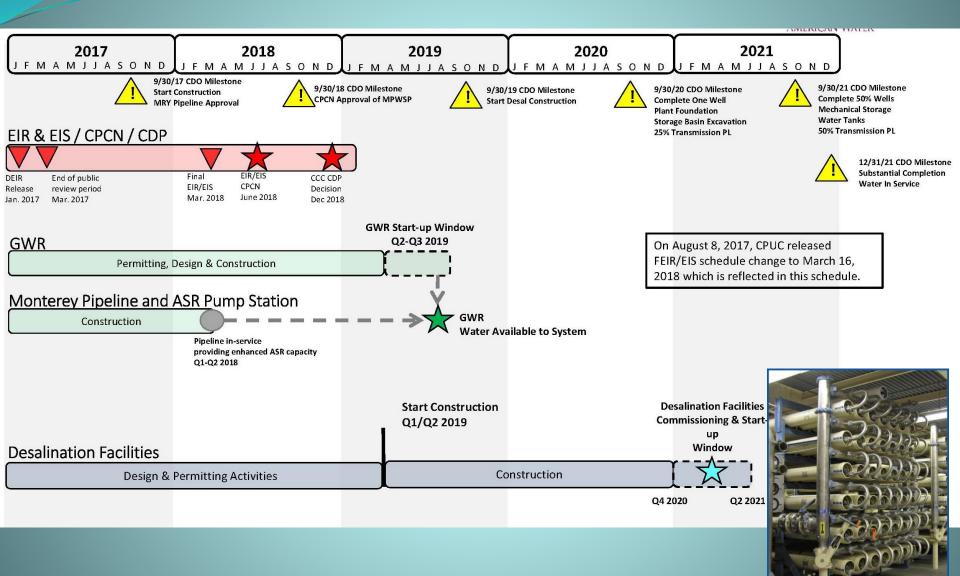
7 MILES OF PIPE INSTALLATION OF 36-INCH MAIN UNDERWAY

June 5th Monterey Pipeline Bridge Installation





Desalination Plant and Pipeline



Cal-Am MPWSP Expenditures thru March 31, 2018

	Total	Percent	Expended
Project Component	<u>Cost Est</u>	<u>to Date</u>	to Date
Intake and Supply Return	\$ 79,000,000	31%	\$ 24,490,000
Desal Plant	\$ 115,000,000	19%	\$ 21,850,000
Pipelines	\$ 128,000,000	53%	\$ 67,840,000
Pre-Construction	\$ 8,000,000	100%	<u>\$ 8,000,000</u>
	\$ 330,000,000		\$ 122,180,000

Milestones for Potential 1,000 AF Reduction in Limit

- **2016.** CPUC Approves Pure Water Monterey
- 2017. Start Construction of Cal-Am Pipeline

2018. CPUC Approves Desalination Plant

- 2019. Start Construction of Desalination Plant
- 2020. Drill Source Wells
- 2021. Substantial Completion

Milestone Compliance



Eric J Sabolsice Director, Operations Coastal Division 511 Forest Lodge Road, Suite 100 Pacific Grove, CA 93950 eric.sabolsice@amwater.com

P 831.646.3291 C 831.236.1011 F 831.375.4367

June 5, 2018

UPS OVERNIGHT & EMAIL

Erik Ekdahl Deputy Director, Division of Water Rights State Water Resources Control Board P.O. Box 2000 Sacramento, California 95812

Re: Joint Annual Report – Satisfaction of Milestone 3

Dear Mr. Ekdahl,

California-American Water Company ("Cal Am") is providing this joint annual report in accordance with SWRCB Order 2016-0016 Section 3.b.viii.

Joint Annual Report: Commencing in water year 2016-2017, at least 120 days prior to each Milestone Deadline described in Condition 3.b.v, Cal-Am, in coordination with Applicants, shall submit a joint report to the Deputy Director for Water Rights, describing progress towards that Milestone...,

In accordance with the Order, Milestone 3 must be satisfied by September 30, 2018.

Milestone 3 - Issuance of a Certificate of Public Convenience and Necessity (CPCN) to Construct the Monterey Peninsula Water Supply Project Desalination Plant ("MPWSP Desalination Plant") by the California Public Utilities Commission.

Briefing on the Final EIR/EIS by parties to the proceeding before the CPUC was completed on May 3, 2018. The CPUC now has before it everything necessary to complete the environmental review and issue the CPCN, and there has been no indication that the CPUC will not approve the project and issue the CPCN by September 30, 2018. California American Water is optimistic that the final decision will occur before the Milestone 3 deadline.

CPUC Schedule

FOURTH AMENDED SCOPING MEMO AND RULING OF THE ASSIGNED COMMISSIONER EXTENDING DEADLINE TO DECEMBER 31, 2018

Summary

The statutory deadline to complete this proceeding is extended to December 31, 2018.

If the final joint EIR/EIS is published on March 30, 2018, opening briefs will be due April 19, 2018, with reply briefs due May 3, 2018, and the proceeding will be submitted for Commission decision on May 3, 2018, or if oral argument is requested the matter will be submitted on the date of oral argument. A proposed decision must be filed and served within 90 days of submission, or by August 1, 2018 (or by 90 days from the date of oral argument). If filed on August 1, 2018, the Commission cannot reach its decision before August 31, 2018. No Commission meeting is scheduled for August 31, 2018. Commission meetings in September 2018 are scheduled for September 13 and September 27.

Therefore, an extension to December 31, 2018 allows time for the currently planned completion of the joint EIR/EIS, briefing on EIR issues, preparation of a proposed decision, and consideration of the matter by the Commission in September 2018. It also provides three months as a reasonable amount of additional time for other possible limited contingencies.



03:25 PM

Local Water Projects

Project	Status
Pacific Grove \$200,000	Local Water Project complete – Will save 88 AFY / Stormwater study complete – All grants fully utilized; City Council Sub-Committee studying allocation
Old Del Monte Golf Course \$80,000	Two wells completed; Pebble Beach Company put storage component on temporary hold
Monterey Regional Airport \$30,000	Completed study; Identified 104 AFY of non-potable supply; Will attempt to find users in FY 2018/19
City of Monterey \$85,000	Storm water capture study under way
City of Seaside \$106,900	Laguna Grande non-potable well; No expenditures to date; Extended 2 years

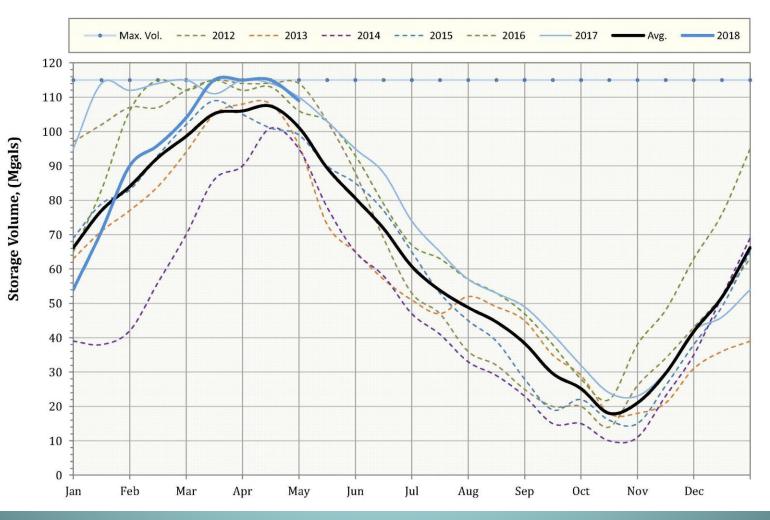
Malpaso (Odello) Water Thru 5-31-18

Assignments	Water Use Permits	Water Permits
An assignment is the evidence of	A water use permit issued by the	When building plans are ready, the
sale of the water entitlement from	District acknowledges the	District will issue a water permit
Malpaso LLC to the property owner.	entitlement and is filed with the	based on the water available from
It is recorded on title to the	District's property file. Not all	the entitlement.
property.	entitlement holders execute this	
	step.	
To date: 58.86 AF	28.23 AF	9.237 AF
Remaining: 21.14 AF		
Total #: 338	143	85
Residential #: 310		
Non-Residential or Mixed #: 28		

Reclamation Project Thru May 4, 2018

Forest Lake Reservoir Storage Volume Current vs Historic

Current Volume: 109



Reclamation Project – Recycled Water Deliveries Potable Water Savings

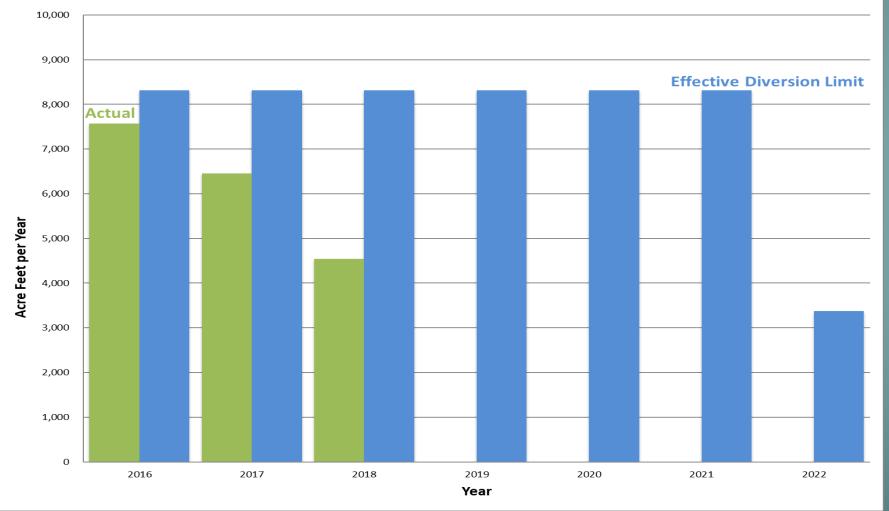
2017 Calendar Year	5 Year Average	22 Year Average	2018 Year to Date
996 AF	973 AF	950 AF	108 AF



- ASR delivered 530 AF to injection this year
- DeepWater Desal still in negotiation with potential equity partner

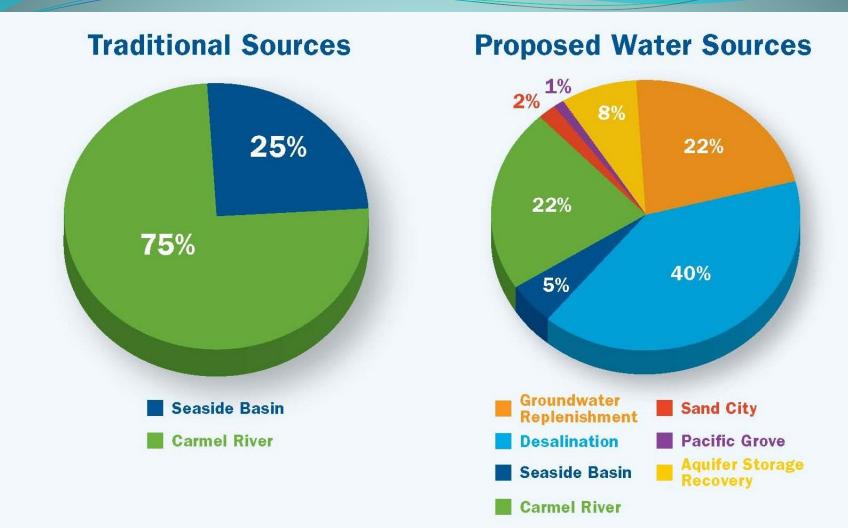
Compliance with CDO Effective Diversion Limit

Cal-Am Carmel River Production Compared to SWRCB Effective Diversion Limit



"Actual" Caps Diversions to ASR at 600 AF

Changing Sources of Supply on the Monterey Peninsula



The Water Supply Project will diversify the Monterey Peninsula's water supply portfolio. These new sources of water will be sustainable and help protect against drought while also protecting the natural resources of the Carmel River.