

**MONTEREY COUNTY WATER RESOURCES AGENCY
BOARD OF DIRECTORS
PLANNING COMMITTEE**

COMMITTEE MEMBERS

Deidre Sullivan, Chair
Ken Ekelund

John Huerta

TIME: 10:00 a.m.
DATE: Wednesday, June 18, 2014
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 APRIL 9, 2014.**
The Committee will consider approval of the minutes of the above-mentioned meeting.
4. **REVIEW PLANNING COMMITTEE RESPONSIBILITIES.**
David Chardavoyne, General Manager, will lead the discussion on developing the Planning Committee's areas of responsibility.
5. **REVIEW AGENCY CRITICAL, ROUTINE AND ESSENTIAL PROJECTS.**
David Chardavoyne, General Manager, will review the above-listed Agency Projects.
6. **CONSIDER RECOMMENDING THAT THE FULL BOARD APPROVE AND AUTHORIZE THE GENERAL MANAGER TO EXECUTE A PRODUCE WASH WATER UTILIZATION AGREEMENT, SUBSTANTIALLY IN THE FORM ATTACHED.**
David Chardavoyne, General Manager, will present to the Committee information related to the Produce Wash Water Utilization Agreement.
7. **SET NEXT MEETING DATE AND DISCUSS FUTURE AGENDA ITEMS.**
The Committee will discuss and determine details for its next meeting.
8. **ADJOURNMENT**

**MONTEREY COUNTY WATER RESOURCES AGENCY
BOARD OF DIRECTORS
PLANNING COMMITTEE**

Diedre Sullivan, Chair
Ken Ekelund

John Huerta

TIME: 10:00 a.m.
DATE: Wednesday, April 9, 2014
PLACE: Monterey County Water Resources Agency
893 Blanco Circle
Salinas, CA 93901
(831) 755-4860

MINUTES

1. CALL TO ORDER @ 10:00 a.m. by Committee Member Ken Ekelund.

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

A quorum was established.

2. PUBLIC COMMENT

None.

3. APPROVE THE MINUTES OF THE PLANNING COMMITTEE MEETING HELD ON AUGUST 14, 2013

At the time the Minutes were taken for the August 14, 2013 meeting, Mr. John Huerta was not a member of the Committee. Because Committee Chair Sullivan was absent at the April 9, 2014 Committee meeting, the remaining members agreed to certify the Minutes for August 14, 2013.

COMMITTEE ACTION: The Committee agreed to certify the Planning Committee Minutes for August 14, 2013.

4. DISCUSS DEVELOPMENT OF AREAS OF RESPONSIBILITY FOR THE PLANNING COMMITTEE.

David Chardavoyne, General Manager, led the discussion on developing the Planning Committee's areas of responsibility. He began by asking the Committee "what should be the responsibility of the Planning Committee" and noted that the Committee appeared to lack a mission. He asked that the Committee develop some ideas and then refine them at the next Committee meeting.

Some of the suggested responsibilities are:

1. CAMP – Capital Asset Management Program – review assets and establish priorities, review and/or create replacement plans, determine how to deal with deferred maintenance, establish plans for reserves
2. Strategic Planning – Develop Agenda
3. Channel Maintenance Program – short term
4. River Management – long term
5. Flood Plain Management
6. Office move – requires attention soon.
7. IRWMP
8. Grants

These suggested responsibilities will be brought back to the Planning Committee at the next meeting in May for further discussion and refinement.

5. REVIEW THE US ARMY CORPS OF ENGINEER'S PROPOSED FEASIBILITY STUDY CONTRACT; AND, DEVELOP RECOMMENDATIONS FOR THE FULL BOARD OF DIRECTORS.

Manuel Quezada, Senior Engineer, led the discussion on the Feasibility Study Contract proposed by the Corps of Engineers. He noted that in 2007, Monterey County and Santa Cruz County Flood Control and Water Conservation District, as Non-Federal Sponsors (NFS), entered into a design agreement with U.S. Army Corps of Engineers (Corps) to cost-share the project at 75% to 25%. At the time of the agreement, the total design costs were estimated at \$10,800,000 of which \$2,700,000 represented NFS 25% match. NFS were awarded grant funding from the State of DWR through Propositions 1E and 50 which were applied towards NFS' match. By the end of this year, the NFS will have contributed a total of \$2,688,000.

A National Economic Development (NED) project was developed establishing a federal interest to participate in the project and a benefit cost ratio used to prioritize Federal funding for projects. NFS believed the economic analysis was deficient and the level of flood protection provided inadequate. A number of locally preferred project alternatives were analyzed for the purpose of addressing these concerns and developing a more competitive benefit cost ratio. The remaining grant amounts will be expended by September 2014. All costs above this amount will be the sole responsibility of the NFS. NFS has sought assistance from local and federal legislators throughout this entire process.

The existing design agreement will expire by the end of 2014. At that point, all costs will be paid by NFS. A new Federal Cost-Share Agreement is necessary to complete the remaining work at a 50-50 cost share with Corps. An estimate of remaining costs remains to be developed and agreement negotiated.

Following discussion by the Committee and staff it was determined that this item should also be taken to the Capital Committee, a sub-committee of the Board of Supervisors, before going before the full Board of Supervisors. The Committee asked that Staff recommend to Monterey County to negotiate to keep the existing agreement, emphasizing the share that Monterey County paid vis-à-vis Santa Cruz County, noting

that 30% of the area in question is in Monterey County while 70% of the area is in Santa Cruz County.

COMMITTEE ACTION: Upon motion made by Committee Member John Huerta and seconded by Committee Member Ken Ekelund the Committee recommended to the full Board of Directors to consider recommending to the Monterey County Board of Supervisors to negotiate and enter into a Cost-shared Feasibility Study Agreement with the U.S. Army Corps of Engineers and Santa Cruz County Flood Control and Water Conservation District for the Pajaro River Levee Project.

6. **SET NEXT MEETING DATE AND DISCUSS FUTURE AGENDA ITEMS.**
The next meeting date is set for Thursday, May 14, 2014 at 10:00 a.m.

ADJOURNMENT by Chair Ken Ekelund @ 11:05 a.m.

Submitted by: Alice Henault

Approved on _____

PLANNING COMMITTEE'S
SUGGESTED AREAS OF RESPONSIBILITY

1. CAMP (Capital Assets Management Program)
 - a. review assets and establish priorities
 - b. review and/or create replacement plans
 - c. managing deferred maintenance
 - d. establish plans for reserves
2. Strategic Planning – Develop Agenda
3. Channel Maintenance Program (short-term)
4. River Management (long-term)
5. Floodplain Management Plan
6. Office Move – Requires immediate attention
7. IRWMP
8. Grants

CRITICAL PROJECTS

1. Agency Water Rights Permit #11043
2. Salinas River Stream Maintenance Program (short-term)
3. Salinas River Management Program (long-term)
4. Implementation of Independent Accountant's Report Findings
5. Floodplain Management Plan
6. Pajaro River Flood Damage Reduction Project
7. CSIP Service Area Water Supply

ROUTINE AGENCY ACTIVITIES MONITORED MONTHLY
THROUGH PERFORMANCE INDICATOR PROGRAM

1. Agency Land Use Review
2. Well Permit Application Review
3. Management of Reservoir Releases
4. Maintenance of the ALERT System
5. Fish Monitoring
6. Groundwater Extraction Maintenance System Program

ADDITIONAL ESSENTIAL AGENCY PROJECTS

UNDERWAY

1. Bryant Canyon Flood Control Project
2. Resolution of Amendment No. 3 Issues with MRWPCA
3. Resolution of Reclamation Ditch and Blanco Drain Issues
4. Development of Well Monitoring Plan for Proposed Cal-Am Wells
5. Improvement of Dam Safety Program
6. Investigation of Office Location Options
7. Supervision of County Basin Study
8. Design and Construction of Espinosa Booster Station Improvements
9. Performance of Carr Lake Study
10. Design and Construction of Interlake Tunnel
11. Filing of Salinas River Lagoon Management Permit
12. Participation in Coastkeeper Litigation

PENDING

1. Replacement of Generator No. 2
2. Utilization of Winter Recycled Water
3. Expansion of CSIP
4. Replace Reservoir Outlet Valves
5. Realignment of Grazing Leases
6. Expansion of Groundwater Extraction Management System (GEMS) Program
7. Negotiation of Lease with Parks Department
8. Enhancement of Quagga Mussel Control Program
9. Establishment of Personnel Evaluation Program

**MONTEREY COUNTY WATER RESOURCES AGENCY
BOARD OF DIRECTORS – PLANNING COMMITTEE**

MEETING DATE:	June 18, 2014	AGENDA ITEM:	
AGENDA TITLE:	Approve and authorize the General Manager to execute a Produce Wash Water Utilization Agreement, substantially in the form attached.		
Consent (X)		Action ()	
Information ()			
SUBMITTED BY:	David E. Chardavoyne	PREPARED BY:	David E. Chardavoyne
PHONE:	(831) 755-4860	PHONE:	(831) 755-4860
DEADLINE FOR BOARD ACTION:		June 30, 2014	

RECOMMENDED BOARD ACTION:

Approve and authorize the General Manager to execute a Produce Wash Water Utilization Agreement, substantially in the form attached.

PRIOR RELEVANT BOARD ACTION:

None.

DISCUSSION/ANALYSIS:

In 2013, the Castroville Seawater Intrusion Project (CSIP) utilized 24,764 acre-feet of water, of which 15,485 acre-feet was supplied by the Monterey Regional Water Pollution Control Agency (“PCA”) under the terms of the 1992 Agreement; 6,094 acre-feet was obtained from the Salinas River Diversion Facility (“SRDF”); and, 3,185 acre-feet was obtained from groundwater wells. However, in 2014, the SRDF will not produce water for CSIP; and, thus, additional water is required from a new source and/or from additional groundwater pumping.

The City of Salinas (“City”) has rights to approximately 4,000 acre-feet/year of produce wash water that it receives and treats at its Industrial Wastewater Treatment Facility (“IWTF”) located on Davis Road.

Existing conditions have created a situation where the City’s provision of produce wash water from its IWTF to the PCA through an extended test period could replace a substantial portion of water that is not currently available from the SRDF and, therefore, benefit CSIP. In recognition of these conditions, PCA and the City entered into a test period of sixty (60) days pursuant to which the City has agreed to provide produce wash water from its IWTF to PCA for the sole purpose of determining the viability of combining produce wash water with sanitary sewer water for use in CSIP. The results of that test period have been positive.

The Produce Wash Water Utilization Agreement (“Utilization Agreement”) among the Monterey County Water Resources Agency, PCA and City will result in the continued provision of treated produce wash water during the June 1, 2014 to October 31, 2014 time period to CSIP. The City

will pay the incremental costs of treatments, as established by PCA, at \$175/acre-foot, during the aforesaid time period.

One of the long-term goals of the parties to the Utilization Agreement is to strongly curtail and potentially eliminate groundwater pumping in the existing CSIP Service Area, and in an expanded CSIP Service Area, to help halt seawater intrusion. Accordingly, it is anticipated that a similar agreement to utilize City's produce wash water in CSIP can be negotiated.

FINANCIAL IMPACT:	YES () NO (X)
FUNDING SOURCE:	n/a
COMMITTEE REVIEW AND RECOMMENDATION:	None
ATTACHMENTS:	1. Board Order 2. Produce Wash Water Utilization Agreement
APPROVED:	<hr/> General Manager Date



***Before the Board of Directors of the Monterey County Water Resources Agency
County of Monterey, State of California***

BOARD ORDER No. _____

APPROVE AND AUTHORIZE THE GENERAL MANAGER TO)
EXECUTE A PRODUCE WASH WATER UTILIZATION)
AGREEMENT, SUBSTANTIALLY IN THE FORM ATTACHED)

Upon motion of Director _____, seconded by Director _____, and carried by those members present, the Board of Directors hereby:

1. Approves and authorizes the General Manager to execute a Produce Wash Water Utilization Agreement, substantially in the form attached.

PASSED AND ADOPTED on this 30th day of **June 2014**, by the following vote, to-wit:

AYES:

NOES:

ABSENT:

BY: Richard Ortiz, Chair
Board of Directors

ATTEST: David E. Chardavoyne
General Manager

PRODUCE WASH WATER UTILIZATION AGREEMENT

This **PRODUCE WASH WATER UTILIZATION AGREEMENT** (hereinafter referred to as "Utilization Agreement") is made this _____ day of _____, 2014, by and between Monterey Regional Water Pollution Control Agency (hereinafter referred to as "PCA"), a California Joint Powers Authority created on _____ pursuant to _____; and, the Monterey County Water Resources Agency (hereinafter referred to as "WRA"), established April 11, 1995 by the Monterey County Water Resources Agency Act; and, the City of Salinas (hereinafter referred to as "City"), a California charter city and municipal corporation [collectively the "Parties"].

RECITALS

- a. PCA entered into an agreement with WRA, dated June 16, 1992, for construction and operation of a tertiary treatment system (the "1992 Agreement") was subsequently amended ;and
- b. In 2013 the Castroville Seawater Intrusion Project (CSIP) utilized 24,764 acre-feet of water, of which 15,485 acre-feet was supplied by PCA under the terms of the 1992 Agreement and; 6,094 acre-feet was obtained from the Salinas River Diversion Facility (SRDF); and, 3,185 acre-feet was obtained from groundwater wells; and,
- c. In 2014, the SRDF will not produce water for CSIP, and thus, additional water is required from a new source and/or from additional groundwater pumping; and,
- d. One of the long term goals of the parties to this Utilization Agreement is to strongly curtail and potentially eliminate groundwater pumping in the existing CSIP Service Area, and in an expanded CSIP Service Area, to help halt seawater intrusion; and,
- e. The City owns and operates an Industrial Wastewater Treatment Facility (IWTF) located at Davis Road that receives and treats produce wash water by aeration and through percolation and evaporation; and,
- f. The City has rights to approximately 4,000 acre-feet/year of produce wash water that it receives and treats at its IWTF; and,
- g. In recognition that existing conditions have created a situation where the City's provision of produce wash water from its IWTF to PCA through an extended test period would replace water that is not currently available from the SRDF and therefore benefit the CSIP, PCA and the City have agreed to enter into an extended test period of sixty (60) days pursuant to which the City has agreed to provide produce wash water from its IWTF to PCA for the sole purpose of determining the viability of combining produce wash water with sanitary sewer water for use in CSIP; and

- h. The City and PCA have agreed that the incremental cost of treatment of the City's produce wash water during the two month test period will be \$120/acre-foot; and,
- i. On April 25, 2014, California Governor Jerry Brown declared a continuing state of emergency due to the severe drought conditions throughout the State and that the City has determined that providing produce wash water from its IWTF to PCA for the duration of the extended test period will not result in a direct or reasonably foreseeable indirect physical change in the environment; and,
- j. On _____, 2014, the Council of the City determined that this action is exempt from the California Environmental Quality Act (CEQA) pursuant to Public Resources Code § 21080(b)(4) and CEQA Guidelines section 15269(c) as an action necessary to prevent or mitigate an emergency, and
- k. The City, PCA and WRA understand and acknowledge the need to work cooperatively and collaboratively among themselves and with other regional stakeholders and interested parties to develop a long-term, comprehensive strategy and agreement that makes the best use of all the water resources in the County of Monterey to address the multiple water needs of Monterey County; and
- l. The City is willing to consider providing produce wash water for use by CSIP beyond the term of the two month test period, provided the Parties work to accomplish the goals set forth in the above recitals.

NOW, THEREFORE, and in consideration of the foregoing recitals, the Parties hereby agree as follows:

1. Effective July 1, 2014, and continuing until Oct 31, 2014 City shall provide produce wash water from its IWTF to MRWPCA which in turn will supply additional secondary water to the SVRP to supplement the other sources of water supplied to the CSIP system. The Parties understand and acknowledge that the City of Salinas is not obligated by this Utilization Agreement to continue providing produce wash water after October 31, 2014.
 - a. Point of transfer shall be the PCA-installed shunt located ahead of the Salinas Industrial Ponds.
 - b. Monthly flows from the processing entities will be calculated and reviewed by MRWPCA Source Control Division until a permanent Flow meter can be installed in the newly constructed shunt (no later than 12/31/14).
 - c. City agrees to pay costs associated with its CEQA emergency action to treat produce wash water. The Agency will invoice the City for treatment

costs, and the City will pay the Agency the invoiced amount within ninety (90) days of receipt of the invoice. The rate for the treatment will be \$179/AF per the May 2014 Board meeting approval. This rate will be in effect until October 31.

- d. Contract source control monitoring of the processing facilities will continue as contracted under by MRWPCA
2. The City shall notify MRWPCA immediately should the city become aware of any non-compliant discharge from one of the industrial facilities. Non-compliant discharges are subject to being rejected by the RTP and will be redirected to the Industrial Pond Facility
 3. Miscellaneous:
 - a. In entering into this Utilization Agreement, PCA, WRA and City each represent that it has read all of the terms of this Utilization Agreement and the terms of this Utilization Agreement are fully understood and voluntarily accepted by each.
 - b. The Parties acknowledge that each Party has reviewed this Utilization Agreement and that the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting Party shall not be employed in the interpretation of this Utilization Agreement.
 - c. The effective date of this Utilization Agreement shall be the date entered hereinabove (“Effective Date”).
 - d. This Utilization Agreement sets forth the entire understanding of the Parties in connection with the subject matter herein. None of the Parties have made any statement or inducement for the other to enter into this Agreement, except as is expressly set forth in this Utilization Agreement. It is expressly understood and agreed that this Utilization Agreement may not be altered, amended, modified or otherwise changed in any respect whatsoever except by writing duly executed by authorized representatives of the Parties hereto. The Parties agree that they will make no claim at any time or place that this Utilization Agreement has been orally altered or modified or otherwise changed by oral communication of any kind of character.
 - e. This Utilization Agreement shall be governed by the laws of the State of California. Venue shall be in the County of Monterey.
 - f. In the event any portion of this Utilization Agreement is deemed to not be enforceable, or is in conflict with applicable law, the remainder of this Utilization Agreement shall be enforced and shall remain in full force and

effect, unless the portion enforceable is a material consideration to a Party of this Utilization Agreement.

- g. All parties agree to cooperate fully and to execute any and all documents, and to take all additional actions that may be necessary or reasonably appropriate to give full force and effect to the basic terms and intent of this Utilization Agreement, and which are not inconsistent with its terms.
- h. The individuals whose signatures appear herein below represent, warrant and guarantee that they have the authority to execute this Utilization Agreement on behalf of those entities on whose behalf they purport to execute this document.

4. Indemnification and Hold Harmless. This Utilization Agreement is made upon the express condition that City, its officers, employees, agents, and representatives are to be free from liability and claim for damages by reason of any injury to any person or persons, or property of any kind whatsoever or to whomsoever, or the violation of any law, regulation or policy, and including from any cause or causes whatsoever while in or upon or in any way connected with the terms of this Utilization Agreement. Parties to this Utilization Agreement hereby covenant and agrees to defend, indemnify and save harmless City, its officers, employees, agents, and representatives from all liability, loss, cost and obligations on account of or arising out of or resulting from any such injuries or losses however occurring that are in any way related to this Utilization Agreement, except to the extent caused by the willful or negligent acts of City, or of the officers, agents or employees of City acting within the course and scope of their employment by or agency with the City.

IN WITNESS WHEREOF, the Monterey Regional Water Pollution Control Agency, Monterey County Water Resources Agency, and City of Salinas have entered into this Utilization Agreement as of the date first written above.

MONTEREY REGIONAL WATER POLLUTION CONTROL AGENCY

By: _____

Its: _____

APPROVED AS TO FORM:: _____

MONTEREY COUNTY WATER RESOURCES AGENCY

By: _____

Chair, Board of Supervisors, Monterey County Water Resources Agency

APPROVED AS TO FORM:

Jesse J. Avila, Deputy County Counsel

CITY OF SALINAS

By: _____

Its: _____

APPROVED AS TO FORM:

Deputy City Attorney