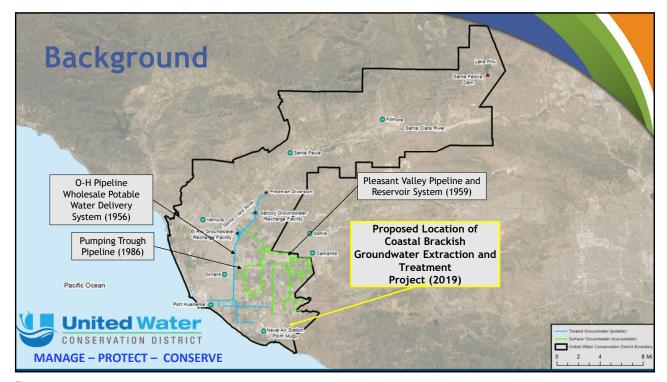


Outline

- ◆ Background
- Project Objectives
- ★ Extraction Barrier Concept
- → Project Progress Update
- → DWR Funding and Regulators Engagement
- ♦ U.S. Navy's Role and Project Support
- Next Steps
- ♦ Benefits and Challenges
- ♦ Q/A

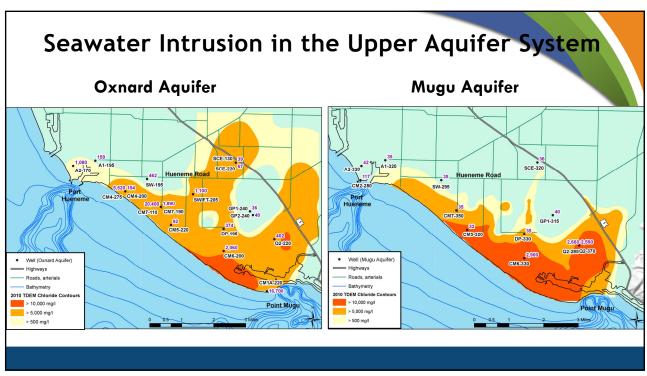
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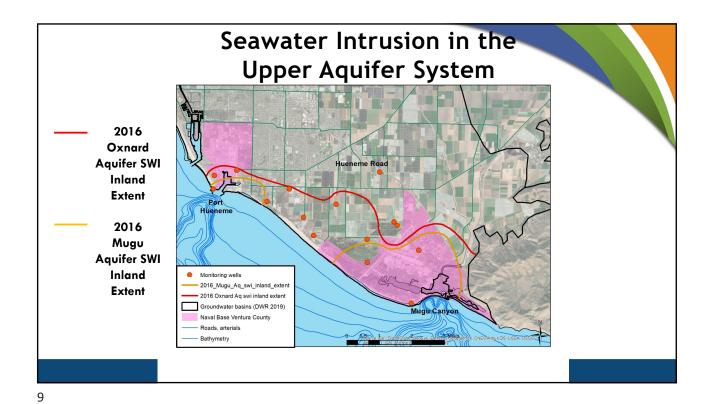


Project Objectives

- Provide a Sustainable Solution to combat Seawater Intrusion and Treat Aquifer Salinity Contamination
- Protect Local Groundwater Resources
- Enable NBVC to Meet its Water Security Goals (i.e., Supplemental Potable Supply)
- → Increase Resilience of Regional Water Supplies (create a New drought-proof supply)
- Contribute to Sustainable Yield of Oxnard and Pleasant Valley Basins (Largest Water Supply Project)
- Gain Regional Endorsement

Extraction Barrier Concept



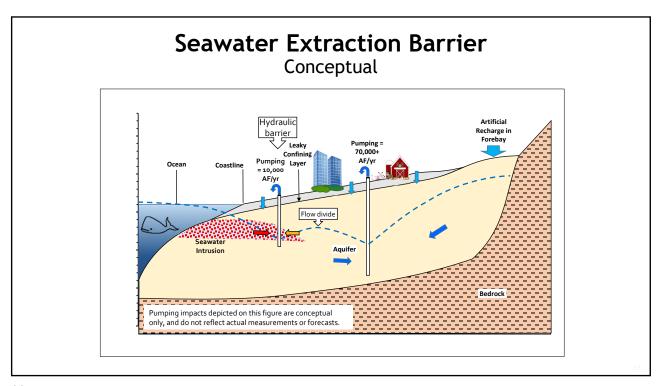


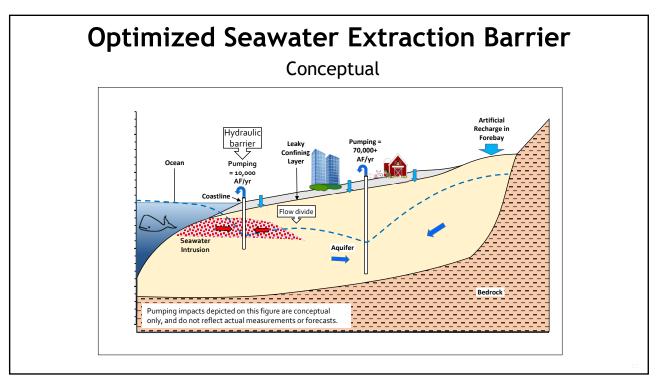
Seawater Intrusion Today
Conceptual

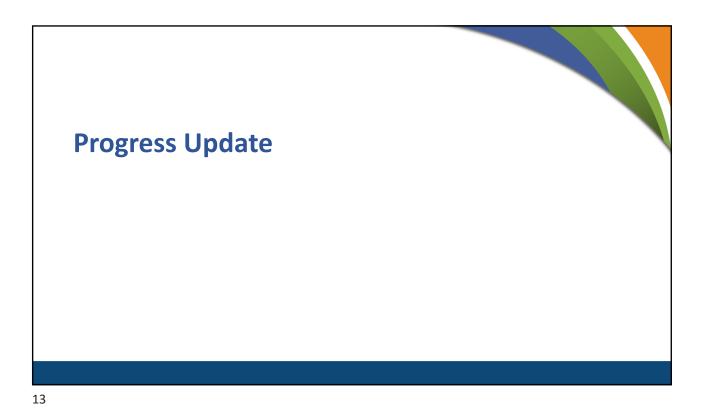
Ocean Coastline Pumping 90,000+
AFyr

Aquiler Intrusion Aquiler

Pumping impacts depicted on this figure are conceptual only, and do not reflect actual measurements or forecasts.







Proposed Extraction Well Locations and Coastal Brackish Groundwater Treatment Plant Locations

A3

A4

A4

A5

A6

A8

A9

A12

CBGWTP

A11

NEW PROPOSED EXTRACTION WELL LOCATIONS

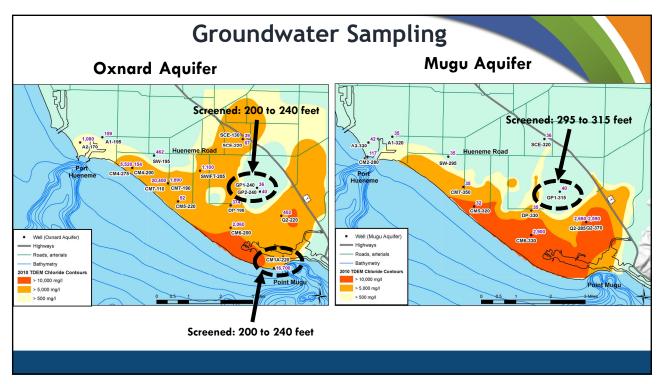
ORIGINAL PROPOSED EXTRACTION WELL LOCATIONS

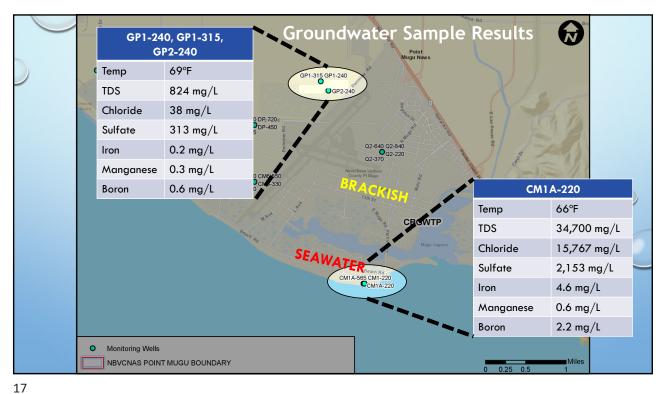
PROPOSED COASTAL BRACKISH GROUNDWATER TREATMENT PLANT

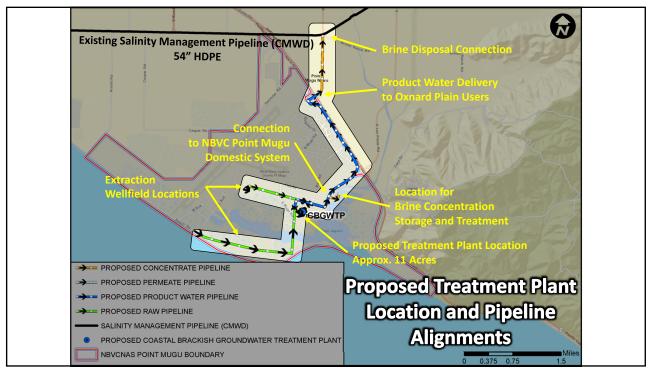
NBVCNAS POINT MUGU BOUNDARY

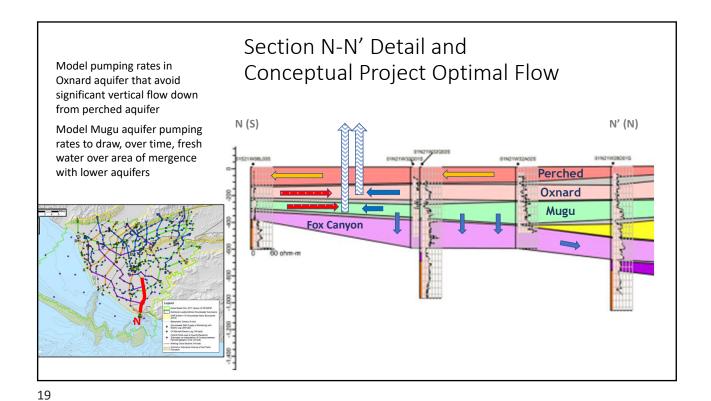
NBVCNAS POINT MUGU BOUNDARY

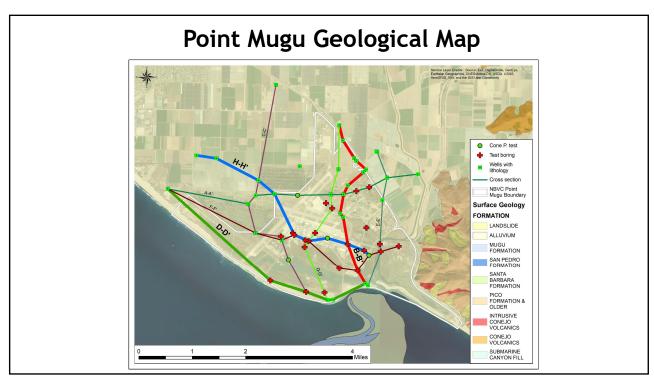


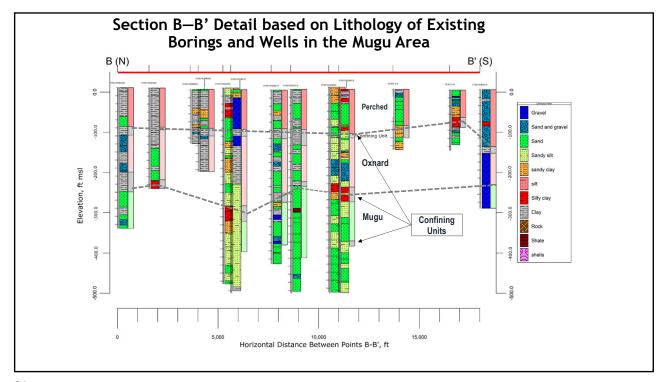


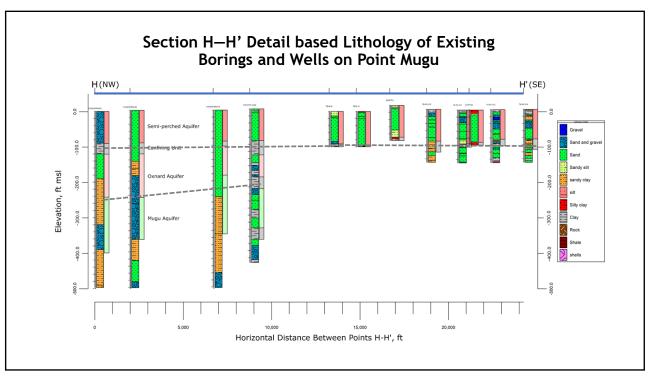


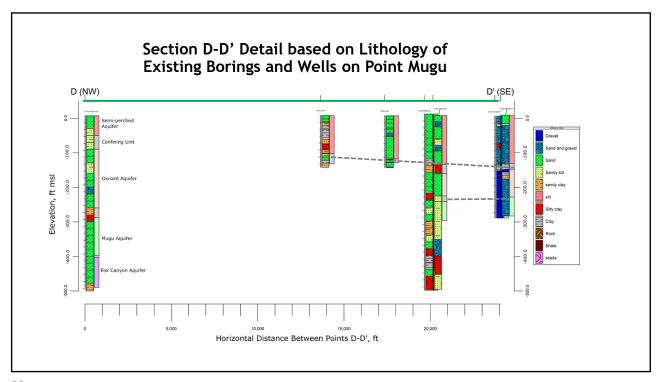


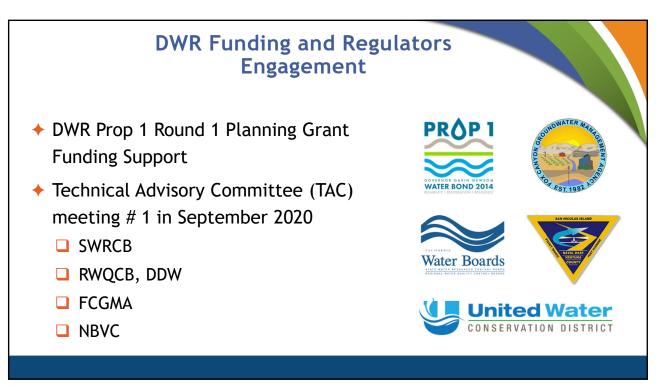












U.S. Navy's Role and Project Support







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Naval Base Ventura County Overview

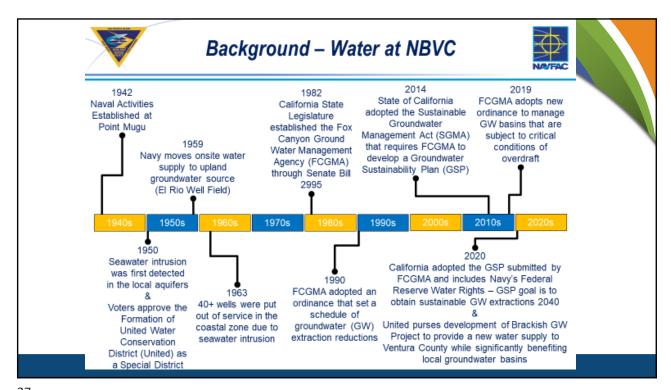


Purpose and Coordination

- Purpose: Obtain Navy approvals to move forward with support of United's Brackish Water Treatment Plant project at Point Mugu, NBVC
- Decision Level: REGCOM
- Navy Coordination: CNRSW, Real Estate, Legal, FEC SW Ops, & NBVC PWD
- Project supports compliance with CA Sustainable Groundwater Management Act
- Enables long-term water resilience without Military Construction (MilCon) funding (saves the tax payers time and money)
- Minimal risk to Navy Owned, Operated, and Maintained by United

Project Overview (Navy)

- Completion of the Coastal Brackish Groundwater Prop 1 study yields support by the regulatory agencies where the science and engineering appears feasible
 - · Full permitting and agency approvals will still be needed
- If Prop 1 yields regulatory support, the Navy considers a long-term real estate agreement to complete the project
- Long-term water source for both NBVC Point Mugu and Port Hueneme





Recommended Way Ahead



- Step 1: REGCOM signed a Letter of Support
 - Support is essential for United to continue project development, planning, and securing funds
 - Letter of support was reviewed by NBVC, NRSW, Legal, and Real Estate prior to signature
- Step 2: USN enters into a long-term real estate agreement for land at Point Mugu to support the Brackish Water Treatment Project
 - Science and engineering must be sound and approved by regulatory agencies (CA EPA and Groundwater agencies) to move forward
 - Contingent upon United successfully gaining required approvals to implement their project
 - Outgrant Easement is best-suited real estate mechanism
 - Approval Level: ASN EI&E
 - In-Kind Consideration to the Navy is included in easement
- Additional Navy Actions
 - NEPA and other permitting requirements
 - Coordinate tactical-level details for design. construction and operation of plant (e.g. base access)

NEXT STEPS

- Continue Groundwater Sampling
- Plan for new and deeper borings along the coast to develop geological characterization and verify continuity of confining units.
- Continue Groundwater Modeling to determine feasibility of the project through numerical modeling
- Schedule Technical Advisory Committee (TAC) Meeting # 2
- Finalize the Extraction Well Locations
- Start Programmatic Environmental Permitting Process
- Continue Public Outreach

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Benefits and Challenges

Benefits

- Reliable Local Supply, Regional Resilience
- Sustainable Solution to Seawater Intrusion Problem
- Long-term Protection of Groundwater Basins
- Diverse Regional Water Supply Portfolio
- Contribution to Sustainable Yield of Oxnard and Pleasant Valley Basins (Largest Water Supply Project)
- Production of Water with Superior Quality
- Potential for Yield Increase

Challenges

- Environmental Permitting Compliance CEQA/ NEPA
- Future Water Quality Regulations and New MCLs
- CAPEX and OPEX TBD as project advances
- ◆ Supply and Demand Balance
- Product Water/ Finished Water Quality
- Product Water Distribution System TBD
- Brine Concentrate Management minimal liquid discharge

