



Information on Montecito Water District Water Sales Agreement Term Sheet

March 25, 2019

Background:

The City's Desal Plant was originally constructed in the 1990s with a capacity of 7,500 acre-feet per year as a regional facility under a partnership with the Goleta Water District and Montecito Water District. Both neighboring agencies backed out of participation in the facility in the mid-1990s, and the City continued to maintain the permits and facility in long-term storage. The current Desal Plant was reactivated in 2017 with a capacity of 3,125 acre-feet per year, with key infrastructure and permits allowing the facility to be expanded up to 10,000 acre-feet per year.

Frequently Asked Questions:

- 1. What is the status of negotiations between the City and the Montecito Water District (MWD) concerning a long-term agreement to provide MWD water?**

On Monday, January 28, 2019 and Tuesday, January 29, 2019, the MWD Board and City Council unanimously approved the [Term Sheet](#), which lays out the governing principles for a Water Sales Agreement (WSA). Council directed staff to work with MWD to draft a WSA based on the approved Term Sheet and return to Council for consideration of the WSA in the spring.
- 2. Will a deal with Montecito require modifications or changes to the City's Charles E. Meyer Desalination plant?**

The decision to make any modifications or changes to the Charles E. Meyer Desalination Plant within the approved permits is independent of the WSA and is the sole decision of the City based on the condition of the City's water supplies. The WSA is for the sale of water from the City to MWD. The source of the water is at the City's discretion, but the costs of that water are based on the costs of water from the City's Desal Plant.
- 3. How will the agreement with Montecito impact City water bills?**

It is expected that economies of scale from sharing the costs of operating the desalination plant will reduce the amount of future rate increases to City water customers.
- 4. What is being done to offset the electrical demands of desal?**

The City is committed to powering the Desal Plant with 100% renewable energy. In 2017, the Council set a goal of being 50% renewable by 2020 and 100% renewable by 2030. The City will complete a strategic energy plan in 2019 that will lay out the path to achieving that goal.
- 5. What are the annual Green House Gas (GHG) emissions associated with desal and how does this compare to the annual Citywide GHGs?**

The City's 2016 EIR amendment for desal looked at GHGs for a 7,500 acre-feet per year (AFY) desal plant which were estimated to be 8,978 metric tons of carbon dioxide per year. The current production is 3,125 AFY and the plant production contemplated with MWD under the WSA is 5,000 AFY. The Citywide GHG emissions are 543,185, which makes the desal GHGs 1.6% of the annual Citywide emissions if the plant were more than doubled from its current capacity. At its current capacity of 3,125 AFY, the plant represents less than 1% of the Citywide GHG's while supplying 30% of the City drinking water. These numbers are based on a Southern California Edison (SCE) renewable energy content of 22% (the current SCE blend is approaching 40%).
- 6. What enhancements have been done to the original Desal Plant's seawater intake to protect marine life?**

The facility in operation today uses the best available screening technology to protect the marine environment. The screen openings are 1mm wide (thickness of penny) and the velocity of the water moving through the screen is less than .5 ft/sec (~1/10 the speed of someone walking), which is less than the natural ocean currents. The equivalent reduction in biological productivity is equivalent to the consumption of one adult pelican.
- 7. What other options has the City explored to minimize the impacts to marine life?**

In 2016, the City completed two comprehensive studies spanning 18 months that looked at the feasibility of: 1) a sub-ocean floor desalination intake; and 2) increased use of recycled water in the form of potable reuse. The studies were overseen by the Regional Water Quality Control Board, with oversight from an independent technical advisory committee comprised of field experts. During the study, three public workshops were held, which encouraged public engagement and input, including input from local environmental advocacy groups such as Channelkeeper and Heal the Ocean. The sub-ocean floor desalination intake study concluded that there were currently no feasible alternatives to replacing the City screened ocean intake. As for the feasibility of potable reuse, surface water augmentation to increase water supplies showed great promise, but currently the State does not have regulations that support this. The study, presentations, public and technical advisory committee comments, along with video recording of all the public meetings, are available for review [here](#).

8. How can I find out more information about the Water Sales Agreement with MWD?

For more information, please reference the [City's staff report](#) on the status of negotiations and a copy of the [Term Sheet](#) approved by City Council and the MWD Board.

9. What are the next steps?

City and Montecito staff are now drafting the WSA based on the approved Term Sheet and are planning to return to the respective Council and Board for consideration before July 2019.

For more Desal Plant FAQs please click [here](#).