




Pure Water Monterey
A Groundwater Replenishment Project

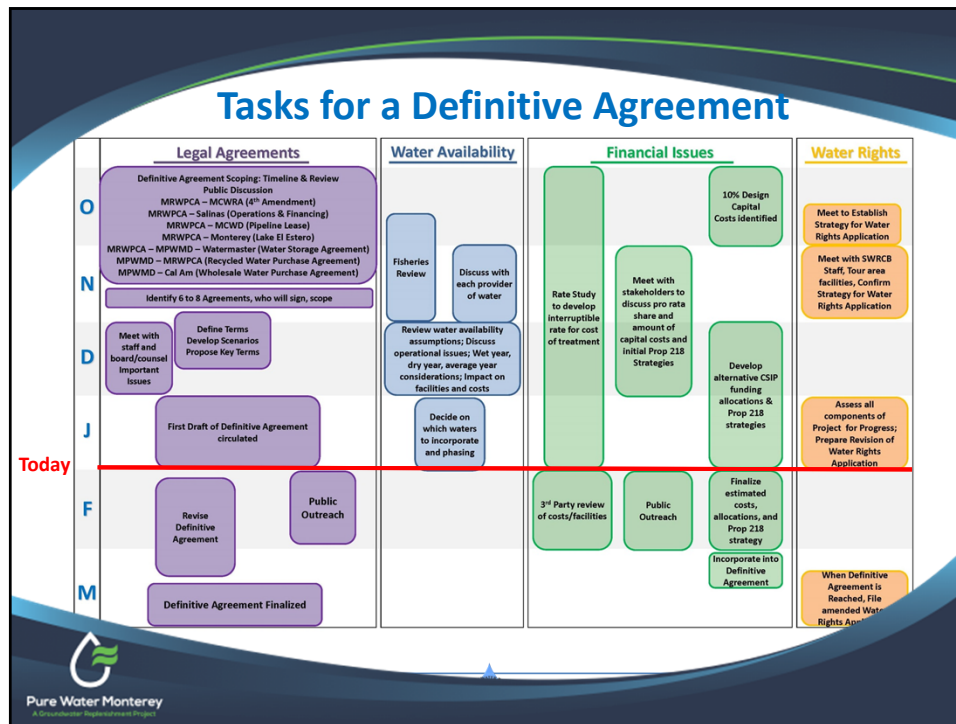
Stakeholders Meeting
January 29, 2015



Agenda


- **Introductions**
- **Changes to Stakeholder Representation**
- **Progress on 4 Key Tasks on Roadmap**
- **Next Steps**





Task Area – Water Quality and Availability

- **3 meetings to determine which facilities and resulting water quality**
- **What is timing of availability?**
- **What is cost share per the MOU?**
- **Use of water – Current need vs. Expanding lands**
- **2 key conclusions:**
 - A) No value to Tembladero Slough for project
 - B) Concern over paying for facilities for water that may not be used or desired



Task Area – Water Quality and Availability Key Events Since We Got Started

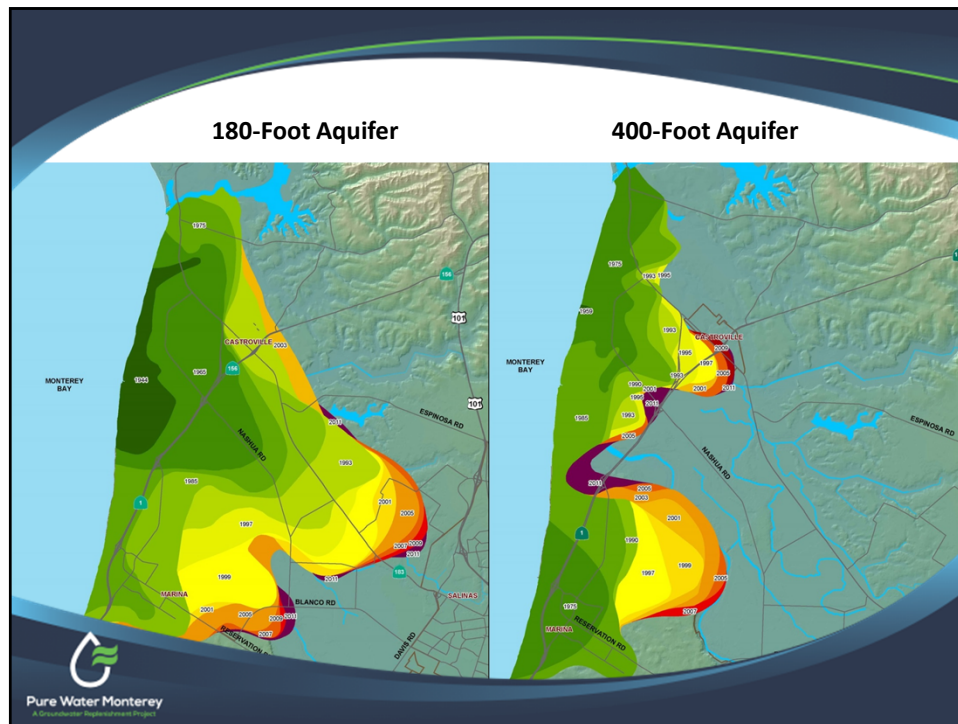
- Groundwater Sustainability Act signed into law and will require a Groundwater Sustainability Plan
- Regional Board letter “determined that MCWRA is a waste discharger and must file a report of waste discharge...for its activities in and around the Reclamation Ditch and Blanco Drain”
- Brown and Caldwell releases “State of the Salinas Groundwater Basin” report



Task Area – Water Quality and Availability Brown and Caldwell Report

- Zone 2C is out of balance 17,000 to 24,000 AFY
- From 1944 to 2013 Pressure Subarea in decline 2000 AFY; Eastside Subarea in decline 5000 AFY
- “current distribution of groundwater extractions is not sustainable.”
- “Sustainable use of groundwater can only be achieved by aggressive and cooperative water resources planning to mitigate seawater intrusion and groundwater head declines.”





Task Area – Water Quality and Availability Revisiting the Stakeholder Goals

MCWRA/Growers

- Needs new water
- 11043 uncertain and in future
- Interlake tunnel benefits may not reach coastal zone
- Has paid to get surface rights
- Regional Board “discharger”

MCWD

- Monetize pipeline investment
- Maximize value of wastewater entitlement

MRWPCA/MPWMD

- Need 4,320 AFY for Pure Water Monterey
- Environmentally preferred to bigger desal

Salinas

- Need lowest cost permanent solution for industrial ponds and stormwater discharge

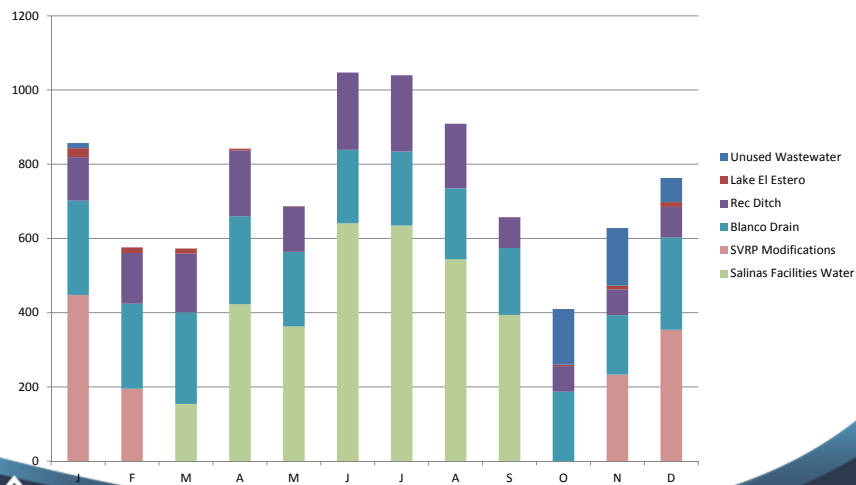
Proposed Solution

Facilities	Cost	Water
Commence Immediately		
Salinas Ag Wash Water Facilities	\$1,000,000	2,929
Salinas Stormwater Capture	\$1,500,000	225
Salinas Emergency Sewage and Return Flows	MRWPCA	0
SVRP Modifications for Winter Ops	\$1,228,000	1,230
Lake El Estero Intercept	\$370,000	87
Winter Wastewater	\$0	384
Wait Until Water Rights Granted		
Blanco Drain	\$11,754,000	2,531
Reclamation Ditch	\$1,335,000	1,604
Total	\$17,187,000	8,990

Tembladero Slough facilities eliminated due to water quality concerns



Proposed Solution - Sources

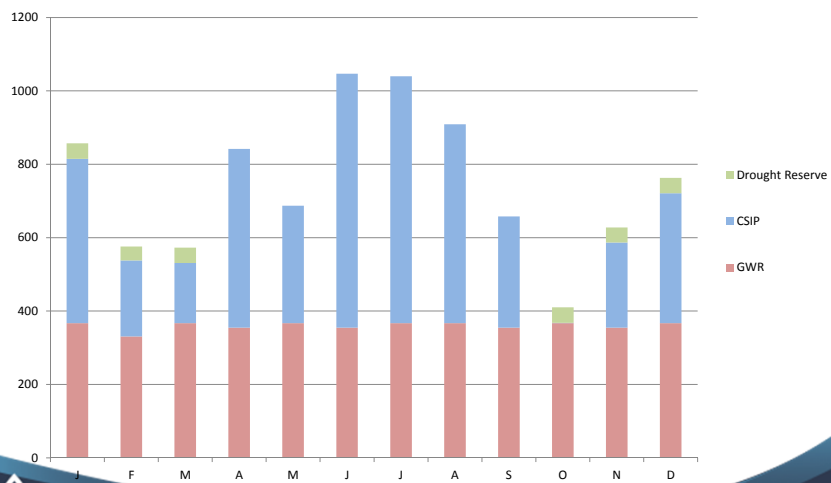


Proposed Solution - Sources

	J	F	M	A	M	J	J	A	S	O	N	D	Total
Unused													
Wastewater	14	0	0	0	0	0	0	0	0	150	155	65	384
Lake El Estero	24	15	14	5	1	0	0	0	1	4	10	13	87
Rec Ditch	117	137	158	177	122	208	206	174	83	69	70	83	1604
Blanco Drain	254	229	247	237	201	198	199	191	180	187	160	248	2531
SVRP Modifications	448	195	0	0	0	0	0	0	0	0	233	354	1230
Salinas Facilities	0	0	154	423	363	641	635	544	394	0	0	0	3154
	857	576	573	842	687	1047	1040	909	658	410	628	763	8990



Proposed Solution - Uses



Proposed Solution

	Water (AF)	Percent
GWR Project	4,320	49.4%
CSIP Available	<u>4,422</u>	<u>50.6%</u>
Total	8,742	100.0%
Drought Reserve	<u>248</u>	
Total	8,990	

Key Questions

- **What is it going to cost each Party?**
- **How will those costs be assessed?**
- **What happens if water rights not granted?**
- **What to do about Blanco Drain?**
 - A) Water is a “nice to have” not “must have” for GWR
 - B) More expensive than other sources
 - C) Do MCWRA/Growers want to address discharge now
 - D) If done as a combined discharge / supply project
how will costs be shared?

Capital Cost Allocation

- As crafted, the MOU would have MCWRA/Growers pay for capital facilities for all available water in excess of GWR and drought reserve needs
- Credit on capital facilities for 1/3rd of water from Salinas Ag Wash operations, as follows:

	Water (AF)	Percent
GWR Project	4,320	55.6%
CSIP Adjusted	<u>3,452</u>	<u>44.4%</u>
Total	7,772	100.0%



Annual Cost Allocation per MOU


	GWR	Per AF	CSIP	Per AF
Water		4,320 AFY		4,422 AFY
Treatment	\$3,930,000	\$910/AF	\$1,050,000	\$237/AF
Capital	\$649,000	\$150/AF	\$518,000	\$117/AF
Total	\$4,579,000	\$1,060/AF	\$1,568,000	\$354/AF
Avoided Cost			(\$524,000)	(\$118/AF)
			\$1,044,000	\$236/AF

Treatment cost as if all water taken. Only pay O&M for water taken. Salinas operating lease treated as capital cost.

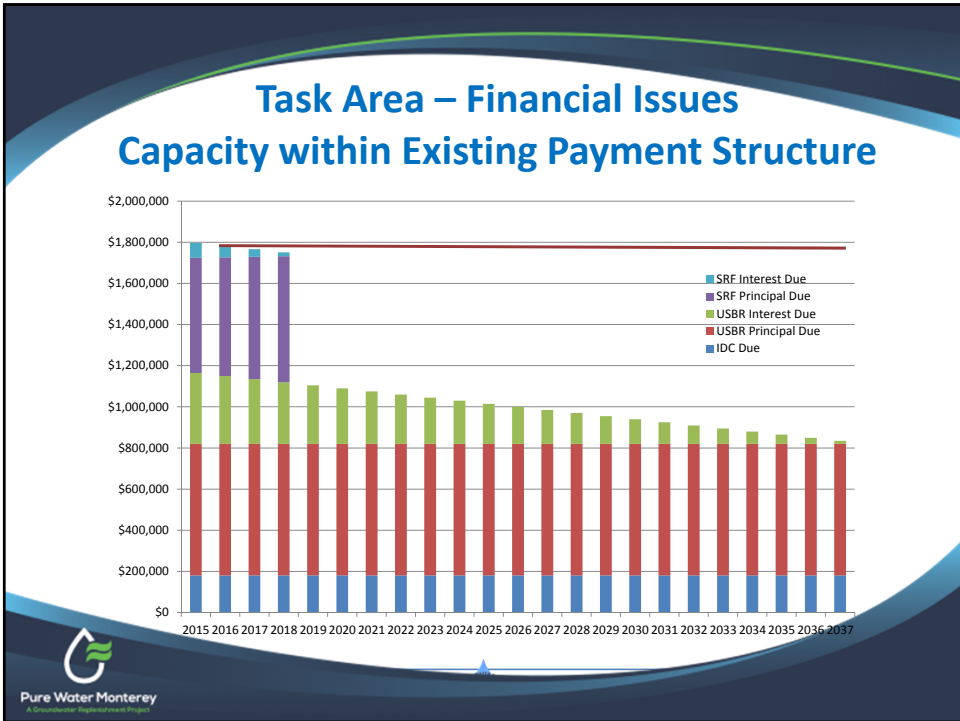


Task Area – Financial Issues

- **Next Step: Focus on Financial Plan**
- **Who Pays? Allocate CSIP portion like SVRP allocation for facilities, like CSIP allocation for O&M?**
- **Assign Blanco Drain facility costs to Storm Maintenance District #2? Other?**
- **How can CSIP only pay for facilities it needs now?**
- **Establish criteria for CSIP future “buy in”**
- **Try to structure around existing CSIP/SVRP loans?**
- **Role of grants, low cost loans, and contributions**




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Direction


1. Need to hear MCWRA/Growers agree the facilities are the right ones
2. Need to know how much water CSIP wants today – Agree to limit initial capital to that portion
3. Need to agree on cost share for Blanco Drain
4. Agree any spot purchases of surplus water will have a capital component
5. Agree that consecutive years of spot purchases requires permanent “buy in”
6. Need to hear “We’re in... Let’s work on the \$\$\$”



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Task Area – Legal Agreements

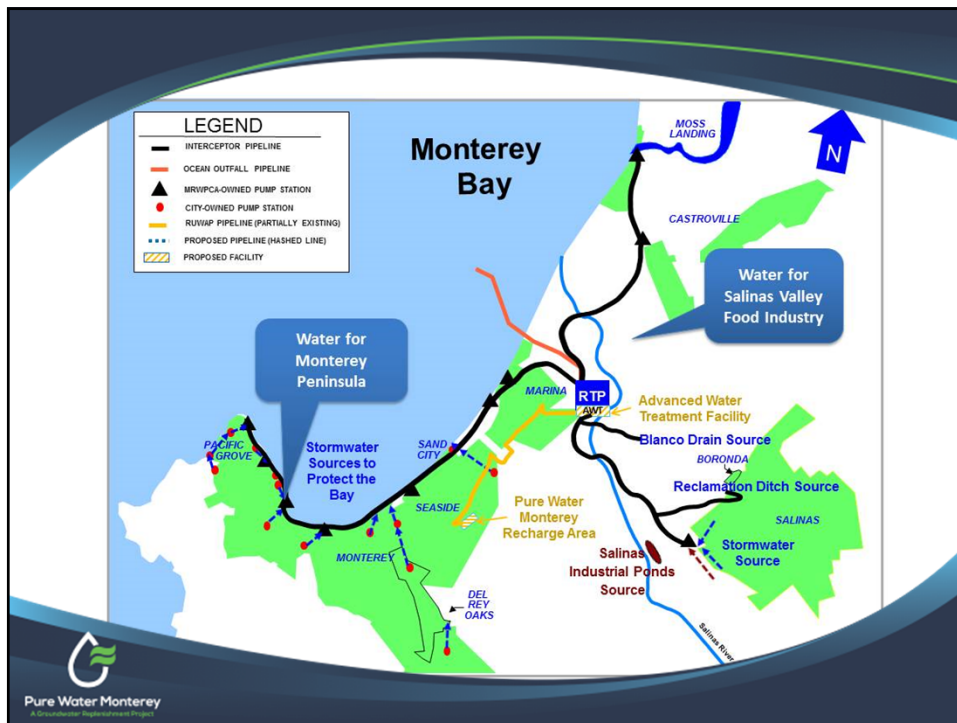
- Definitive (Umbrella) Agreement
- MRWPCA – MCWRA Fourth Amendment (incl. Accounting Protocols)
- MRWPCA – Salinas Operations and Financing Agreement
- MRWPCA – MCWD Pipeline Lease Agreement
- MRWPCA – Monterey Stormwater Agreement
- MPWMD – MRWPCA – Cal-Am Water Purchase Agreement
- Seaside Watermaster Storage and Recovery Agreement (possible)



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Next Steps

- Direction
- Tasks
- Calendar





TODAY'S ACTION

Consider Receiving the Annual Report for the
Salinas River Stream Maintenance Program,
Phase 1



Prior BOD Action

- July 29, 2014: MCWRA BOS certified the Environmental Impact Report and approved the Salinas River Stream Maintenance Program.
- October 27, 2014: BOD ratified the Salinas River Stream Maintenance Program Phase 1 Agreements and the Department of the Army Regional General Permit.



Financial Impact

- Funding for staff time associated with this project is included in the FY 14-15 Adopted Budget for the MCWRA.



Discussion

- Annual Report
 - Summarizes the 2014 activities of the SMP
 - Provides an overview of the program's compliance with permit conditions
 - Analysis of project successes and requirements for future activities
 - Due March 15th



Discussion

- Annual Report
 - Collaboration among Project Team
 - Conservation Collaborative
 - Resource Conservation District of Monterey County
 - The Nature Conservancy
 - Chualar and Gonzales RMU LLC
 - Operators



Discussion

- Training –
 - Understand the avoidance, minimization and enhancement goals of the program
 - Office and field settings
 - Biological monitors
 - Participants



Discussion

- Field Preparation



Discussion

- Field Data Collection



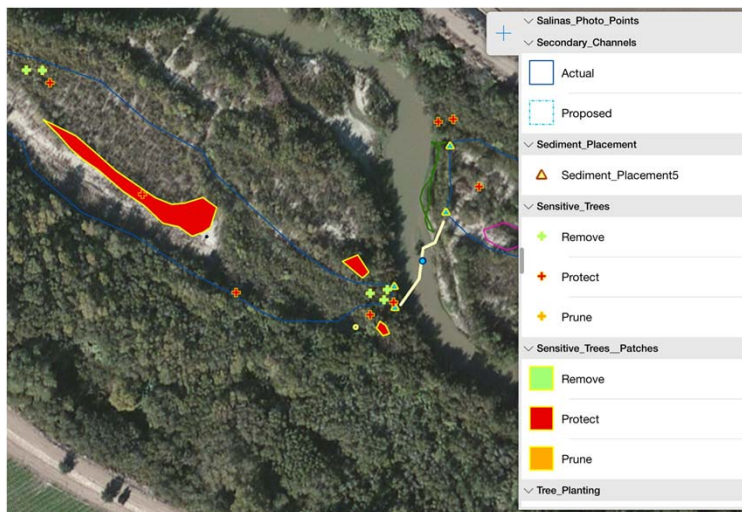
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Board of Directors Meeting
Monterey County Water Resources Agency

Discussion

- iPad with Collector App. (developed by ESRI)



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Board of Directors Meeting
Monterey County Water Resources Agency

Discussion

- Field inspections - avoidance



Discussion

2014 Maintenance Season Summary

- Work Period October 10th - November 15th: 31 days
- Chualar RMU:
 - 10 out of 12 proposed secondary channels
 - 47.8 acres
- Gonzales RMU:
 - 9 out of 17 proposed secondary channels
 - 45.2 acres
- Sediment Grading occurred in 5 channels totaling 12,090 CY



Discussion

2014 Mitigation Summary

- 29 acres of *Arundo* removed in both RMUs outside of secondary channels
 - net gain of an estimated 1,062 acre-feet of groundwater annually (for the 53.1 total acres of inside and outside secondary channels)

- 17 Sensitive trees were removed:
 - 45 local alder, cottonwood or sycamore plantings are required as replacement



Discussion

2014 Maintenance Season Summary

- Further *Arundo* removal and tree planting for mitigation will take place during time period prescribed in the permits.

- No erosion or water quality impacts occurred as a result of the maintenance activities.



Report Recommendations:

- Beneficial to have a larger window for mitigation plantings that is seasonally the best time for plantings so that there is a higher rate of survival.
- Allocate a time period specific to Arundo mitigation treatment follow up that is seasonally appropriate to increasing the success of the treatment.
- There were two inconsistent requirements related to potential rainfall. A higher level of certainty of predicted rain (>25%), amount, and corresponding work stoppage is recommended.
- Pursue the proper avoidance, removal, or mitigation for dead trees.
- Allow for mitigation amounts to count across RMU's to reduce impacts and remove larger stands.



TODAY'S ACTION

Receive the Annual Report for the Salinas River Stream Maintenance Program, Phase 1





TODAY'S ACTION

Consider Authorizing the General Manager to Negotiate and Execute an Agreement with The Nature Conservancy for an Expenditure of Up to \$75,000 to Complete the Necessary Two-dimensional Flood Model for Phase 2 of the Salinas River Stream Maintenance Program, Subject to Approval as to Form by County Counsel.



Prior BOD Action

- July 29, 2014: MCWRA BOS certified the Environmental Impact Report and approved the Salinas River Stream Maintenance Program.

- February 13, 2015: The Finance Committee recommended that the full Board approve this item.



Discussion

- The Salinas River SMP will be implemented in phases.
 - Phase 1: Demonstration Project Chualar and Gonzales RMUs
 - Phase 2: development of additional RMUs for the remaining short-term SMP area



Discussion

- The SMP follows a consensus-based process for design and implementation that includes:
 - Identification of willing participants and potential RMUs
 - Technical and Design Committee, including site-specific resource surveys and 2-Dimensional Flood model
 - Permitting Committee, engaging regulatory agencies in a pre-application process



Discussion

- 2-Dimensional Flood model
 - developed for Phase 1 through Gonzales
 - TNC has a contract with NewFields to expand the model to the rest of the Program area
 - MCWRA proposes to provide a matching fund of up to \$75,000 to the TNC
 - meet upcoming milestone deadlines.
 - Additional funds from other project partners in the summer of 2015



Discussion

- A proposed timeline for Phase 2 of the SMP is:
 - March 2015 : Begin flood model
 - May - July 2015: convene Technical & Design Committee and perform biological surveys
 - July - August 2015: convene Permitting Committee
 - August - September 2015: write permit application package
 - October 2015: submit applications to Regulatory Agencies



TODAY'S ACTION

Authorize the General Manager to Negotiate and Execute an Agreement with The Nature Conservancy for an Expenditure of Up to \$75,000 to Complete the Necessary Two-dimensional Flood Model for Phase 2 of the Salinas River Stream Maintenance Program, Subject to Approval as to Form by County Counsel.





TODAY'S ACTION

Consider Authorizing Agency Staff to Prepare an Application to Partner with the Bureau of Reclamation and Local Agencies in the WaterSMART Basin Study Program; and, Authorizing the General Manager to Submit a Letter of Interest to the Bureau of Reclamation.



Committee Action

- None



Financial Impact

- Budget Unit 930
- Fund 115
- Program 9597 – Special Projects



Discussion

Bureau of Reclamation's WaterSMART Program:

- focuses on improving water conservation, sustainability and helping water resource managers make sound decisions about water use.
- identifies adaptive measures to address climate change and its impact on future water demands.
- works with state and local partners to conduct comprehensive water supply and demand studies of river basins in the western United States.



Discussion

- Basin Studies include four main elements:
 - Projections of water supply and demand, including the risks of climate change.
 - Analysis of how existing water and power infrastructure will perform in response to changing water realities.
 - Development of adaptation and mitigation strategies to improve operations and infrastructure in order to supply adequate water in the future.
 - Trade-off analysis of the strategies identified and findings and recommendations as appropriate.



Discussion

- Bureau of Reclamation Letter of Interest
 - Due March 3, 2015
 - If chosen, will develop and submit full proposal with partners
 - Anticipated due date late March/early April
 - Up to \$1M of assistance available from Reclamation and requires 50% local match.
 - Not a grant. Reclamation will hire consultants or perform work themselves
 - In 2014 partners were Monterey Peninsula Water Management District, Monterey Regional Water Pollution Control Agency and San Luis Obispo County
 - Uncertain if all will participate in 2015



Discussion

- Reclamation's Mid-Pacific Region nominated the Salinas and Carmel Rivers Basin Study for FY14 funding February 6, 2014
 - The four cost-sharing partners developed and submitted the proposal
 - Reclamation did not choose this project



Summary

- This Basin Study provides the opportunity to improve collaboration and the opportunity to develop the solutions and strategies that will fill in the gaps in supply and demand planning, reduce risks to property and infrastructure associated with climate change, and to improve the sustainability of the aquifers and rivers to provide adequate water supplies for the benefit of all users.



TODAY'S ACTION

Consider authorizing Agency Staff to prepare an application to partner with the Bureau of Reclamation and local agencies in the WaterSMART Basin Study program; and, authorizing the General Manager to submit a Letter of Interest to the Bureau of Reclamation.





TODAY'S ACTION

Consider Receiving a Report on the Salinas River Lagoon, Salinas River Lagoon Management Plan Update, Permitting Needs for Lagoon Sandbar Activities; and, Provide Direction to Staff.



Committee Action

- None



Prior BOD/BOS Action

- July 28, 2014
 - BOD requested more information to be presented at the October 2014 meeting
- October 27, 2014
 - BOD deferred to November 14, 2014 strategic planning session
 - No recommendations made



Financial Impact

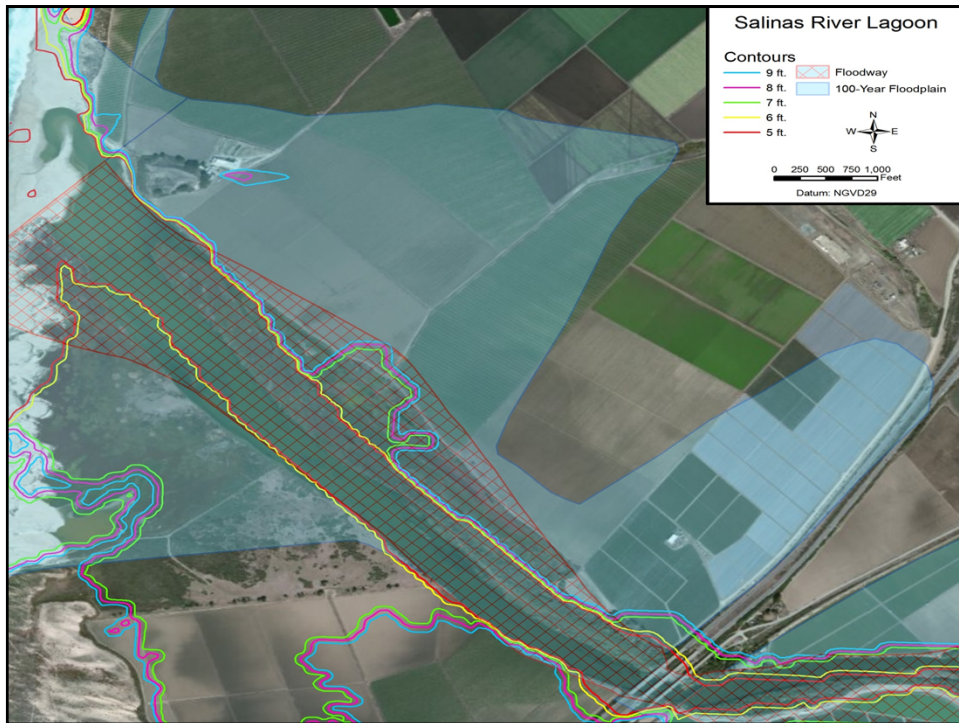
- None for receiving this report

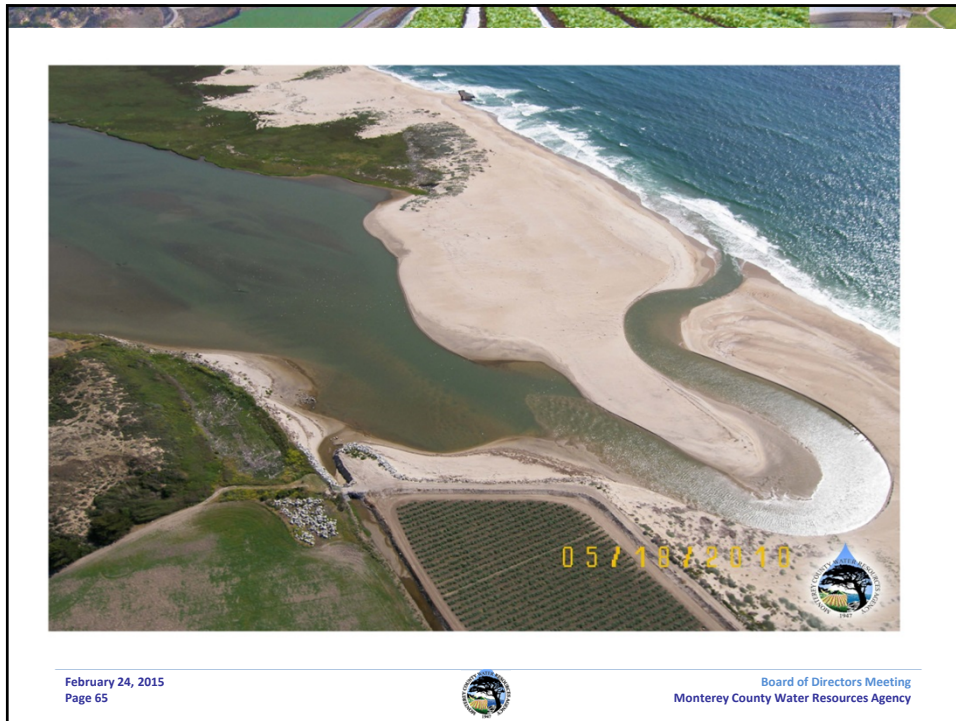


Discussion

- Goals and objectives
 - Protect life and property
 - Prevent flooding
 - Suitable habitat for environmental needs including:
 - Snowy plover
 - Tidewater goby
 - Steelhead trout
 - Water quality
 - Water quantity







Discussion

- Salinas Lagoon Action Items
 - Immediate
 - Reinitiate stakeholder working group
 - Near Term (next 5 years)
 - Sandbar Management for flood reduction
 - Long Term
 - Revise, update and implement the Salinas River Lagoon Management and Enhancement Plan



Discussion

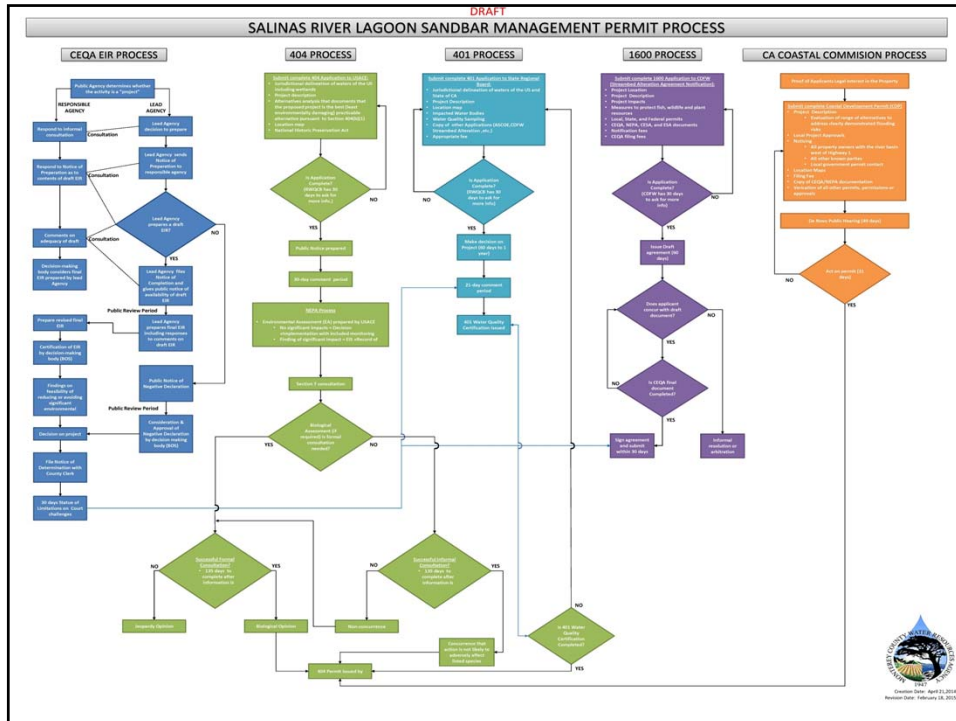
- Salinas Lagoon Action Items
 - Immediate
 - Reinitiate stakeholder working group
 - Multi-Stakeholder process
 - Stakeholders contacted by staff indicated an interest in participating
 - Invitees would include
 - Landowners, Dunes Colony
 - US COE,USFWS,NMFS,EPA
 - Regional Board, CDFW,CA Parks, CCC
 - RMA
 - TNC, CoastKeeper, Trout Unlimited, Elkhorn Slough
 - Others as identified



Discussion

- Salinas Lagoon Action Items
 - Near Term (next 5 years)
 - Sandbar Management for flood reduction
 - Permits/Permissions required
 - Corps of Engineers – 404
 - USFW; NMFS
 - Regional Board - 401
 - CA Coastal Commission – CDP
 - CA State Parks – Beach access
 - Final CEQA Document –ND or EIR
 - State Lands Commission





Discussion

- Salinas Lagoon Action Items
 - Long Term
 - Revise, update and implement the Salinas River Lagoon Management and Enhancement Plan
 - Collaborate with stakeholders to establish priorities
 - Develop project list with implementation plan and schedule
 - Move away from sandbar management
 - Should this be agency function?

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Board of Directors Meeting
Monterey County Water Resources Agency

Discussion

- Immediate
 - Re-establish working group
 - Staff time to set up and attend meetings
- Near Term Sandbar management
 - All Permits (Fees 401/CDP, staff time - \$50K)
 - 2 years
 - CEQA (\$100K +/-)
 - 1 year
- Update Salinas River Lagoon Management Plan
 - 5 – 10 years
 - Cost estimate for 1997 plan was \$300,000



Discussion

- Challenges
 - Many priority projects competing for staff time
 - Re-initiating Working Group not line item for FY14/15
 - Near term permit acquisition, CEQA costs not in FY14/15 budget
 - FY 15/16 budget?



Discussion

- Options
 - Do not re-initiate Working Group until next FY
 - Direct staff to initiate Working Group
 - Direct staff to complete permit applications for near term
 - Combination of above
 - Others?



Summary

- Agency needs strategy for lagoon for the immediate, near and long term
- Salinas River Lagoon Management and Enhancement Plan needs to be reviewed/updated
- Agency would like to reinitiate working group with idea of updating plan
- Agency would like to acquire proper permits for sandbar management
- Agency budget and staff resources make all this challenging



- Questions?



TODAY'S ACTION

Receive a Report on the Salinas River Lagoon, Salinas River Lagoon Management Plan Update, Permitting Needs for Lagoon Sandbar Activities; and, Provide Direction to Staff.






TODAY'S ACTION

Consider Receiving Information Regarding California Department of Water Resources' Local Levee Assistance Program Grant Opportunity Under Proposition 84 Of 2008; and Provide Direction to Staff on Proceeding with the Application.







Committee Action

- None

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Board of Directors Meeting
Monterey County Water Resources Agency



Prior BOD Action

- None

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Board of Directors Meeting
Monterey County Water Resources Agency

Financial Impact

- Staff time for completing application
- 50% match of up to \$3 million over 2 or 3 FY
- Development of Labor Compliance Plan in accordance with California Labor Code 1771.5(b)



Discussion

- California Department of Water Resources released PSP for the Local Levee Assistance Program.
- Applications are due March 17, 2015,
- Award notification scheduled for July 2015.
- The project would be to repair the erosion on the left downstream bank below the Nacimiento Spillway.
 - This erosion has been reviewed with both DSOD and the FERC as an area that needs repair.
 - Agency Staff has this project on the action items list for Nacimiento; but, it is at the bottom because of the cost.



Discussion

- Application requires a financing plan to be submitted that contains:
 - 1) statement of financial capability;
 - 2) cost estimate;
 - 3) implementation plan;
 - 4) finance and revenues;
 - 5) cash flow;
 - 6) risk identification and mitigation factors and
 - 7) benefit-cost analysis.



Discussion

- Agency recommends utilizing the following FY 2014-15 budgeted items:
 - intake valves \$250K,
 - LL bypass \$100K,
 - Rucker repairs \$20K
 - Fiscal year 2014-15 estimated revenues are short by \$220,603
 - Labor and/or consultant work in Fund 116 for Operations and Maintenance will have to be pushed out 3-4 years or after the Grant work is completed, whichever comes first.



Discussion

- DWR will not execute a grant agreement without an Approved Labor Compliance Program pursuant to California Labor Code 1771.5(b) in place.
- The Agency does not have an approved labor compliance program in place and no budget identified to establish one by July 2015.



Summary

- Grant application due March 17, 2015
- Intensive staff time to complete application
- Project would cover 2 to 3 FY
- 50% match required
- Labor Compliance Plan required
- No uncommitted funds available



TODAY'S ACTION

Receive Information Regarding California Department of Water Resources' Local Levee Assistance Program Grant Opportunity Under Proposition 84 Of 2008; and Provide Direction to Staff on Proceeding with the Application.



Board of Directors Meeting
Monterey County Water Resources Agency



TODAY'S ACTION

Consider Approving and Recommending that the Monterey County Water Resources Agency Board of Supervisors:

- i. Approve a Second Reimbursement and Funding Agreement between the County of Monterey and the Monterey County Water Resources Agency for Preliminary Engineering and Design; Further Water Rights Analysis; Spillway Modification Feasibility; Technical Support to the Monterey County Water Resources Agency During Design; Environmental Consulting Services; and Program Management for the Interlake Tunnel Project; and,
- ii. Increase the Amount Reimbursable to the Agency to Include the Additional Scope of Work.



Committee Action

- No action taken



Prior BOD/BOS Action

- As a result of the December 9th, Joint Board meeting this amendment is necessary to pay for additional program management work by EPC Consulting Inc. for the Interlake Tunnel Project:
 - updating the scope of work for the first phase of the Interlake Tunnel Project to include the Spillway Modification Feasibility Study and technical support to the Agency during design and environmental consulting work



Financial Impact

- Increases the original reimbursement from \$2.5 million to \$3 million as a result of the addition of the Spillway Modification Feasibility Study and technical support to the Agency during the design and environmental consulting work.



TODAY'S ACTION

Approve and Recommend that the Monterey County Water Resources Agency Board of Supervisors:

- i. Approve a Second Reimbursement and Funding Agreement between the County of Monterey and the Monterey County Water Resources Agency for Preliminary Engineering and Design; Further Water Rights Analysis; Spillway Modification Feasibility; Technical Support to the Monterey County Water Resources Agency During Design; Environmental Consulting Services; and Program Management for the Interlake Tunnel Project; and,
- ii. Increase the Amount Reimbursable to the Agency to Include the Additional Scope of Work.



Board of Directors Meeting
Monterey County Water Resources Agency



TODAY'S ACTION

Consider:

- i. Approving and Recommending that the Monterey County Water Resources Agency Board of Supervisors Approve Amendment No. 3 to the Professional Services Agreement with EPC Consultants, Inc. Updating the Scope of Work for the First Phase of the Interlake Tunnel Project to Include the Spillway Modification Feasibility Study and Technical Support to the Agency During Design and Environmental Consulting Work; and,
- ii. Authorizing the General Manager to Execute Amendment No. 3 to the Agreement.



Prior BOD/BOS Action

- This action is a result of the December 9th Joint Board meeting.



Committee Action

- No Committee action has been taken on this item



Financial Impact

- This project is currently funded through a funding reimbursement agreement with the County of Monterey.

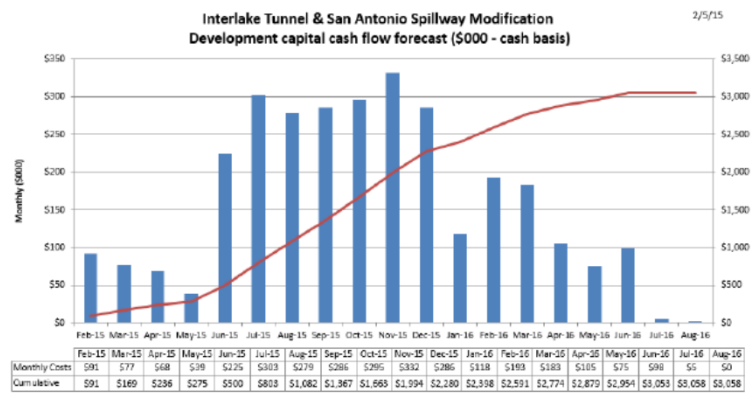


Discussion

- On December 9th, the Joint Board approved as part of the Interlake Tunnel Project the addition of the Spillway Modification Feasibility Study and technical support to the agency during the design and environmental consulting work
- This amendment enables the Agency to pay EPC Consulting for those efforts in order to get to Phase 2 of the project.



Discussion



- Cost additions to Program Management budget include:
- Spillway Modification feasibility studies ~\$150,000
 - Technical support to Agency during design and permitting ~\$350,000



TODAY'S ACTION

- i. Approve and Recommend that the Monterey County Water Resources Agency Board of Supervisors Approve Amendment No. 3 to the Professional Services Agreement with EPC Consultants, Inc. Updating the Scope of Work for the First Phase of the Interlake Tunnel Project to Include the Spillway Modification Feasibility Study and Technical Support to the Agency During Design and Environmental Consulting Work; and,
- ii. Authorizing the General Manager to Execute Amendment No. 3 to the Agreement.



Board of Directors Meeting
Monterey County Water Resources Agency



TODAY'S ACTION

Consider Approving and Recommending that the Monterey County Water Resources Agency Board of Supervisors:

- i. Approve a Non-exclusive Agreement for Specialized Attorney Services for the Continued Provision of Legal Services to the Agency for Various Transactional, Advisory and Pre-litigation Matters; and,
- ii. Approve the Recommendation from the Monterey County Water Resources Agency Board of Supervisors Authorizing the Water Resources Agency General Manager to Execute the Agreement.



Committee Action

- No previous committee action has been taken



Prior BOD/BOS Action

- This item will be taken to the Agency BOS and the County BOS



Financial Impact

- The Agency has budgeted \$250,000 FY 2014-15 for outside Legal expenditures.



Discussion

- This agreement enables the County & Agency more flexibility for payment of Downey Brand Services ranging from general services, Stream Maintenance, 11043, Interlake Tunnel and litigated cases.



TODAY'S ACTION

Approve and Recommend that the Monterey County Water Resources Agency Board of Supervisors:

- i. Approve a Non-exclusive Agreement for Specialized Attorney Services for the Continued Provision of Legal Services to the Agency for Various Transactional, Advisory and Pre-litigation Matters; and,
- ii. Approve the Recommendation from the Monterey County Water Resources Agency Board of Supervisors Authorizing the Water Resources Agency General Manager to Execute the Agreement.

