MONTEREY COUNTY WATER RESOURCES AGENCY
BOARD OF DIRECTORS
PLANNING COMMITTEE – SPECIAL MEETING

COMMITTEE MEMBERS

Deidre Sullivan, Chair
Ken Ekelund
John Huerta

TIME: **2:30 p.m.** **PLEASE NOTE TIME CHANGE**
DATE: Wednesday, March 18, 2015
PLACE: Monterey County Water Resources Agency
Board Room
893 Blanco Circle
Salinas, CA 93901
(831) 755-4860

A G E N D A

1. **CALL TO ORDER**

2. **PUBLIC COMMENT**
(Limited to three (3) minutes per speaker on matters within the jurisdiction of the Agency not listed on this agenda. The public will have the opportunity to ask questions and make statements on agenda items as the Committee considers them.)

3. **APPROVE THE MINUTES OF THE PLANNING COMMITTEE MEETING HELD ON FEBRUARY 18, 2015.**
The Committee will consider approval of the minutes of the above-mentioned meeting.

4. **CONSIDER RECEIVING A REPORT ON POTENTIAL GRANT OPPORTUNITIES FOR THE MONTEREY COUNTY WATER RESOURCES AGENCY.**
Elizabeth Krafft, Water Resources Senior Hydrologist, will present this item to the Committee.

5. **CONSIDER RECEIVING A REPORT ON A COMPREHENSIVE APPROACH TO SALINAS VALLEY GROUNDWATER BASIN SUSTAINABILITY.**
Robert Johnson, Acting Assistant General Manager, will present this item to the Committee.

6. **SET NEXT MEETING DATE AND DISCUSS FUTURE AGENDA ITEMS.**
The Committee will discuss and determine details for its next meeting.

7. **ADJOURNMENT**

MONTEREY COUNTY WATER RESOURCES AGENCY
BOARD OF DIRECTORS
PLANNING COMMITTEE

Deidre Sullivan, Chair
Ken Ekelund

John Huerta

TIME: 10:00 a.m.
DATE: Wednesday, February 18, 2015
PLACE: Monterey County Water Resources Agency
893 Blanco Circle
Salinas, CA 93901
(831) 755-4860

MINUTES

Call to Order @ 10:05 a.m. by Committee Chair Deidre Sullivan.

Members present: Directors Deidre Sullivan, Ken Ekelund
Members absent: John Huerta

A quorum was established.

2. **Public Comment** – None.

3. **Approve the Minutes of the Planning Committee meeting held on October 15, 2014.**

Committee Action: Upon Motion and Second of Committee Members Ken Ekelund and Deidre Sullivan respectively, the Committee approved the October 15, 2014 Minutes.

4. **Consider receiving a report on implementing direction provided by the Monterey County Water Resources Agency Board of Directors, Monterey County Water Resources Agency Board of Supervisors and Monterey County Board of Supervisors regarding a comprehensive approach to conditions in the Salinas Valley groundwater basin; and, providing direction to staff.**

David Chardavoyne, General Manager, presented this matter to the Committee, noting the report discusses past and present groundwater sustainability initiatives and the process underway to establish a Groundwater Sustainability Agency (GSA). The Water Resources Agency has been directed to integrate the Agency's Groundwater Management Strategy to account for capital projects; groundwater monitoring protocols; permitting; public outreach and engagement, and a sustainable financing strategy to implement the entire program – and this is a real challenge.

The Nacimiento and San Antonio Reservoirs, Recycling Projects and the Salinas Valley Water Project provide the foundation for establishing sustainability in the Salinas Valley. A Proposed Comprehensive Salinas Valley Groundwater Basin Sustainability Framework has been developed. The Groundwater Management Strategy consists of a series of Projects to build from established foundations, including the Interlake Connection and Regional Water Conservation Project; Source Water Development and Water Recycling Project; Salinas River Management Program and Water Rights Permit #11043 utilization.

The Committee commented on the capital constraints placed on the Agency's budget; and, the need for a viable public process. It was suggested that a steering committee be created to assist in this process to help make decisions regarding the GSA. The Committee recommended that Staff develop a flowchart including all Agency projects to better manage activities and timelines. Committee members emphasized the importance of good communication of goals and principles that guide the Agency.

Committee Action: Upon Motion and Second of Committee Members Ken Ekelund and Deidre Sullivan respectively, the Committee received the report.

5. Set next meeting date and discuss future agenda items.

The next Planning Committee meeting will be on March 18, 2015 at 10:00 a.m. The Committee would like to continue the discussion of the Groundwater Management Strategy.

Submitted by Alice Henault

Approved on

MONTEREY COUNTY WATER RESOURCES AGENCY
BOARD OF DIRECTORS – PLANNING COMMITTEE

MEETING DATE:	March 18, 2015		**AGENDA ITEM:**
AGENDA TITLE:	Consider receiving a report on potential grant opportunities for the Monterey County Water Resources Agency		
Consent ( )	**Action ( )**	**Information (X)**	
SUBMITTED BY: **PHONE:**	Robert Johnson (831) 755.4860	**PREPARED BY:** **PHONE:**	Robert Johnson (831) 755.4860
DEADLINE FOR BOARD ACTION:		March 23, 2015	

RECOMMENDED BOARD ACTION:

Receive a report on potential grant opportunities for the Monterey County Water Resources Agency.

SUMMARY:

In the past the Agency has utilized grant monies to develop and complete important investigations, monitoring efforts, and capital projects. The report to the committee will focus on the current grant landscape, and provide insight into current and future grant opportunities.

DISCUSSION:

The Agency (and predecessor District) have utilized grant monies on numerous occasions to develop and complete investigations in the Salinas Valley (nitrates, seawater intrusion, and well head protection), perform monitoring tasks (well network redesign, dedicated monitoring well construction and fish monitoring efforts), as well as build capital projects (CSIP/SVRP, and SVWP).

With the current financial status of the Agency, if there are grant opportunities that would be advantageous to apply for, the Agency should evaluate participating in those opportunities; though that participation will have to be weighed against other priority projects or programs Agency staff is already working on. At the committee meeting, a listing of grant opportunities, and where available, grant application timings will be presented for the committee to evaluate and provide recommendations to the full Board of Directors regarding a possible strategy to apply for specific grant opportunities.

OTHER AGENCY INVOLVEMENT:

The CAO's office has provided assistance in the development of information for the report to the committee.

FINANCING:

The financial impact from grant application efforts is unknown at this time since it is not know which grants the Agency will apply for, and each grant opportunity has a different financial commitment for the application process.

FINANCIAL IMPACT:	**YES ( ) UNKNOWN NO ( )**
FUNDING SOURCE:	TBD
COMMITTEE REVIEW AND RECOMMENDATION:	
ATTACHMENTS:	
APPROVED:	**General Manager Date**

MONTEREY COUNTY WATER RESOURCES AGENCY
BOARD OF DIRECTORS – PLANNING COMMITTEE

MEETING DATE:	March 18, 2015		**AGENDA ITEM:**
AGENDA TITLE:	Consider receiving a report on a comprehensive approach to Salinas Valley Groundwater Basin sustainability		
	Consent ( ) **Action ( )** **Information (X)**		
SUBMITTED BY: **PHONE:**	Robert Johnson (831) 755.4860	**PREPARED BY:** **PHONE:**	Robert Johnson (831) 755.4860
DEADLINE FOR BOARD ACTION:		March 23, 2015	

RECOMMENDED BOARD ACTION:

Receive a report on a comprehensive approach to Salinas Valley Groundwater Basin sustainability.

SUMMARY:

On January 1, 2015, the Governor signed into effect the "Sustainable Groundwater Management Act" (SGMA). SGMA provides a new paradigm for groundwater management in California. Using the SGMA as a catalyst, projects the Agency has been working on can be placed under a "sustainability umbrella", allowing the opportunity to show how these projects can work in concert to provide sustainability to the Salinas Valley Groundwater Basin (Basin).

DISCUSSION:

The Agency (and predecessor District) has been working on water solutions since its inception in 1947. Physical solutions have been put in place to help bring the Basin into hydrologic balance. First was capturing and releasing water utilizing Nacimiento and San Antonio dams and reservoirs. Second, was the study of and eventual use of recycled water on raw vegetable crops by the Castroville Seawater Intrusion Project and Salinas Valley Reclamation Project. Third was the Salinas Valley Water Project (SVWP), which provided a mechanism to store additional water in Nacimiento during the winter months and provide that water to the seawater-intruded area through the use of existing infrastructure and a newly-constructed diversion facility. These projects provide a sustainability foundation, upon which future projects can be built to ensure basin sustainability, as well as the sustainability of local economies, the environment, and the population.

With the SGMA now in place, the Agency has utilized this opportunity to look at the projects currently being worked on and evaluate a new approach to the entire package. This has resulted in a "Comprehensive Approach to Salinas Valley Groundwater Basin Sustainability" (attached to this report) that could be utilized as a framework to implement these projects in an effective, complementary way.

The comprehensive approach utilizes the paradigm of providing additional water through capital projects, versus looking at reductions or cutbacks to current pumping practices. Again, it is about maintaining and improving the sustainability of all the economies in the Salinas Valley and Monterey County.

OTHER AGENCY INVOLVEMENT:

At this time there has not been other agency involvement; however with the establishment of the Groundwater Sustainability Agency (whatever the configuration), there will be additional entities involved.

FINANCING:

The financial impact from implementing this comprehensive approach is unknown at this time. There are a number of factors that will need to be evaluated before a final cost is developed.

FINANCIAL IMPACT:	**YES ( ) UNKNOWN NO ( )**
FUNDING SOURCE:	TBD
COMMITTEE REVIEW AND RECOMMENDATION:	
ATTACHMENTS:	1. Comprehensive Salinas Valley Basin Sustainability Approach
APPROVED:	**General Manager Date**

COMPREHENSIVE SALINAS VALLEY BASIN SUSTAINABILITY APPROACH

FOR HALTING SEAWATER INTRUSION IN THE SALINAS VALLEY GROUNDWATER BASIN

The Salinas Valley in Monterey County is one of the most productive agricultural regions in the world. Revenue from the agricultural industry provides over $4 billion annually to the State's economy. Water is critical to the success of agriculture, with groundwater being the majority of water utilized. Seawater intrusion (SWI) was identified in the Salinas Valley in the 1930's, with the State Department of Public Works (predecessor to Department of Water Resources) preparing a study of the Salinas Valley in 1946. That study, "Bulletin 52", provided a strategy to stop SWI in the Salinas Valley. That strategy entails a three-prong approach that involves:

- Develop a new water source;
- Move new water to the coast; and,
- Stop pumping at the coast.

The Monterey County Water Resources Agency (Agency) and its predecessor, the Monterey County Flood Control and Water Conservation District have been using the strategy put forth in Bulletin 52 as a guide for project development and implementation. To date, the following projects have been constructed and implemented:

- New water source – Nacimiento and San Antonio Reservoirs;
- Move water to coast – Salinas Valley Water Project (SVWP); and,
- Stop pumping at the coast – Castroville Seawater Intrusion Project and the Salinas Valley Reclamation Project, jointly referred to as the "Monterey County Water Recycling Projects"

Nacimiento and San Antonio Reservoirs were constructed in 1957 and 1967 respectively. The Salinas Valley Reclamation Project and the Castroville Seawater Intrusion Project (CSIP) were completed around 1998; and these projects, in conjunction with the Salinas Valley Water Project (SVWP) that was completed and operating in 2010, have reduced the pace of seawater intrusion in the 180-Foot and 400-Foot aquifers. However, the goal of halting seawater intrusion, as envisioned in Bulletin 52, has yet to be achieved, much less achieving a reversal in the advancement of seawater intrusion.

The Agency has developed this comprehensive approach to present a suite of projects that comprise the final comprehensive solution; however they will take time to implement. These projects are interrelated and when fully implemented, could cumulatively result in the additional water necessary to halt seawater intrusion[1] and achieve sustainability in the Salinas Valley Basin (Basin):

1. Source Water Development and Water Recycling Project – 9,000 acre-feet (CSIP Expansion);
2. Interlake Connection and Regional Water Conservation Project – 20,000 acre-feet; 60,000 acre-feet additional storage spillway modifications at San Antonio (Interlake Tunnel and Spillway Modification);
3. Permit 11043 Utilization – amount of water to be determined; and,
4. Salinas River Management Program – removal of river channel vegetation that is currently using at least 40,000 acre-feet of water annually.

[1]Source: GeoScience Technical Memorandum

These projects, in conjunction with projects already in place in the Salinas Valley, will provide the water necessary to halt SWI. Moreover, they will meet the requirements of the Sustainable Groundwater Management Act (SGMA) without requiring cutbacks in groundwater pumping.

Source Water Development and Water Recycling Project

Proposed Project:

- Parties will work together jointly to develop multiple source waters to expand CSIP and create a supply of water for the Peninsula's Groundwater Replenishment Project.
- Phase I would deliver 5,292 acre-feet per year to the Growers and 4,320 acre-feet per year to the Peninsula by 2017 to allow for a reduced-size desalination plant.
- Sources include agricultural wash water from Salinas industrial ponds, Salinas stormwater, Reclamation Ditch, Tembladero Slough, Blanco Drain and Monterey stormwater.
- Commitment to work on Phase II by 2025 for CSIP activities only, equally another 3,754 acre-feet.

Current Status:

Monterey Regional Water Pollution Control Agency, City of Salinas, Monterey Peninsula Water Management District, Marina Coast Water District and Monterey County Water Resources Agency ("Parties") have negotiated a Memorandum of Understanding, dated October 8, 2014, for implementation of the Project.

Agency filed for water rights with the State Water Resources Control Board on April 9, 2014. Filing encompasses water from the Tembladero Slough, Reclamation Ditch and Blanco Drain.

Next Steps:

- Negotiate a Definitive Agreement or combination of agreements to implement the Project.

Interlake Connection and Regional Water Conservation Project

Proposed Project:

Also known as the Interlake Tunnel Project, this project has been a top regional priority originally identified in a July 1991 Boyle Engineering report entitled *Monterey County Water Capital Facilities Plan*. In addition to increasing water quantity for drought protection in the region, the Project will provide additional flood control benefits, due to the slow fill rate at San Antonio Reservoir.

The project consists of an 12,000-foot long, 10-foot diameter tunnel with a location in Monterey and San Luis Obispo counties connecting the Nacimiento and San Antonio reservoirs located in the Salinas Watershed HUC 1806005, plus spillway modifications to add 60,000 acre-feet of storage in San Antonio Reservoir.

Benefits include an increase in total controlled releases, modeled at an annual average of 20,686 acre-feet/year, as well as a 60% reduction in the number of spill events, which equates to a 52% reduction in annual average flood volume from the reservoirs.

The current multi-year drought has resulted in limited flow in the Salinas River which has caused a sense of urgency around the Project and the fact that it should be constructed as soon as feasibly possible.

Current Status:

This $63 million Project was authorized by the Board of Directors and Agency Board of Supervisors on June 3, 2014, and $3,000,000 has been pledged by the County Board of Supervisors for program management, preliminary engineering and the following scopes of services:

The design scope of services with the following objectives:

1) Perform design consulting services to produce preliminary design documents to 75% design, and contract bidding documents for the procurement of Design/Build services for the Interlake Tunnel Project in compliance with California Assembly Bill 155.
2) Prepare design and contract bidding documents for the design-bid-build delivery of the San Antonio Spillway Modification Project.
3) Prepare technical documents to support the draft and final environmental documents and regulatory approval for the Projects.
4) Prepare an Engineer's Report and detailed capital and operating cost estimates for the Projects to support a California Proposition 218 tax assessment financing plan.
5) Design the Projects within the capital cost constraints established for each project.

The environmental compliance services scope with the following objectives:

1) Obtain the environmental clearance for the Projects through the California Environmental Quality Act (CEQA) process, and if applicable, the National Environmental Protection Act (NEPA).
2) Obtain permits and approvals for construction of the Projects from responsible governing authorities.

Next Steps:

- Proceed with requesting any changes to water rights;
- Proceed with Request for Proposals for preliminary geotechnical investigations and design;
- Proceed with Request for Proposals for environmental consulting services;
- Obtain financing through grants and a 218 process; and,
- Issue a Request for Proposal for design-build services for the design completion and construction.

Permit 11043 Utilization

Proposed Project:

Water Rights of 135,000 acre-feet on an intermittent basis is a critical piece of the Agency's solution to seawater intrusion. Pursuant to a July 2013 Settlement Agreement between the Agency and the State Water Resources Control Board, the Agency filed a Notice of Preparation (NOP) of an Environmental Impact Report for a project to utilize this water that is currently not being utilized.

Current Status:

The Agency, to get to the NOP and Environmental Impact Report (EIR) for a project, went through a series of stakeholder meetings (Regional Advisory Committee) to gain insight and input from the public on how to utilize the water allocated to Water Rights Permit #11043. The NOP did not describe a specific project, though it did describe elements of a project that would need to be analyzed.

As part of the comments on the NOP, alternate projects were proposed to utilize the Water Rights Permit #11043 water. The variability of these alternative projects ranges from projects with similar configurations to projects proposed in the 1960s, to a project that proposes a pipeline from the reservoirs to the north end of the Salinas Valley. The EIR process will evaluate alternative projects and determine the preferred project for utilization of this water.

Next Steps:

- Obtain an extension of Environmental Impact Report due dates;
- Develop alternative project options;
- Prepare an Environmental Impact Report; and,
- Develop scope of work for consultant to determine answers to question about amount and timing of available water.

Salinas River Management Program

Proposed Project:

It is estimated that there is approximately 40,000 to 60,000 acre-feet of water annually evapotranspired from non-native invasive vegetation in the Salinas River. This is water that could be utilized for aquifer recharge into the groundwater basin, thus helping combat SWI. Removing overgrown vegetation from the river channel also mitigates flooding damage potential. Maintenance activities occurred from 1997-2008 and in 2014.

Current Status:

The Agency manages the program which allows individual property owners to remove vegetation and sediment from portions of the Salinas River Channel, since after the devastating 1995 floods. When the USACE RGP five-year permit expired in 2008, regulators required a new approach to the program.

A new multi-objective approach was developed which joins participants together in a cohesive fashion, forming River Management Units (RMUs), to manage stream maintenance efforts for specific stretches of the river. This program is thought to last about five years, with the Salinas River Management Program building on the success of the RMUs.

The Salinas River Management Program is planned to change the paradigm from Stream Maintenance to River Management. The program is designed to provide a holistic approach to river management for the Salinas River, involving a number of stakeholders and interest groups to come up with a plan and

program that is built upon consensus. This program is thought to take roughly seven to ten years to develop and implement.

Next Steps:

- Develop strategy to implement Program, including the updating of the Lagoon Management and Enhancement Plan;
- Develop a funding strategy for the Program;
- Develop roles and responsibilities for Agency and County Staffs, as well as local, state and federal elected officials, and include responsible resource agencies;
- Consider utilizing professional facilitation to develop the Program; and,
- Keep legislative options open.

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The measurement of the success of the above interrelated projects as each is completed will be through use of a model developed by the Agency, with the foundational work being developed through a Salinas River Groundwater Basin (SRGB) Investigation by the County resulting from a General Plan lawsuit settlement. This SRGB Investigation which commenced July 1, 2014 is divided into two parts:

- Part 1. A near-term assessment of the health and status of Zone 2C of the SRGB (in accordance with County Board of Supervisors (BOS) Referral No. 2014.01). This evaluation concluded that the SRGB is currently out of balance by 17,000 to 24,000 acre-feet/year.

- Part 2. A five-year study of Zone 2C of the SRGB. This will assess the ability of the SRGB to provide a sustainable water supply for projected 2030 land use, as defined in the 2010 General Plan.

Summary:

The Agency is presenting this comprehensive solution to basin sustainability, showing that there are a number of components necessary to complete the final comprehensive solution; however, it will take time to implement. This document identifies the pieces of a comprehensive basin sustainability approach that the Agency is considering.