



Board Report

File #: RES 23-004, **Version:** 1

- a. Find that per the California Environmental Quality Act (CEQA) Section 15262 “Feasibility and Planning Studies” the IRWM Plan does not require the preparation of an Environmental Impact Report (EIR) or negative declaration as the evaluation of environmental factors contained in the IRWM Plan is adequate for the level of planning, and the Plan is exempt from further review under CEQA.
- b. Re-adopt following publication of notice to comply with Government Code Section 6066, the Monterey Peninsula, Carmel Bay, and South Monterey Bay Integrated Regional Water Management (IRWM) Plan Update as a voluntary document that provides broadly supported, identified goals, objectives, strategies, and projects to meet the integrated water needs of the people and the environment within the planning Region.

CEQA ACTION: Find that per the California Environmental Quality Act (CEQA) Section 15262 “Feasibility and Planning Studies” the IRWM Plan does not require the preparation of an Environmental Impact Report (EIR) or negative declaration as the evaluation of environmental factors contained in the IRWM Plan is adequate for the level of planning, and the Plan is exempt from further review under CEQA.

RECOMMENDATION:

It is recommended that the Board of Supervisors:

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SUMMARY:

To be eligible to apply for and receive grant funds for the CRFREE Project via a subgrant from Monterey Peninsula Water Management District (MPWMD), Monterey County must adopt the Integrated Regional Water Management (IRWM) Plan in advance of the Grant application. The grant application is due in early 2023. CRFREE will meet the goals and objectives of the IRWM Plan by restoring connectivity between the Carmel River and the south arm of the Carmel Lagoon, restoring riparian habitat, and preserving 135 acres as open space. CRFREE will reduce the 100-year flood level on the north side of the lower Carmel River by allowing flood waters to access the south floodplain, removing approximately 125 parcels from the 100-year floodplain. Approval of this recommendation will adopt the IRWM Plan.

DISCUSSION:

IRWM is a collaborative effort to manage water resources in a region. IRWM Regions are self-organized,

geographically based groups of entities accepted by Department of Water Resources (DWR) as Regional Water Management Groups (RWMGs) for the purpose of developing regional priorities, identifying shared opportunities, and speaking with one voice for regional self-sufficiency. Monterey County is an active member of the Monterey Peninsula, Carmel Bay, and South Monterey Bay Regional Water Management Group (MPCBSMB) and the Greater Monterey County (GMC) Regional Water Management Group. On November 5, 2019, the Director of the Resource Management Agency was approved to sign the amended Memorandum of Understanding for the IRWM, adding Monterey County to the Regional Water Management Group.

Department of Water Resources (DWR) is charged by the legislature with disbursing State funds for the IRWM program. DWR develops project solicitation and evaluation guidelines (Guidelines) for the application of funds. Guidelines define standards for IRWM Plans to be prepared and updated by each RWMG. IRWM Plans incorporate stakeholder water management strategies, objectives, and goals; and assist RWMGs in meeting Statewide priorities (Attachment B). Each local project sponsor applying for IRWM funds must adopt an IRWM Plan that meets the current Guideline standards.

On November 4, 2014, California voters approved Proposition 1, the Water Quality, Supply, and Infrastructure Improvement Act of 2014 which authorized \$510 million in IRWM funding. The funds were allocated to 12 hydrologic region-based Funding Areas. The MPCBSMB and GMC RWMGs are part of the Central Coast Funding Area which was allocated \$43 million. The Central Coast Funding Area allocates funds to each RWMG based on a formula incorporating population and geographic area, allowing for a competitive project selection process at the regional level. The MPCBSMB RWMG was allocated \$4,193,848.

The Proposition 1 IRWM funding has been disbursed through several grant rounds. The last grant round is the 2022 IRWM Implementation Round 2 Grant (Grant). The MPCBSMB RWMG is eligible to receive up to \$1,488,961 in Grant funds. The Grant Guidelines require that the applicant and local project sponsors adopt an IRWM Plan meeting 2016 Guideline standards. No more than one Grant application will be accepted from each RWMG; multiple projects may be included in one application.

In 2022, Monterey County applied for the Carmel River Floodplain Restoration and Environmental Enhancement Project (CRFREE Project) to be included in the MPCBSMB RWMG Grant application. The CRFREE Project is a comprehensive effort to improve flood control and restore native riparian habitat, floodplain habitat, and hydrologic function to a portion of the lower floodplain along the Carmel River. Key aspects of the CRFREE Project include creating notches in the levees along the south bank of the lower Carmel River, restoring the south lower Carmel River floodplain, and building a causeway along Highway 1.

The MPCBSMB RWMG selected the CRFREE Project as one of two projects to be included in its Grant application. The RWMG agreed to request approximately \$800,000 for the CRFREE Project, the amount to be finalized when administration costs are finalized. As the MPCBSMB RWMG implementation grant Lead Agency, MPWMD will apply for the Grant with DWR.

OTHER AGENCY INVOLVEMENT:

The Monterey Peninsula Water Management District (MPWMD) is charged with the responsibility to manage, augment, and protect water resources for the benefit of the community and the environment within the MPWMD's boundaries. DWR disburses funds for the IRWM program, and issue updates to its IRWM Program Guidelines. Big Sur Land Trust (BSLT) is co-sponsor for the CRFREE Project. Through a cooperative agreement with Caltrans, the County of Monterey is acting as the Lead Agency under the California Environmental Quality Act for the Project.

ENVIRONMENTAL REVIEW

Per the California Environmental Quality Act (CEQA) Section 15262 “Feasibility and Planning Studies” the IRWM Plan does not require the preparation of an Environmental Impact Report (EIR) or negative declaration as the evaluation of environmental factors contained in the IRWM Plan is adequate for the level of planning, and the Plan is exempt from further review under CEQA. In 2019 the MPCBSMB RWMG updated its IRWM Plan to meet 2016 Guideline standards. The update was publicly noticed and adopted by MPWMD which is designated as the MPCBSMB RWMG Lead Agency to apply for State IRWM implementation grant funds.

Environmental review is complete for the CRFREE Project. The Project Environmental Impact Report (EIR) was certified by the Monterey County Board of Supervisors in a public hearing on January 20, 2020, and the Project was approved June 15, 2021. Federal environmental review was completed April 23, 2021, when Caltrans, as lead federal agency for the causeway portion of the Project, issued a finding of no significant impact (FONSI), agreeing with the US Fish and Wildlife Service, as lead federal agency for the floodplain restoration portion of the project, who issued a FONSI on October 30, 2020.

FINANCING:

Based on the November 2022 90% Design Engineers estimate, CRFREE is expected to cost approximately \$54.6 million to complete the final design, construction, and restoration efforts, and will be entirely grant funded. The County has been awarded \$17.2 million in unexpended grant funds. BSLT holds nearly \$1 million in grant funds available for the project. An additional \$1 million is pending award from Caltrans. The County is waiting to hear from CalOES/FEMA if the application for \$25.3 million can be increased to \$33.8 million to account for the increased cost estimate received in 2022. The County and BSLT are working to raise additional funds to meet the full Project cost if necessary. If awarded, funds from the DWR IRWM Implementation grant will be used for funding CRFREE construction management activities during floodplain restoration. A 50% federal and/or local match is required for this grant and will come from the CalOES/FEMA grant, or if not awarded, from a mix of the National Fish and Wildlife Foundation grant, and County staff time. Attachment C further outlines CRFREE grant funding. CRFREE is budgeted in Capital Project Fund 404, Unit 8564.

BOARD OF SUPERVISORS STRATEGIC INITIATIVES:

If approved, this action supports the Board of Supervisors’ Strategic Initiatives for Administration and Infrastructure. The Project will provide sustainable physical infrastructure and associated flood risk reduction and habitat benefits to promote the safety of area residents and visitors.

☐ Economic Development
☒ Administration
☐ Health & Human Services
☒ Infrastructure
☐ Public Safety

Prepared by: Shandy Carroll, Management Analyst III, (831) 784 5643

Approved by: Melanie Beretti, AICP, Principal Planner

Approved by: Erik V. Lundquist, AICP, HCD Director

The following attachments are on file with the Clerk of the Board:

Attachment A - Draft resolution

Attachment B - Final Draft Monterey Peninsula Integrated Regional Water Management Plan Update |
Monterey Peninsula Water Management District (mpwmd.net)

Attachment C - Summary of grant fund availability for CRFREE

Attachment D - Revised Completed Resolution Item No. 46

Attachment E - Revised Completed Board Order Item No. 46