

# Milestones 3 - 7

Water Year	Milestone <sup>17</sup>	Deadline
2017-2018	Issuance of a Certificate of Public Convenience and Necessity to Construct the Monterey Peninsula Water Supply Project Desalination Plant ("MPWSP Desalination Plant") by the California Public Utilities Commission.	September 30, 2018
2018-2019	Start of construction for any of the Cal-Am Components of the MSWSP Desalination Plant <sup>19</sup> , meaning commencement of physical work after issuance of required regulatory permits and authorizations to begin work. <sup>20</sup>	September 30, 2019
2019-2020	(1) Drilling activity for at least one MPWSP Desalination Plant source water production well <sup>21</sup> complete; (2) foundation and structural framing complete for MPWSP Desalination Plant pretreatment seawater reverse osmosis, and administration buildings at desalination plant; (3) excavation complete for MPWSP Desalination Plant brine and backwash storage basins; and (4) 25% of MPWSP Desalination Plant transmission pipelines installed based on total length, including 100% installation of the "Monterey Pipeline and other ASR related improvements".	September 30, 2020
2020-2021	For MPWSP Desalination Plant: (1) 50% of drilling activity complete for source water production wells based on total number of wells required; (2) mechanical systems for brine and backwash storage basins complete; (3) construction of filtered water tanks and finished water tanks complete; (4) 50% of transmission pipelines installed based on total length.	September 30, 2021
2021-2022 and beyond	Substantial completion of the Cal-Am Components of the MPWSP Desalination Plant, meaning the Cal-Am Components are sufficiently complete and appropriately permitted to allow delivery of MPWSP Desalination Plant produced potable water to Cal-Am's Monterey Main system, eliminating further Cal-Am diversions of Carmel River water without valid basis of right	December 31, 2021

# Effect of a Missed Milestone

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Water Year	Milestone Missed	Reduction in Effective Diversion Limit	Date Reduction Assessed
2016- 2017	1	1,000 AFA	Dec. 31, 2016*
2017- 2018	2	1,000 AFA	Oct. 1, 2017
2018- 2019	3	1,000 AFA	Oct. 1, 2018
2019- 2020	4	1,000 AFA	Oct. 1, 2019
2020-2021	5	1,000 AFA	Oct. 1, 2020
Oct. 1, 2021 – Dec 31, 2021	6	1,000 AFA	Oct. 1, 2021

# Supplies Required to “Get Off the River”

Test 2 - Water for Customer Demand	AFA
Carmel River Supply	3,376
Seaside Basin Supply <sup>1</sup>	1,474
ASR Supply	1,300
Sand City Desal Supply	94
Pure Water Monterey Supply	<u>3,500</u>
Total Supply	9,744
5-Year Average Customer Demand	<u>9,825</u>
Additional Supplies Needed to Meet CDO <sup>2</sup>	81 See Note 2

- 1: A new water supply must also meet a 700 AFY reduction of Seaside Basin pumping
- 2: There exists additional supplies presently, but not included here: Table 13 rights, additional Sand City desal, Seaside Basin carryover credits the total of which has **averaged over 900 AF** each of the past 4 years. Plus we will start WY2020-21 with **1,200 AF ASR in storage...**

*We are effectively “off the Carmel River” next year. New supply is needed for future needs and Seaside Basin recharge, not CDO compliance*