

# COUNTY COUNSEL RISK MANAGEMENT DIVISION

WATER RESOURCES AGENCY  
2014-15 INSURANCE PLACEMENT  
PRESENTATION  
June 2, 2014

# General Liability and Pollution Liability

Effective: May 1, 2014-15

**Monterey County Water Resources Agency  
Premium Summary  
May 1, 2014 to May 1, 2015**

PROGRAM STRUCTURE - BOUND RENEWAL OPTION 1							
Coverage	Carrier	Limits	2013-2014 Expiring Premium*	Limits	2014-2015 Renewal Premium*	Difference	
Combined General Liability and Pollution	AIG Specialty	\$1,000,000 Each Occ / \$2,000,000 Agg / \$40,000,000 Pollution	\$103,700.52	\$1,000,000 Each Occ / \$2,000,000 Agg / \$25,000,000 Pollution	\$90,750.98	<b>2.44%</b>	
1st Excess Liability (excludes Pollution)	AIG Specialty	\$10,000,000 excess Primary General Liability	\$27,570.91	\$10,000,000 excess Primary General Liability	\$36,971.40	<b>34.10%</b>	
2nd Excess Liability (excludes Pollution)	Great American	\$23,000,000 excess \$10,000,000 excess Primary General Liability	\$34,673.00	\$23,000,000 excess \$10,000,000 excess Primary General Liability	\$39,100.00	<b>12.77%</b>	
Pollution Excess Follow Form	Liberty	N/A	N/A	\$15,000,000 excess \$25,000,000	\$15,480.00	<b>Combined w/ GL Premium</b>	
Public Official E&O & Employment Practices Liability***	National Union	\$3,000,000	\$18,988.00	\$3,000,000	\$25,564.00	<b>34.63%</b>	
<b>Total Premium</b>			<b>\$184,932.43</b>	<b>Total Premium</b>		<b>\$207,866.38</b>	<b>12.40%</b>
<b>ESTIMATED REVENUE</b>			<b>\$4,886,599</b>			<b>\$6,533,081</b>	<b>33.69%</b>

\* Terrorism rejected.

\*\*Premiums include Surplus Lines Taxes & Fees (where applicable).

**Monterey County Water Resources Agency**  
**Premium Summary**  
**May 1, 2014 to May 1, 2015**

**PROGRAM STRUCTURE - BOUND RENEWAL OPTION 1**

EXPIRING		BOUND RENEWAL	
<b>POLLUTION</b>	<b>GENERAL LIABILITY</b>	<b>POLLUTION</b>	<b>GENERAL LIABILITY</b>
\$40M	\$35M Agg	\$40M	\$35M Agg
\$40M	\$23M Excess	\$15M	\$23M Excess
	\$10M Excess	\$25M	\$10M Excess
	\$1M/\$2M/\$2M		\$1M/\$2M/\$2M
	\$25K Ded.	\$10K Ded	\$25K Ded.

Chart is not to scale.

# Public Officials Liability

Effective: May 1, 2014-15

# Monterey County Water Resources Agency

FINPRO

## FINPRO Insurance Proposal

April 24, 2014

### E&O - Public Officials

#### Current Policy Expiring 5/1/2014

Insurer: **AIG (A)**  
Admitted

Limit of Liability	Premium	Comm Rate
<b>\$3,000,000</b>	<b>\$18,988</b>	<b>17.00%</b>

Deductible(s)/Retention(s)		Prior Acts Date
\$25,000	EPL	
\$10,000	E&O	Full Prior Acts

#### Duty to Defend Form

### **Bound** 5/1/2014 to 5/1/2015

Insurer: **AIG (A)**  
Admitted

Limit of Liability	Premium	Comm Rate
<b>\$3,000,000</b>	<b>\$25,564</b>	<b>17.00%</b>

Deductible(s)/Retention(s)		Prior Acts Date
\$50,000	EPL	
\$50,000	E&O	Full Prior Acts

#### Duty to Defend Form

**Monterey County Water Resources Agency**

**Combined Pollution and General Liability**

**May 1, 2014 to May 1, 2015**

**Marketing Overview**

<b>Insurance Company</b>	<b>A.M. Best Rating</b>	<b>Response</b>
<b>Pollution and General Liability</b>		
AIG Specialty	A XV (Excellent)	Provided a renewal quotation and one option
<b>1st Excess Liability</b>		
AIG Specialty	A XV (Excellent)	Provided a renewal quotation and one option
<b>2nd Excess Liability</b>		
Great American	A+ XIII (Superior)	Provided a renewal quotation and one option
<b>Excess Pollution Legal Liability</b>		
Aspen Specialty Ins Co	A XV (Excellent)	Provided a quote
Liberty Surplus Ins Corp	A XV (Excellent)	Provided a quote
<b>Public Officials Liability</b>		
National Union Fire	A XV (Excellent)	Provided a renewal quotation

**Rating Guide (AMBEST.COM)**

Financial Strength Ratings - A Best's Financial Strength Rating (FSR) is an opinion of an insurer's ability to meet its obligations to policyholders. Rating Modifiers and Affiliation Codes may also be associated with these ratings. The following list outlines our rating scale and associated descriptions:

<b><u>Secure</u></b>	<b><u>Vulnerable</u></b>
A++, A+ (Superior)	B and Below
A, A- (Excellent)	

Financial Size Categories (FSC) - To enhance the usefulness of our ratings, A.M. Best assigns each letter rated (A++ through D) insurance company a Financial Size Category. The FSC is designed to provide a convenient indicator of the size of a company in terms of its statutory surplus and related accounts. Many insurance buyers only want to consider buying insurance coverage from companies that they believe have sufficient financial capacity to provide the necessary policy limits to insure their risks. Although companies utilize reinsurance to reduce their net retention on the policy limits they underwrite, many buyers still feel more comfortable buying from companies perceived to have greater financial capacity.

<b>FSC</b>	<b>Adjusted Policyholders' Surplus</b>	<b>FSC</b>	<b>Adjusted Policyholders' Surplus</b>
I	Less than 1	IX	250 to 500
II	1 to 2	X	500 to 750
III	2 to 5	XI	750 to 1,000
IV	5 to 10	XII	1,000 to 1,250
V	10 to 25	XIII	1,250 to 1,500
VI	25 to 50	XIV	1,500 to 2,000
VII	50 to 100	XV	2,000 or greater
VIII	100 to 250		

Note: Ranges are in millions of U.S. dollars

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## WRA Total Annual Premium May 1, 2014 - May 1, 2015

Public Officials Liability:	\$25,564
General Liability and Pollution Liability:	<u>\$207,866</u>
Total:	\$233,430

\*Total Annual 2014-15 Program Premium Increased 14.4% Over Expiring.







# TODAY'S ACTION

Consider Approving and Authorizing the General Manager to Execute a Memorandum of Understanding with the County Of Monterey for the Supervision and Management of the 2010 General Plan Salinas Valley Groundwater Basin Zone 2C Study.





# Background

- Per Policy PS-3.1 of the Monterey County General Plan, County is required to undertake a comprehensive 5-year study of the Salinas Valley Groundwater Basin (“Study”)
- County will cause an engineering firm to conduct the Study; but, in addition, requires a Project Manager to manage and supervise the Study
- County has negotiated a Memorandum of Understanding with the Monterey County Water Resources Agency to provide a Project Manager for the Study



# Memorandum of Understanding Specifics

- County shall pay the Agency fees and necessary expenses at the agreed-upon hourly rate
- Costs for Project Manager services are estimated at \$75,000 /year



# TODAY'S ACTION

Approve and Authorize the General Manager to Execute a Memorandum of Understanding with the County Of Monterey for the Supervision and Management of the 2010 General Plan Salinas Valley Groundwater Basin Zone 2C Study.







# TODAY'S ACTION

Consider Receiving an Update on Discussions with the National Marine Fisheries Service Regarding Reducing the Minimum Release Criterion from Nacimiento Reservoir from 60 cubic feet per second (cfs) to 25 cfs; and, Providing Direction to Staff.





# Prior Relevant Board Action

- February 24, 2014: Board of Directors (BOD) instructed staff to reduce Nacimiento releases below minimum flow criteria, subject to review and recommendation by the Reservoir Operations Committee.
- March 18, 2014: Agency formally requested National Marine Fisheries Service (NMFS) consider a request to reduce minimum releases at Nacimiento Reservoir from 60 cfs to 25 cfs.





# Prior Relevant Board Action (cont.)

- March 31, 2014: BOD passed a resolution to reduce the minimum flow from Nacimientos Reservoir from 60 cfs to 25 cfs as agreed upon with NMFS
- April 28, 2014: BOD presented with NMFS April 25, 2014 response to the Agency's request of March 18, 2014; in which NMFS:
  - Clarifies their position on coverage from “take”
  - Proposes actions, should the Agency proceed with proposal to reduce minimum releases

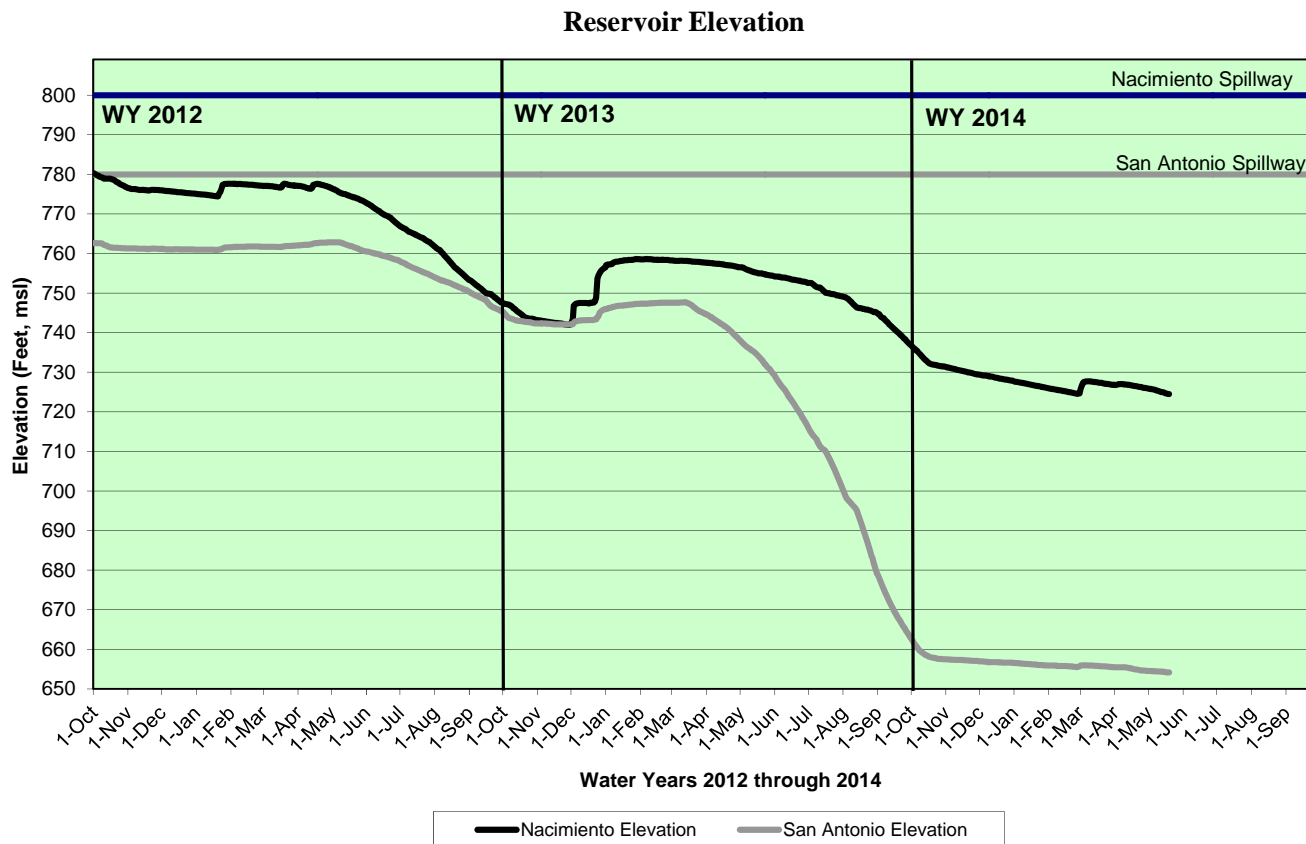


# Prior Relevant Board Action (cont.)

- April 28th BOD directed staff to:
  - provide the BOD with an evaluation of the Agency’s risk of moving forward with a reduction in minimum releases at Nacimiento
  - provide the BOD with an evaluation of the benefits of maximizing conservation releases to the Salinas Valley

# Discussion

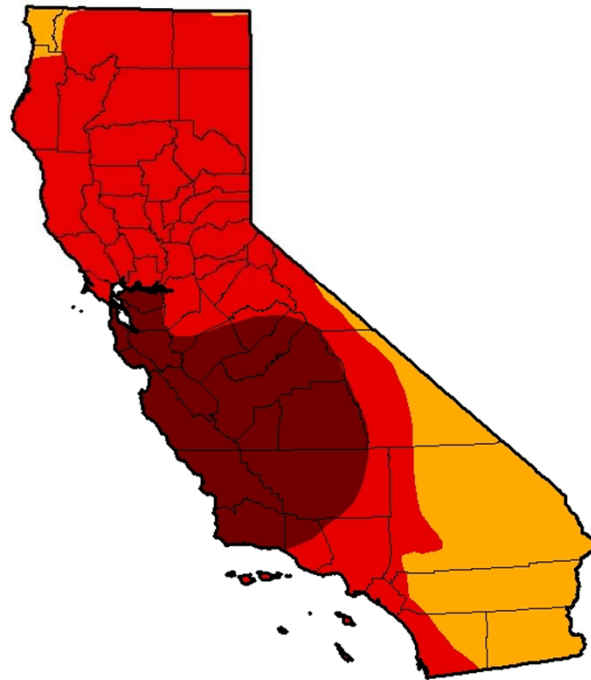
- California, the Central Coast and Monterey County are experiencing its third consecutive “Dry” season



# Discussion (cont.)

- Almost 25% of California, including Monterey County, is experiencing “exceptional drought”

## U.S. Drought Monitor California



**May 27, 2014**

(Released Thursday, May 29, 2014)

Valid 8 a.m. EDT

Drought Conditions (Percent Area)

	None	D0-D4	D1-D4	D2-D4	D3-D4	D4
<b>Current</b>	0.00	100.00	100.00	100.00	76.68	24.77
<b>Last Week</b> 5/20/2014	0.00	100.00	100.00	100.00	76.68	24.77
<b>3 Months Ago</b> 2/25/2014	0.00	100.00	94.56	90.82	73.83	26.21
<b>Start of Calendar Year</b> 12/31/2013	2.61	97.39	94.25	87.53	27.59	0.00
<b>Start of Water Year</b> 10/1/2013	2.63	97.37	95.95	84.12	11.36	0.00
<b>One Year Ago</b> 5/28/2013	0.00	100.00	98.16	46.25	0.00	0.00

### Intensity:

D0 Abnormally Dry	D3 Extreme Drought
D1 Moderate Drought	D4 Exceptional Drought
D2 Severe Drought	

The Drought Monitor focuses on broad-scale conditions. Local conditions may vary. See accompanying text summary for forecast statements.

### Author:

Michael Brewer  
NCDC/NOAA



<http://droughtmonitor.unl.edu/>



## Discussion (cont.)

- May 22, 2014 Agency Staff met directly with NMFS in San Francisco
  - The Biological Opinion only analyzed the effects of a 60 cfs minimum release
  - Reducing minimum flow from 60 cfs to 25 cfs is likely to result in adverse impacts to the quality and quantity of S-CCC steelhead habitat, possibly resulting in a take
  - Any take associated with MCWRA's proposed action could be in violation of section 9 of the ESA



## Discussion (cont.)

- NMFS offered four measures the Agency could take if it decided to implement its proposed minimum release reduction
  - Ramping Rate
    - Stage change not to exceed two inches per hour
  - Temperature Monitoring
    - Continuous stream temperature monitoring for as long as flows are at a reduced level, provided to NMFS monthly
  - Fish Monitoring
    - Summer monitoring in addition to required sampling typically done annually in October. NMFS staff would be available to assist in summer monitoring efforts



# Discussion (cont.)

## – Supplemental Flow Release

- Provide additional flow releases in the future to help facilitate successful steelhead passage
- Supplemental flow releases could be used to augment existing flows to improve or extend the window for successful downstream migration of smolts and kelts or upstream migration of adults
- Supplemental flow releases a collaborative effort with decisions contingent on
  - Reservoir storage
  - Existing flows in the river (including lower Arroyo Seco)
  - Weather forecasts



## Discussion (cont.)

- Implementation of these measures does not exempt MCWRA from any take of listed species that may occur.
- NMFS recommends that MCWRA apply (to NMFS and US Fish and Wildlife Service) for a ESA section 10 (a)(1)(B) permit; a habitat conservation plan
  - Where ongoing dam O/M, and drought contingency plans could be exempted from ESA section 9 prohibitions





# Discussion (cont.)

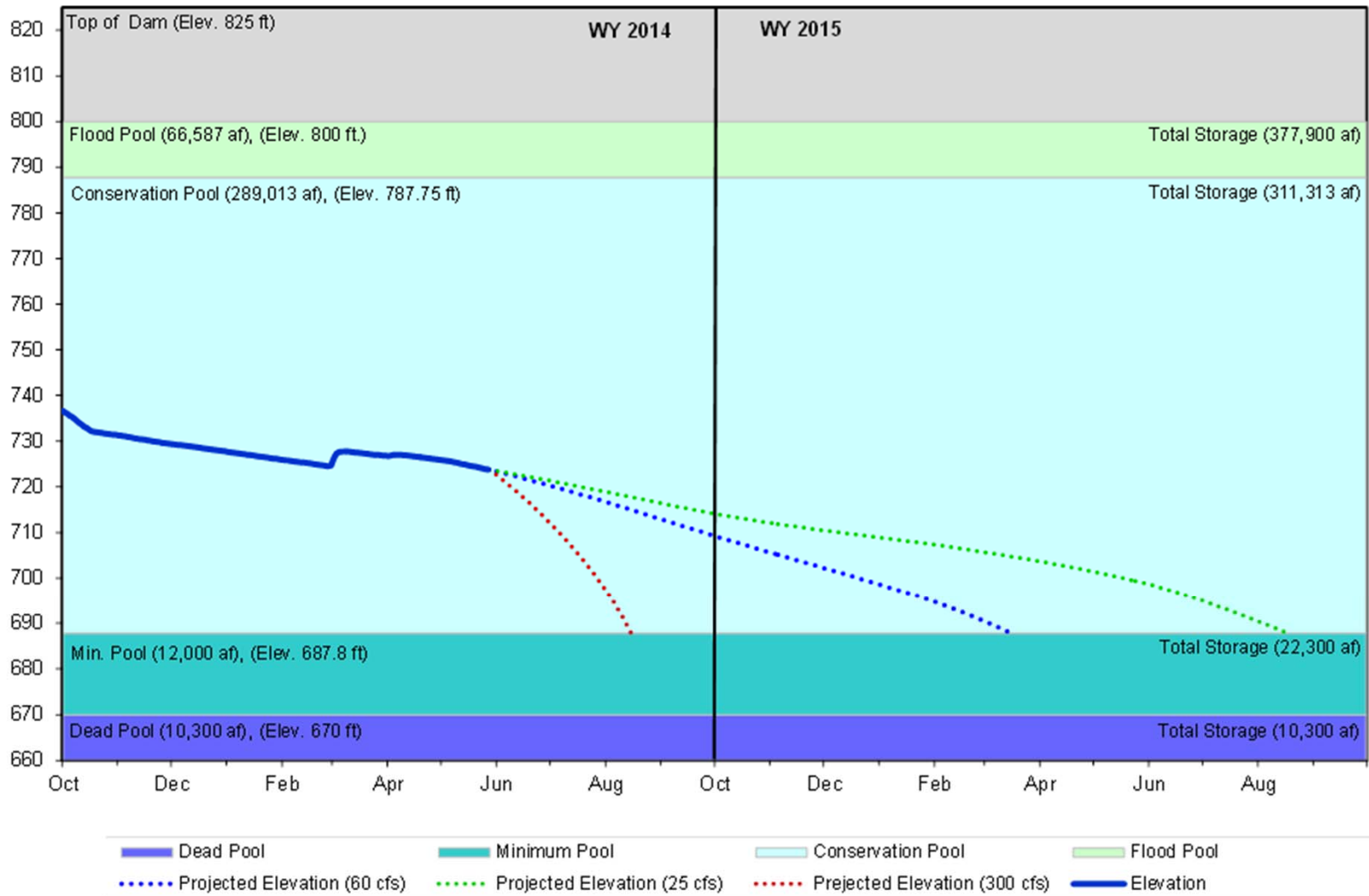
## Possible Release Options for Nacimiento Reservoir

1. Maximize Conservation Releases  
Minimum Pool by mid August 2014
2. Maintain 60 cfs Minimum Releases  
Minimum Pool by mid March 2015
3. Reduce Minimum Releases to 25 cfs  
Minimum Pool by mid August 2015



## Projected Nacimiento Reservoir Elevation

May 29, 2014 Projection





# Discussion (cont.)

## Possible Release Options for Nacimiento Reservoir

### Maximize Conservation Releases

- Minimum Pool by mid August 2014
- Potential Groundwater Recharge (36,000 Acre-Feet)
  - Upper Valley: 23,000 Acre-Feet
  - Forebay: 12,500 Acre-Feet
  - Pressure/East Side: 500 Acre-Feet
- Hydroelectric Revenue from Unit #1
  - Requires installation of Low Head Runner
- No Environmental Releases required by Agency once Minimum Pool is reached



# Discussion (cont.)

## Possible Release Options for Nacimiento Reservoir (cont.)

### Maintain 60 cfs Minimum Releases

- Minimum Pool by mid March 2015
- 16,000 Acre-Feet storage remaining in conservation pool on December 1<sup>st</sup>
- Hydroelectric Revenue from Unit #2
- No need to install Low Head Runner
- 10,000 Acre-Feet Groundwater Recharge
  - Upper Valley upstream of King City
- Environmental releases at least through March 2015



# Discussion (cont.)

## Possible Release Options for Nacimiento Reservoir (cont.)

### Reduce Minimum Releases to 25 cfs

- Minimum Pool by late August 2015
- 30,000 Acre-Feet storage remaining in conservation pool on December 1<sup>st</sup>
- Hydroelectric Revenue from Unit #2
- No need to install Low Head Runner
- No quantifiable Groundwater Recharge to Salinas River Groundwater Basin
- Environmental releases at least through August 2015



# TODAY'S ACTION

Receive an Update on Discussions with the National Marine Fisheries Service Regarding Reducing the Minimum Release Criterion from Nacimiento Reservoir from 60 cubic feet per second (cfs) to 25 cfs; and, Providing Direction to Staff.







# TODAY'S ACTION

Consider Recommending the Regional Advisory Committee's Conceptual Project Recommendation be Incorporated into the Notice of Preparation for Utilization of Water Rights Permit #11043.







# Committee Action

- The BMP Committee recommended approval of this item at their May 14, 2014 meeting



# Financial Impact

- None from this action
- There will be staff time expended on the development and release of the NOP



# Discussion

- Water Rights are Assets
- RAC was initiated in response to revocation
- SWRCB looking to revoke WR Permit #11043
  - Applied for in 1949
- Settlement Agreement with SWRCB was reached
  - Milestones put in place to guide process / progress



# Discussion (cont.)

- Milestones:
  - a) Submit a Petition for Extension – 60 days
  - b) NOP – July 2014
  - c) DEIR – July 2015
  - d) DRAFT Financing Plan – July 2016
  - e) Certify Project FEIR – July 2017
  - f) Applications to Regulatory Agencies – July 2018



# Discussion (cont.)

- Milestones (cont.):
  - g) Approve Financing Plan – July 2019
  - h) Finalize Construction Drawings – July 2020
  - i) Submit Project Financing Plan for Construction and Operation – July 2021
  - j) Obtain Final Regulatory Agency Permits – July 2023
  - k) Issue Notice to Proceed with Construction – July 2024
  - l) Complete Construction / Begin Diverting – July 2026



# Discussion (cont.)

- Priority to get NOP out by deadline
  - Staff working on the framework
  
- NOP Requirements
  - Initial Development of an Environmental Impact Report (EIR)
  - Definition:
    - A Notice of Preparation is a procedural device used to initiate interagency and public dialogue once the Lead Agency determines if an EIR will be necessary for a proposed project.



# Discussion (cont.)

- NOP Requirements (cont.)
  - An NOP will be sent to all Responsible Agencies, Trustee Agencies, the Office of Planning and Research and Federal agencies involved in approving or funding the project that an EIR will be prepared.
  
  - The State Clearinghouse will ensure that all involved agencies reply within 30 days of receipt of the NOP.



## Discussion (cont.)

- At a minimum the NOP shall contain sufficient information to make a meaningful response:
  - Description of the project;
  - Location of the project indicated on an attached map; and,
  - Probable environmental effects of the project.
  
- A range of reasonable alternatives, including a “No Project” alternative, that can feasibly attain the objectives of the project would be analyzed and mitigation measures developed in the EIR.





## Discussion (cont.)

- At a minimum, responses to the NOP should identify:
  - Significant environmental issues and reasonable alternatives and mitigation measures which the Responsible Agency will need to have explored in the draft EIR; and
  - Whether the agency will be a Responsible Agency or Trustee Agency for the project.



## Discussion (cont.)

- Each Responsible Agency must provide specific detail about:
  - Scope and content of the environmental information related to the Responsible Agency's area of statutory responsibility.
  - Responsible Agency may request one or more scoping meetings to assist and consult with the Lead Agency in determining the scope and content of environment information that maybe required.
  - The meeting must be scheduled as soon as possible but no later than 30 days of the request.



## Discussion (cont.)

- A public scoping meeting shall be noticed to any city or county within the project area, any responsible or public agency, and any organizations or individuals who have filed a written request.
- The Lead Agency may begin work on the draft EIR immediately without waiting for responses to the NOP but cannot circulate a draft EIR for public review.

Reference:

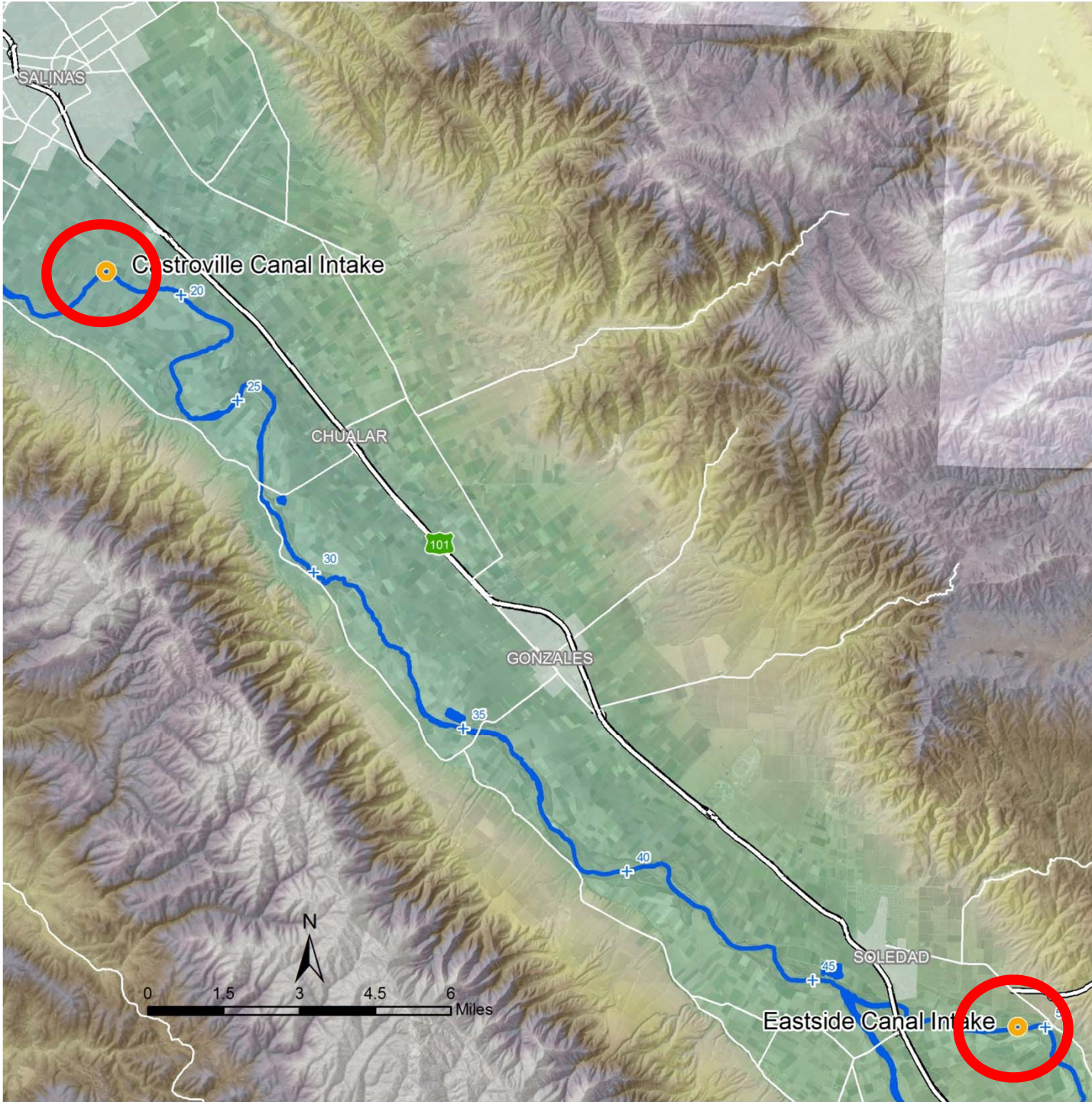
*Title 14. California Code of Regulations*, Chapter 3. Guidelines for Implementation of the California Environmental Act (CEQA)



## Discussion (cont.)

- Need to describe project being proposed...
- RAC worked diligently for over a year
- Provided a project for consideration
  - Project reflects “original context of Permit...”
- Reminder: the permit has two diversion points...

**Original  
Permit  
described  
two  
Diversion  
Points**





# Discussion (cont.)

- RAC Conceptual Project consists of:
  - **Extraction Facility at Diversion Point 1 (DP1)** (near the City of Soledad)
    - Diversion Facility / Ranney Collectors
  - **Conveyance Facility**
    - Pipeline –
      - Size (diameter)
      - Length (to be determined)
      - Destination (to be analyzed for most beneficial benefits)
      - Turnouts along the way (number and locations)
      - Layout – use County Right-Of-Way when possible
  - **Delivery Facility**
    - Location
    - Type of water – Ag and/or urban
    - Treatment method - Where and how would the water be treated? (NWP-type system)



# Discussion (cont.)

- RAC Conceptual Project (cont.)
  - **Extraction Facility at Diversion Point 2 (DP2)** (south of City of Salinas)
    - Diversion Facility / Ranney Collectors
  - **Conveyance Facility**
    - Pipeline –
      - Size (diameter)
      - Length (to be determined)
      - Destination (to be analyzed for most beneficial benefits)
      - Turnouts along the way (number and locations)
      - Layout – use County Right-Of-Way when possible
  - **Delivery Facility**
    - Location
    - Type of water – Ag and/or urban
    - Treatment method...



# Discussion (cont.)

- Possible Alternatives...
  - Add Storage to Permit
  - Move or Add a Diversion Point
  - Run processes in parallel to economize time
  - Evaluate giving up the Permit altogether





# Summary

- Water Rights are Assets
- Need to achieve milestones to retain Permit
- RAC has developed a conceptual project
  - Project reflects ‘original Permit context’
- Project needs to be analyzed / evaluated – EIR process



# TODAY'S ACTION

Recommend the Regional Advisory  
Committee's Conceptual Project  
Recommendation be Incorporated into  
the Notice of Preparation for Utilization of  
Water Rights Permit #11043.







# TODAY'S ACTION

Consider Recommending that the Monterey County Water Resources Agency Board of Supervisors Request the Monterey County Board of Supervisors to Enter Into an Agreement to Provide Funds to the Monterey County Water Resources Agency in the Amount of \$1,000,000 Annually for Three (3) Years to Prepare an Environmental Impact Report for Utilization of the Water Allocated to Water Rights Permit #11043.





# Committee Action

- None – this funding provision has been discussed at multiple BOD and WRA BOS meetings



# Prior BOD/BOS Action

- Jan 2013 – BOD approved Resolution 13-R01
- Feb 2013 – WRA BOS approved Resolution
  
- April 2014 –
  - 4/8: BOD and WRA BOS received an update on Permit activities and recommended staff make an ‘official’ request to County BOS
  - 4/28: BOD approved a resolution to request up to \$1M a year for 3 years from County BOS



# Financial Impact

- Positive Financial Impact:
  - Monies requested would come from County to augment Agency Budget for this effort



# Discussion

- Water Rights are Assets
- SWRCB looking to revoke WR Permit #11043
  - Applied for in 1949
- BOD and WRA BOS have directed staff to oppose revocation of WR Permit #11043
  - Resolutions





## Discussion (cont.)

- Currently, the Agency has Budget challenges...
- Paybacks / reimbursements need to occur to help make Agency whole
- If Agency were to reapply for WR Permit #11043, it would cost \$2.52M and it would be a junior right



## Discussion (cont.)

- Agency has put revocation into suspense with a Settlement Agreement with the SWRCB
- SA has come with some restrictions
- Agency needs to adhere to an aggressive schedule laid out in the SA



# Discussion (cont.)

- Milestones:
  - a) Submit a Petition for Extension – 60 days
  - b) NOP – July 2014
  - c) DEIR – July 2015
  - d) DRAFT Financing Plan – July 2016
  - e) Certify Project FEIR – July 2017
  - f) Applications to Regulatory Agencies – July 2018



# Discussion (cont.)

- Milestones (cont.):
  - g) Approve Financing Plan – July 2019
  - h) Finalize Construction Drawings – July 2020
  - i) Submit Project Financing Plan for Construction and Operation – July 2021
  - j) Obtain Final Regulatory Agency Permits – July 2023
  - k) Issue Notice to Proceed with Construction – July 2024
  - l) Complete Construction / Begin Diverting – July 2026



## Discussion (cont.)

- Staff is preparing the NOP
  - Continue developing frame of document
  - Add description of proposed project
- NOP is initial step in EIR process
- No \$\$ in FY 2014-15 Budget for EIR development

# Process for 11043

## Project Identification & Evaluation

- RAC
- BMP
- BOD/BOS

**NOP - July 2014**

## EIR Work

- Alternatives
- Analyses
- Studies

**Preferred Project - July 2015**

## Financing Plan/Options

- Research
- Propose
- Develop Committee

**Financing Plan (Draft) - July 2016**

**Final EIR - July 2017**

**Regulatory Agency Permit Applications Begin: July 2018**

- 404: Federal
- 401: State
- NOAA Fisheries
- USF&W
- Cal F&W

**Get Permits by July - 2023**



# Discussion (cont.)

- Need to request resources from County BOS
  
- Request monies for:
  - EIR development
  - Financing Plan development
  - Staff person to manage project

Task Category	Year	Estimated Cost
Task 1 – Purpose / Need / Objectives - Project Description and Alternatives	1	\$ 50,000
Task 2 – Public Scoping Meeting	1	\$ 11,000
Task 3 – Technical Analyses Multiple Analyses Technical Memorandum Model Development Model Report	1 – 2	\$ 1,300,000
Task 4 – Administrative Draft EIR	1 – 2	\$ 350,000
Task 5 – Draft EIR	1 – 2	\$ 75,000
Task 6 – Biological Assessment (if necessary)	2 or 3	\$ 50,000
Task 7 – Public Hearing	2 or 3	\$ 12,000
Task 8 – Responses to Comments	3	\$ 50,000
Task 9 – Final EIR	3	\$ 35,000
Task 10 – Record of Decision	3	\$ 5,000
Task 11 – Project Management (8%)	1 – 3	\$ 212,000
Subtotal (estimated):		\$ 2,150,000
Legal Expenses (estimated total)	1 – 3	\$ 500,000

- Financing Plan - \$ 50,000
- Contract Employee –
- \$100,000/yr / 3yrs
- **Total Estimated Costs –**  
**\$3,000,000 over 3 years**





# Summary

- Water Rights are an asset
- No Agency resources to develop Project EIR
- BOD and WRA BOS have directed staff to ask County for resources
- Request is for \$3,000,000 over 3 years (includes staff person)



# TODAY'S ACTION

Recommend that the Monterey County Water Resources Agency Board of Supervisors Request the Monterey County Board of Supervisors to Enter Into an Agreement to Provide Funds to the Monterey County Water Resources Agency in the Amount of \$1,000,000 Annually for Three (3) Years to Prepare an Environmental Impact Report for Utilization of the Water Allocated to Water Rights Permit #11043.







# TODAY'S ACTION

Consider Recommending that the Monterey County Water Resources Agency Board of Supervisors Request the Monterey County Board of Supervisors to Enter Into an Agreement to Provide Funds to the Monterey County Water Resources Agency in the Amount of \$1,500,000 Annually for Five (5) Years to: 1) Perform Salinas River Stream Maintenance Activities; and, 2) Prepare Environmental Documentation for the Development of the Salinas River Management Program.





# Committee Action

- None – this funding provision has been discussed at multiple BOD and WRA BOS meetings



# Prior BOD/BOS Action

- Nov 2012 – BOD and Agency Strategic Planning Workshop – need for paradigm shift identified
- Sep 2013 – BOD directed staff to work with stakeholders to modify SRSMP project
- April 2014 –
  - 4/8: BOD and Agency BOS received an update on channel activities and recommended staff make an ‘official’ request to County BOS
  - 4/28: BOD approved a resolution to request up to \$1.5M a year for five years from County BOS



# Financial Impact

- Positive Financial Impact:
  - Monies requested would come from County to augment Agency Budget for this effort



# Discussion

- There is a potential for flooding on the Salinas River due to lack of channel maintenance since 2008
- After 1995 flooding disaster, Agency applied for and received Regional Master Permits
- Channel maintenance was performed from 1997 to 2008
- Agency's attempt to renew permit was denied – development of an EIR was necessary





## Discussion (cont.)

- Has taken 3+ years to get EIR this far in process
- Attempt to certify EIR in September 2013 was met with opposition
- Stakeholder group developed and has been working together to develop solution
- Short-term actions to move forward are in place



## Discussion (cont.)

- What needs to happen this season:
  - Refine / revise current EIR
  - MCWRA BOD / BOS needs to certify EIR
  - MCWRA applies to Regulatory Agencies
    - Project Description continues to be refined
  
  - Regulatory Agency processes begin – can be time consuming
  
  - Help from Legislators may be necessary



# Discussion (cont.)

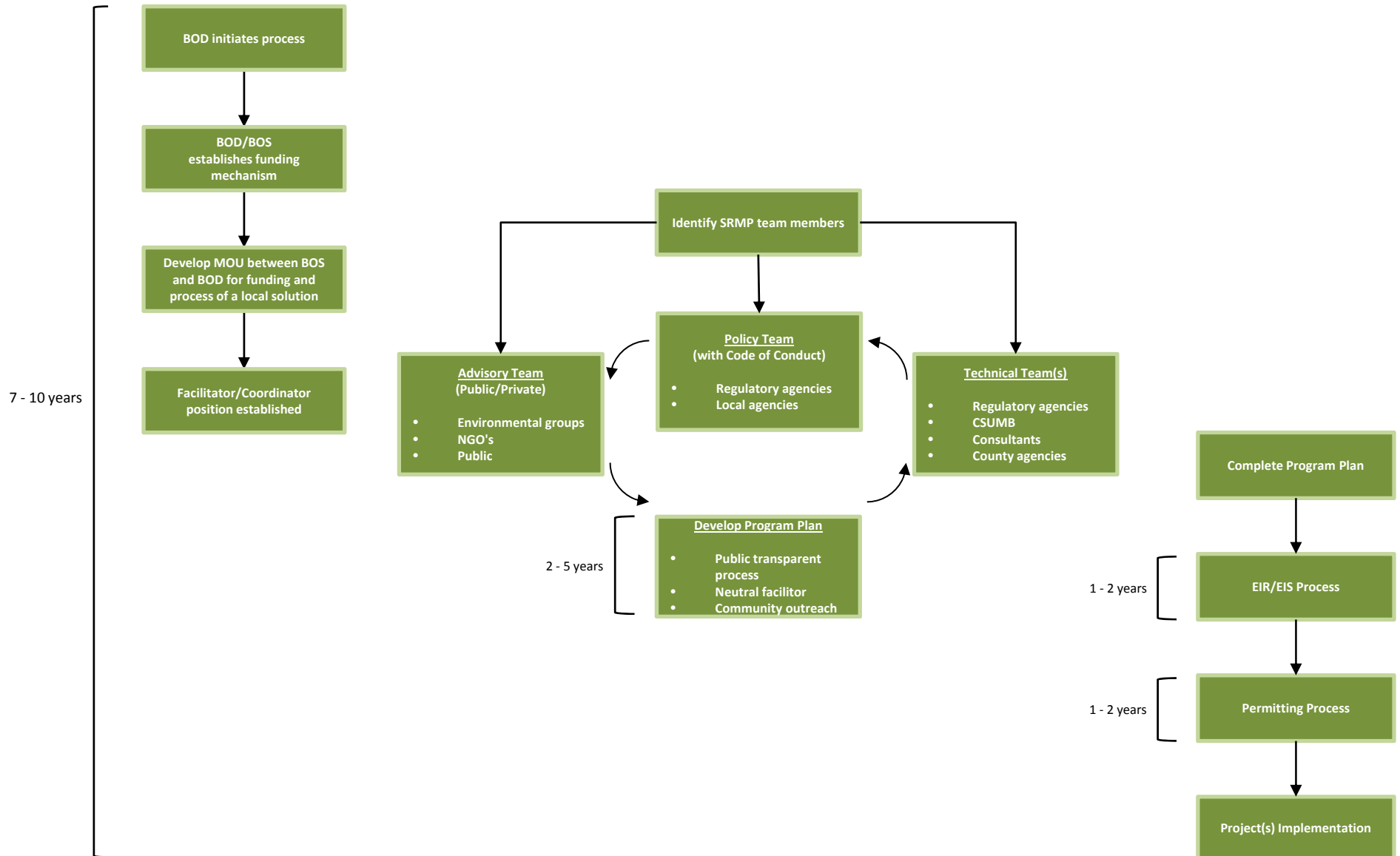
- Regulatory Agency Processes
  - Complicated
  - Can be lengthy
  - Legislative help was offered in March 2014
- Ag group meeting with CCRWQCB
  - Trash and Invasive Species
- MCWRA directed to meet with regulators
  - Conference call – April 10
  - Meeting – April 24



## Discussion (cont.)

- Currently, the Agency has Budget challenges...
- Paybacks / reimbursements need to occur to help make Agency whole
- Regulatory Agencies want a more 'holistic' approach to channel maintenance
- Meanwhile, channel maintenance needs to occur

# Salinas River Management Program (SRMP)



Task Category	Year	Estimated Cost
Task 1 – Purpose / Need / Objectives - Project Description and Alternatives	1	\$ 50,000
Task 2 – Public Scoping Meetings (facilitated)	1 - 2	\$ 33,000
Task 3 – Technical Analyses Multiple Analyses Technical Memorandum Model Development Model Report	1 - 3	\$ 2,500,000
Task 4 – Administrative Draft EIR	3 – 4	\$ 350,000
Task 5 – Draft EIR	3 – 4	\$ 75,000
Task 6 – Biological Assessment (if necessary)	4 or 5	\$ 50,000
Task 7 – Public Hearing	4 or 5	\$ 12,000
Task 8 – Reponses to Comments	4 or 5	\$ 90,000
Task 9 – Final EIR	5	\$ 35,000
Task 10 – Record of Decision	5	\$ 5,000
Task 11 – Project Management (8%)	1 – 5	\$ 300,000
<b>Subtotal (estimated):</b>		<b>\$ 3,500,000</b>
<b>Legal Expenses (estimated total)</b>	<b>1 – 5</b>	<b>\$ 1,000,000</b>

- Contract Employee –
- \$100,000/yr / 5yrs
- SRSMP work –
- \$500,000/yr /5yrs
- **Total Estimated Costs –**  
**\$7,500,000 over 5 years**



# Discussion (cont.)

- Long-term strategy
  - Moving from Channel Maintenance to River Management
  
- Need funding for professional facilitation and CSUMB
  - MIG and CSUMB
    - Ag Business School – Resource Management Degree
  
  - Group will develop White Paper from historic Channel Maintenance efforts
  
  - Local Elected Officials are interested in utilizing CSUMB



# Discussion (cont.)

## ■ Resources

### – \$\$\$

- Stream Maintenance Program needs additional resources
- River Management Program – critical to future of SMP efforts, \$\$\$ not in proposed FY 2014-15 Budget
- Estimate: \$1.5M per year / 5 years
  - SRSMP (short-term) efforts - \$0.5M / yr
  - SRMP (long-term) CEQA-related work - \$1M / yr
  - Includes contracted person to manage





## Discussion (cont.)

- Next step is to recommend the Agency BOS ask the County BOS for the resources
- Potential litigation against Agency / County could occur if progress is not made on both the short-term and long-term programs...



# Summary

- MCWRA has been working diligently to get SRSMP efforts completed this season
- Flooding in near future could result in litigation
- Short-term and Long-term strategies are in place
- Need resources, sustainable funding and continued public support to be successful



# TODAY'S ACTION

Recommend that the Monterey County Water Resources Agency Board of Supervisors Request the Monterey County Board of Supervisors to Enter Into an Agreement to Provide Funds to the Monterey County Water Resources Agency in the Amount of \$1,500,000 Annually for Five (5) Years to: 1) Perform Salinas River Stream Maintenance Activities; and, 2) Prepare Environmental Documentation for the Development of the Salinas River Management Program.

