

# FACT SHEET

## Surface Water Supply Project Financing



### PROJECT FINANCING

Due to diminishing groundwater supply and declining groundwater quality, the costs for supplying drinking water to the customers in the Cities of Ceres and Turlock are continuing to increase. One of the goals of the regional Surface Water Supply Project (SWSP) is to provide a resilient supply of reliable quality water to help stabilize these costs over the long-term.

Under the “no project” alternative, if the Cities of Ceres and Turlock continue to rely solely on groundwater as the source for their drinking water, and choose not to build the SWSP, the monthly costs to obtain and treat groundwater to drinking water standards will continue to increase. These rate increases for the no project alternative are the result of increasingly stringent groundwater quality regulations and the need to replace or deepen existing wells because of declining groundwater levels.

The Cities of Ceres and Turlock are entirely dependent upon groundwater produced from aging groundwater supply wells. The production capacity from these wells is decreasing (as groundwater levels continue to decline) and is threatened by contaminants impacting the region’s drinking water quality, including nitrates, total dissolved solids, arsenic and the newest identified carcinogen, trichloropropane (TCP). The improvements provided by the SWSP are necessary to ensure adequate water supplies and water quality and will allow Stanislaus Regional Water Authority (SRWA) to provide water that’s sustainable and reliable for future generations.



*The SRWA’s regional Surface Water Supply Project will deliver a long-term, sustainable water source that will allow for integrated use of groundwater and surface water, and diversify the water supply portfolios for both Ceres and Turlock*

### COST COMPARISON (PER GALLON)



**Bottled Water - \$14.08**  
(typical 16.9 oz)



**Project Water - \$0.0032**



## REGIONAL SURFACE WATER SUPPLY PROJECT COST

Designing and constructing this project is estimated to cost \$278 million. The approximate Project Partner costs are estimated to be: City of Ceres \$100 million, City of Turlock \$172 million, and Turlock Irrigation District \$6 million. This cost estimate includes funding for design and construction of the raw water pumping facility, the raw water transmission main, the water treatment plant and finished water transmission mains for both Ceres and Turlock, and local system improvements in both cities to integrate this new treated water supply within the distribution systems.

Obtaining the funds necessary for the project requires careful planning by the technical team and SRWA Board of

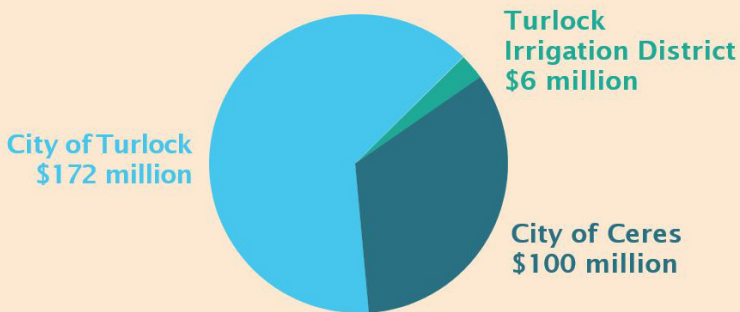
Directors. The Project team is pursuing a number of funding options, including both state and federal grants and low interest loans, and phased water rate increases for residents of Ceres and Turlock. SB5/Proposition 68, the Water/Parks Bond, was passed by California voters in June 2018 and included roughly \$30 million in grant funding for the SRWA Project. SRWA has submitted a Proposition 1 Integrated Regional Water Management grant application for \$5.8 million. The SRWA is communicating with adjacent communities, including many disadvantaged communities, in hopes of providing them with good quality, reliable surface water from this project. The SRWA has been granted \$750,000, and has submitted an application for an additional \$750,000,

by the Bureau of Reclamation under the WaterSMART grant program.

Even with the anticipated funding from grants and low interest loans, the estimated cost of the Program required the Cities of Turlock and Ceres to seek water rate increases from their respective residential, commercial and industrial customers. In late 2017, both cities completed the Proposition 218 process and approved the proposed rate increases. The rate increases associated with the SWSP will provide the Cities of Ceres and Turlock with the additional benefits of improved drinking water quality, drought resistant water supplies, increased system reliability, and improved aquifer replenishment.

*“THE SRWA IS DOING EVERYTHING POSSIBLE TO IDENTIFY AND OBTAIN OTHER METHODS OF FUNDING FOR THE PROJECT TO DECREASE RATE IMPACTS TO CUSTOMERS. THESE EFFORTS INCLUDE PURSUING BOTH STATE AND FEDERAL GRANTS, AND LOW INTEREST LOANS.”*

### PARTNER COSTS \$278 MILLION TOTAL



SRWA IS LOOKING TO OBTAIN UP TO \$75 MILLION IN FUNDING TO ASSIST IN THE IMPLEMENTATION OF THIS VITAL REGIONAL WATER SUPPLY PROJECT. SRWA CONTINUES TO SEEK ADDITIONAL PROJECT PARTNERS, INCLUDING DISADVANTAGED COMMUNITIES IN THE REGION.

### CONTACT US

**Robert L. Granberg P.E.**  
General Manager  
Stanislaus Regional Water Authority

 (209) 401-0439

 [granbergassociates@gmail.com](mailto:granbergassociates@gmail.com)

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