

PURE WATER MONTEREY GROUNDWATER REPLENISHMENT PROJECT

BORROWER: Monterey One Water

LOCATION: Monterey County, California

WIFIA LOAN AMOUNT: \$76 million

TOTAL WIFIA PROJECT COSTS: \$210 million

POPULATION SERVED BY PROJECT: 90,000 people

NUMBER OF JOBS CREATED: 650 jobs



Photo credit: Monterey One Water

PROJECT DESCRIPTION

Monterey One Water's Pure Water Monterey Groundwater Replenishment Project is a water reuse project that will provide a safe, reliable, and sustainable drinking water supply for communities in northern Monterey County, California. This WIFIA loan supports construction and expansion to 7.6 million gallons per day at the Monterey One Water Regional Treatment Plant. In addition, Monterey One Water will build four groundwater injection wells and upgrade its water conveyance system. By completing this project, Monterey One Water will deliver a drought-proof supply of potable water to reduce the current levels of groundwater pumping in the Salinas Valley and address the treatment of impaired agricultural surface waters. Also, it will add purified water to the Seaside Aquifer to help prevent saltwater intrusion. By completing these projects, Monterey One Water will deliver a drought-proof supply for both drinking water and crop irrigation.

PROJECT AND FINANCING BENEFITS

- Expands water supply throughout northern Monterey County.
- Modernizes aging infrastructure to provide water reuse opportunities and reduce strain on local water sources.
- Saves the Monterey One Water approximately \$15 million by financing with a WIFIA loan.

MONTEREY ONE WATER AMENDED LOAN TO INCLUDE TWO NEW PROJECTS THAT IMPROVE ENERGY SUPPLY

Monterey One Water is a joint power authority that provides wastewater services for 10 municipalities and is addressing regional water challenges.

In addition to saving Monterey One Water an estimated \$15 million over the course of the WIFIA loan, the Pure Water Monterey Groundwater Replenishment Project will also create environmental and community benefits, including water quality improvements. This project helps reduce the risk of saltwater intrusion by injecting purified water into the Seaside and Salinas Groundwater Basins. Furthermore, diverting untreated irrigation water will reduce pollutants entering the nearby Salinas River.

HOW WIFIA SUPPORTED MONTEREY ONE WATER POST-CLOSING

One way the program supports projects is through its post-loan closing flexibilities. One important flexibility is that the WIFIA program allows borrowers to add, drop, or swap projects to adapt to unanticipated circumstances during multi-year, complex water infrastructure projects.

After WIFIA loan closing in 2023, Monterey One Water received an additional \$42 million in grant funding for the Pure Water Monterey Groundwater Replenishment Project, which left approximately \$50 million of the WIFIA loan unused. Monterey One Water will now use the remaining funds to complete two projects not originally included in the WIFIA loan. The first project involves electrical equipment upgrades and installation of electrical interconnections to link the systems of three Monterey One Water facilities - the Advanced Water Purification Facility, the Regional Treatment Plant, and Salinas Valley Reclamation Project. This project will allow the facilities to decrease demand for commercial power by more than 1,400 kilowatts during normal operating conditions. The second project includes replacing undersized gas piping and additional aging infrastructure. Completing this project will enhance Monterey One Water's biogas recovery process to provide an affordable domestic energy source.

Ultimately, these WIFIA loan flexibilities allow Monterey One Water to complete additional projects that will create a robust energy supply, improve electrical reliability, and increase use of domestic energy sources at the lowest possible cost to ratepayers.