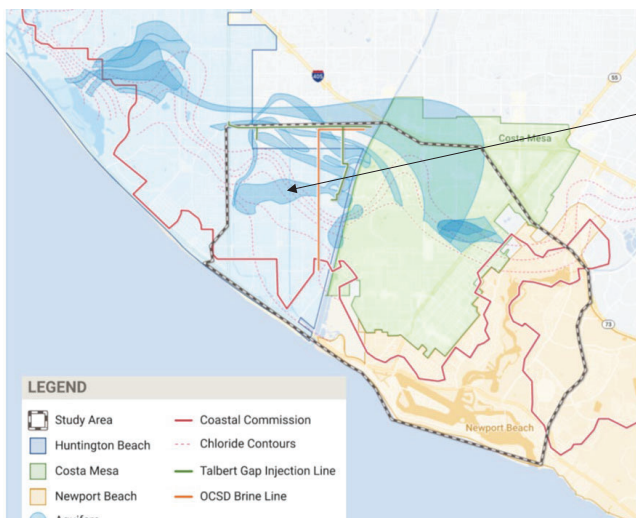


LOCAL GROUNDWATER SUPPLY IMPROVEMENT PROJECT UPDATE

Local SIP

August 12, 2026

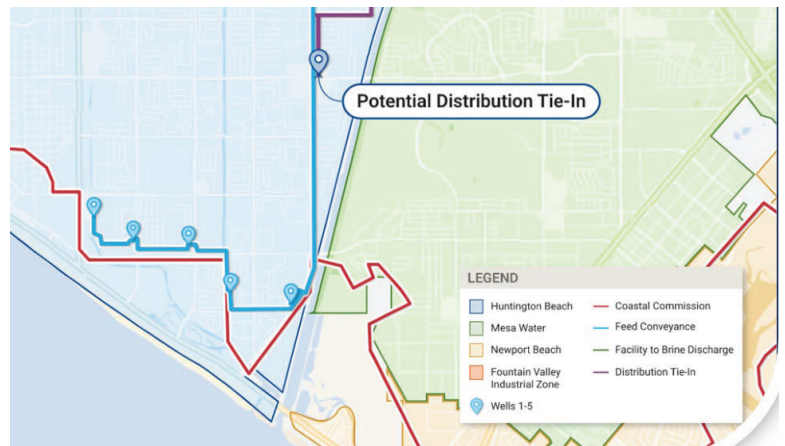
Local SIP



The Local SIP is a brackish groundwater treatment project located within the Mesa Water, City of Huntington Beach, and City of Newport Beach service areas

Local SIP

- 5 Brackish water supply wells
- Treatment Facility
- Groundwater conveyance pipeline
- Potable water distribution pipeline
- Brine discharge pipeline



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Local SIP Project Status

- Feasibility Study complete and accepted by USBR
- In Process:
 - Subsidence Investigation
 - Injection barrier modeling
 - Drinking water well permitting plan
 - USBR Desalination Construction Grant Application**
- Next Steps
 - Refine treatment plant design and cost estimate
 - Funding strategy
 - Partner commitments
 - Real estate purchases
 - RFP for Program Manager/Owner Advisor

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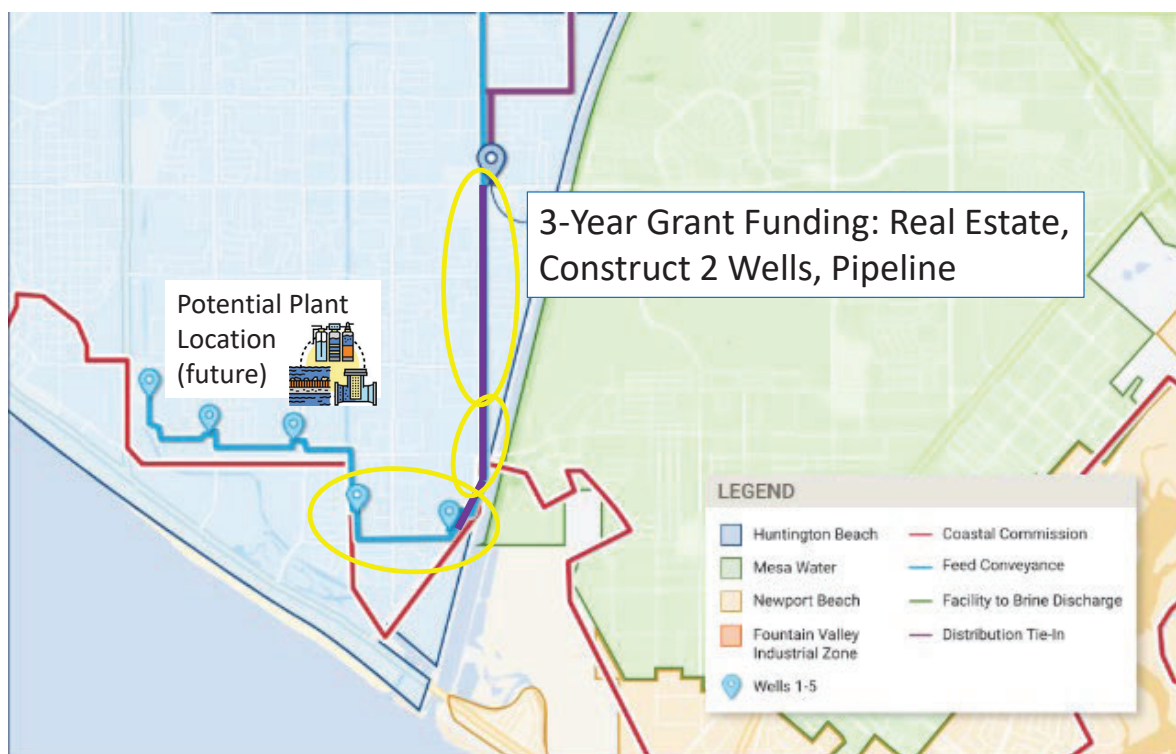


Grant Considerations

- USBR WaterSMART: Desalination Construction
- Due August 26, 2026 (two weeks)
 - Notice of Award expected end of May 2027
 - Agreement expected summer 2027
 - Round 2 of applications due August 2027
- \$120M for all Awarded Projects
 - Estimated 10 awards (~\$12M/project)
- 25% Grant / 75% Mesa Water®
 - (20% / 80% for Highest Possible Score)
- Real Estate costs can be included in the grant funding

Recommended Grant Pursuit

- The "right size" of grant should be robust enough to boost the program while meeting the schedule
- Use the grant to fund a portion of the studies, permits, real estate, design, and first phase of construction
 - Real Estate, Two Wells, Pipelines
- Grant goal of \$32M = \$6.4M USBR/\$25.6M Mesa Water (20%/80%)
- Mesa Water's match is not committed until grant is awarded
- Continue the process for future grants and phases of construction
 - Prop 4, SRF Loans



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QUESTIONS?



THANK YOU!