

Personnel:

The Agency is working on 3 positions: 1) On July 28th, Rocio Bravo began work as an intern in the Agency's Hydrology & Environmental Resources section. Rocio will be supporting the Agency's Groundwater Monitoring Program (GMP) activities, for which August is the busiest month; 2) recruitment for a Water Resources Engineer closed on June 9th and the Agency, working with the County Human Resources department, is moving through the interview phase; and 3) the Agency is working to open recruitment for a Senior Account Clerk to assist in the Finance and Administration sections.

Groundwater Monitoring Program Regulatory Fees:

On July 8th, the Agency's Board of Supervisors approved new fees under Proposition 26 for the 2025-26 fiscal-year Groundwater Monitoring Program (GMP). In doing so, they also directed staff to work towards developing an alternative funding mechanism for de minimis well owners for consideration in fiscal-year 2026-27.

While the important step of establishing the new fees was successful, complimenting implementation of the GMP is grant funding from the California Department of Water Resources, through the Salinas Valley Basin Groundwater Sustainability Agency (SVB), that will support the entire program – all wells – in the 2025-26 fiscal-year. This funding will support the Agency's efforts to expand its historical activities into new areas and provide opportunity for well owners new to the GMP to register their wells at no cost. The funding will also support outreach to well owners to raise awareness about the GMP's new requirements, and the benefits well owners receive from the services provided by the Agency and SVB.

Working with the SVB and the County's Public Information Office, outreach material is being developed to help explain each aspect of GMP implementation, beginning with well registration. In the coming weeks and months, the Agency, SVB, and PIO will utilize a variety of media formats and platforms to spread the word as best as we can. An example of outreach material can be found at:

<https://vimeo.com/1106293809?share=copy#t=35.794>

Dam Safety & Operations Future Funding Strategy:

On July 9th, the Agency hosted a Dam Safety & Operations Financial Strategy stakeholder workshop. Turnout was good, with over 50 participants. Agency staff presented on the Mission of the Agency and the ingredients for success, the work being performed with existing grant funds, status of the 2025-26 fiscal-year budget, the unmet financial needs of the future, and options for funding them. Staff received numerous constructive comments and set a September 1 due date for submission of formal comments. The Agency will aim to hold the next workshop in early October or November. A recording of the workshop can be found on the Agency website under the Board of Directors tab at:

[WRA Dam Safety & Operations Financial Strategy Workshop - Zoom](#)

Salinas River Habitat Conservation Plan:

On September 9th, the Agency will host a stakeholder workshop for the Salinas River Habitat Conservation Plan (HCP). The HCP is a comprehensive plan intended to provide an effective framework to protect, enhance, and restore natural resources within the portions of Monterey and San Luis Obispo Counties where activities are carried out by Monterey County Water Resources Agency (Agency). The HCP is also a mechanism to obtain federal Endangered Species Act (ESA) permits for the activities associated with the Agency's water operations and management activities including facility maintenance, water supply operations, floodwater management, capital projects, and, in the long-term, implementation of the HCP. Incidental take permits under the ESA provide legal protection for the potential impact to federally listed species from the activities carried out by the Agency, including activities that are essential to the ongoing viability of Monterey County's agricultural and urban economies. See the attached HCP Stakeholder Planning Group Statement of Purpose and Agency calendar for meeting specific information.

Property Management:

On July 15th, Property Specialist Tom Shepherd took me on a tour of several Agency properties around San Antonio and Nacimiento Reservoirs. While not comprehensive, we were able to see several examples of both grazing and recreational leased lands. I was impressed by the good work Parks is doing to manage and maintain their expansive facilities with restricted resources, especially their recently remodeled Lake View Lodges at Lake Nacimiento Resort. In the private communities, the range of care was much greater, with one in particular, the Town Creek Association, demonstrating a seeming disregard for the Mussel Prevention Program. A letter to the Association – attached – has resulted in a positive response, with the updating of contact and insurance information, and action to address the concerns expressed by the Agency.

Mussel Prevention Program:

The Agency continues to work closely with County Parks, the Rangers, San Luis Obispo County, and some community representatives. Communication has been consistent and constructive, leading to a better program and outcomes. On August 5th, the Agency was awarded a \$77,000 grant by the California Department of Water Resources to help fund mussel prevention activities. Staff will work with DWR, Parks, and SLO to secure and distribute these funds in the coming months. Enforcement actions have also been ramping up with outstanding work being done by the Rangers. One recent example is an enforcement action against a repeat offender that resulted in SLO confiscating the offender's mussel inspection stamp and revoking his inspection privileges. As Golden Mussels continue to spread rapidly throughout the State, the Agency, and its partners including the private homeowners' associations, will need to be more assertive and diligent towards ensuring understanding and compliance with the mussel inspection protocols necessary to balance risk to the Agency with continuing watercraft, recreational opportunities.

Regulatory/Legislative Activities:

In consultation with the Chair of the Personnel & Administration Committee, and Chair of the Board of Directors, the Agency signed on to a coalition letter opposing Assembly Bill 1413, unless amended. AB 1413 states that anyone who disagrees with a sustainable yield determination or any

other Sustainable Groundwater Management Act implementation process should file a reverse validation action. A validation proceeding asks whether the groundwater sustainability agency complied with the law when taking the challenged action. If the court finds that the GSA did something wrong, all the court can do is direct the GSA to redo the portions of the groundwater sustainability plan that did not follow the law.

In practice, the bill would cause validation actions to be filed by landowners to preserve their rights if an adjudication might be needed in the future. Few validation lawsuits have been filed in the 10 years since SGMA was passed, but this bill would mean that filing a validation lawsuit could become necessary if there is any possibility that a basin might need to go into an adjudication. This would mean a considerable increase in case filings, increased litigation costs for GSAs, and an associated burden on courts. These court costs would be significant, particularly in areas more dependent on groundwater.

In addition to the issues raised above for future adjudications, recent amendments now essentially guarantee that GSAs in currently ongoing adjudications would be hit with a validation lawsuit. This is because the bill states that, for basins that are in a pending adjudication, parties have until March 2, 2026 to file a validation action to validate the sustainable yield in a GSP before it's used as the safe yield in an adjudication. Not only would this eliminate the opportunity to have a full safe yield trial (even in those cases where that phase has already occurred) but would also create a new and separate legal action in those cases aimed directly at the GSA as the entity which adopted the GSP.

The coalition, led by the California Chamber of Commerce and Western Growers Association, proposes amendments to clarify that adjudications must not impair the attainment of sustainable groundwater management consistent with SGMA and must affirmatively assist in reaching that goal. They also propose a requirement that expressly notes that the court's continuing jurisdiction over a completed adjudication comes with a duty to amend the judgment if necessary to achieve sustainable groundwater management within SGMA's timeframes. These amendments would address concerns about frivolous litigation, protect well-done GSP estimates, and judgments being inconsistent with SGMA without impairing due process and the rights of water users in situations where there is a legitimate dispute as to the correct yield of a basin.

If AB 1413 is passed as is, it could substantially complicate SGMA implementation and litigation, increasing costs and risk, particularly for residents and growers in the 180/400 and Eastside subbasins, Castroville, and the City of Salinas.

Salinas River Habitat Conservation Plan Stakeholder Planning Group: Statement of Purpose

Background

Building on the Long-Term Management Plan (LTMP), the Salinas River Habitat Conservation Plan (HCP or Plan) is a comprehensive plan that is intended to provide an effective framework to protect, enhance, and restore natural resources within the portions of Monterey and San Luis Obispo Counties where activities carried out by Monterey County Water Resources Agency (MCWRA) occur. The HCP is also the mechanism by which MCWRA will obtain federal Endangered Species Act (ESA) permits for the activities associated with the agency's water operations and management activities including facility maintenance, water supply operations, floodwater management, capital projects, and, in the long-term, implementation of the HCP. This HCP provides the basis for issuance of incidental take permits under the ESA that provide legal protection for the impact to federally listed species from the public and private activities carried out by MCWRA, including activities that are essential to the ongoing viability of Monterey County's agricultural and urban economies. To develop the HCP, MCWRA applied for and received Conservation Planning Assistance Grant funding from the U.S. Fish and Wildlife Service's (USFWS) Cooperative Endangered Species Conservation Fund as well as the California Department of Water Resources (DWR) Integrated Regional Water Management (IRWM) Grant Program.

Objectives

The overall objectives of the Salinas River HCP are to restore the balance between natural resource conservation and water resources management by improving habitat conservation efforts in the Salinas River watershed; encouraging sustainable water resources operations; and maintaining and enhancing riverine processes while meeting the needs of agricultural and urban water users in the watershed. The Salinas River HCP will provide for the protection and enhancement of aquatic and terrestrial species and their habitats in the Salinas River watershed; provide incidental take permits for the agency's water operations and management activities that potentially affect covered species and their habitat; and provide local control to MCWRA (as a future permittee) to implement a streamlined endangered species permitting process for covered activities that will be described in the Plan.

Agency Roles and Responsibilities

MCWRA (permit applicant) is leading development of the Salinas River HCP and will be ultimately responsible for development of the Plan, including making final decisions regarding the content of the Plan. The U.S. Fish and Wildlife Service (USFWS) and National Marine Fisheries Service (NMFS) are the two federal wildlife agencies providing guidance to MCWRA to ensure their respective permit issuance criteria may be met and permits successfully issued. The wildlife agencies will participate in

development of the Plan to provide information on procedures, respective statutory requirements, and other technical information. Ultimately, USFWS and NMFS will be the agencies responsible for determining if all permit application requirements are met and, if so, approving the HCP, and issuing incidental take permits. A team consisting of key individuals from the two wildlife agencies, MCWRA, and the project consultants, will provide direction, guidance, advice, strategic decision making, and assistance in developing the Salinas River HCP. In general, this team will oversee and support the general course of development and organization of the Plan.

Stakeholder Planning Group Purpose and Role

To ensure broad community participation throughout development of the Salinas River HCP, MCWRA will form and begin convening a Stakeholder Planning Group (Group) in the summer of 2023 with members representing the County's diverse interests. The County intends to utilize the Stakeholder Planning Group as a forum to discuss and inform development of the Salinas River HCP. All Stakeholder Planning Group meetings will be open to the public to attend and provide comment.

The Stakeholder Planning Group's purpose is to serve as a sounding board with the specific charge to review, consider, and comment upon the components that make up the Salinas River HCP document as they are developed and presented to the Group for review. Group members are motivated by their desire to collaborate in an environment of mutual respect and shall strive in their recommendations to be objective, balanced, and constructive. The overarching goal of the Stakeholder Planning Group is to help inform the development of a quality Plan that meets MCWRA's biological conservation goals while supporting operations and maintenance of the agency's water operations with a streamlined endangered species permitting process that reflects the broadest possible set of community interests and concerns. Stakeholder Planning Group members are expected to offer constructive input from the interest areas they represent, and to provide an interest-based level of insight on draft working documents, policies, and programs generated by MCWRA staff and the project team developing the Salinas River HCP.

Decision Rule

The Stakeholder Planning Group is an advisory body that seeks consensus. When consensus cannot be reached, the various views will be reported to MCWRA staff and will be taken under consideration by the project team. Within the context of the Stakeholder Planning Group, consensus ranges from full support of a proposal to being willing to "live with it."

Responsibilities

Stakeholder Planning Group Member responsibilities include the following.

- Thoroughly review working draft materials prepared during the planning process regarding covered activities, biological resources, conservation strategies, costs to implement the Salinas River HCP, and funding strategies.
- Offer perspectives and communicate interests while seeking to understand the issues presented and the perspectives and interests of other Stakeholder Planning Group members.
- Inform, educate, and involve their constituencies on a regular basis, including providing notification of upcoming meetings and information on how to attend such meetings.
- Work cooperatively with other Stakeholder Planning Group members.
- Commit to attending Stakeholder Planning Group meetings until completion of the Plan.

Initial Stakeholder Planning Group members were identified by MCWRA staff involved in early formation of the planning effort. Members of the public from a variety of stakeholder groups are also invited to make known their interest in joining the Group. Admission to the Stakeholder Planning Group as a member will be at the discretion of MCWRA staff to ensure balanced representation of a diverse constituency, and Stakeholder Planning Group members will serve at the pleasure of MCWRA. The number of Group members is not fixed, and MCWRA may choose to adjust the size of the Group at any time to ensure the broadest representation of stakeholder interests while maintaining a manageable number that is conducive to productive discussion.

Stakeholder Planning Group Meetings

Stakeholder Planning Group meetings will be led by the project consultant's facilitator who is responsible for convening and presiding over meetings and ensuring meeting agendas are followed. The project consultant's facilitator will guide meeting discussions and ensure that all Group members have an opportunity to speak, ensure that Group members communicate respectfully and collaboratively, and will help Group members reach consensus when possible, or detail perspectives when consensus cannot be reached.

Communication and collaboration amongst Stakeholder Planning Group members, the project consultant's facilitator, MCWRA staff, and wildlife agency staff is most effective when participants use the same medium (e.g., on video via Zoom) or are physically together in the same venue. Stakeholder Planning Group meetings will be held in-person at a County meeting place and Group members are strongly encouraged to attend meetings in person. However, MCWRA recognizes that Stakeholder Planning Group members may not be able attend all meetings in person and will not deny participation to members because of an inability to attend in person. MCWRA also recognizes that interested members of the public may not be able to attend all meetings in person. Therefore, MCWRA will make all Stakeholder Planning Group meetings accessible remotely, via Zoom or phone.

Stakeholder Planning Group meetings will involve presentations by the project consultant and/or MCWRA staff, and discussions among these parties and Group members. When participating remotely via Zoom, participants will use the Zoom "raise-hand" feature when they would like to speak. The facilitator will maintain the queue. Stakeholder Planning Group members are encouraged to

communicate succinctly to allow others time to speak. Similarly, when meeting in person, Group members will raise their hand when they wish to speak. Members of the public in attendance at Stakeholder Planning Group meetings will be given opportunities to comment during public comment periods. MCWRA will consider comments from the public when developing the Salinas River HCP.

Duration of Participation

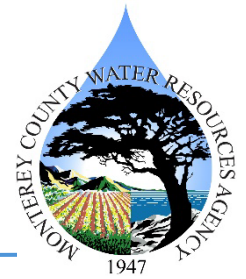
Stakeholder Planning Group members are expected to serve for a minimum term of two years and encouraged to serve for the duration of Salinas River HCP development which is currently anticipated to be a 4-5-year process. Participation is voluntary and members will not be financially compensated. Stakeholder Planning Group meetings will occur periodically when there are a number of substantive issues in need of discussion, which is expected to be no more than quarterly. Members who miss three or more consecutive meetings may be asked to resign. The Technical Advisory Committee will meet more frequently between larger Stakeholder Planning Group meetings.

Working Agreements

Group members are expected to communicate respectfully with fellow members, MCWRA staff, wildlife agency staff, and the project consultant, and to follow meeting ground rules formulated by the facilitator. Group members who are disruptive to the meeting process, who will not communicate respectfully, or who will not adhere to meeting ground rules will be asked to leave the meeting. Stakeholder Planning Group members who repeatedly engage in disruptive behavior in subsequent meetings may be asked to resign. If a member is asked to resign, MCWRA staff will consider whether to fill the vacancy with another interested party representing the same constituency; this party will be identified through a self-nomination process. The intent of this policy is to encourage attendance and the ability of the Stakeholder Planning Group to engage constructively on Salinas River HCP development.

MCWRA may at any time change the powers, functions, and duties of the Stakeholder Planning Group in any manner and to any extent at its discretion consistent with its goals for establishment of the Salinas River HCP. The life of the Stakeholder Planning Group is finite and will conclude its formal purpose once the Salinas River HCP has been finalized and approved by the Monterey County Water Resources Agency Board of Supervisors.

Monterey County Water Resources Agency



Ara Azhderian, General Manager | 1441 Schilling Pl., Salinas, Ca 93901 | (831) 755-4860

July 23, 2025

Cynthia Boe
Chief Executive Officer
Town Creek Association
7444 Town Creek Lane
Paso Robles, CA 93446

Dear Cynthia,

The Agency values its relationship with the Town Creek Association. Presently, the Association utilizes Agency property¹ to access the Nacimiento Reservoir on a month-to-month basis in accordance with Article 26 – Holding Over, of the 2019 Standard Lease Agreement executed between us.

During a recent inspection of the leased property, I noted with some concern and disappointment the presence of debris and trash on the property and, more importantly, the poor condition of Mussel Prevention Program signage lying in the dirt – see Attachment 1. The risk to the Agency from a mussel infestation is significant. With the recent introduction of the Golden Mussel heightening concerns, we expect all watercraft owners to take mussel prevention seriously and abide by the law.

The condition of the signage unfortunately suggests a indifference for the importance of the mussel prevention program and a disregard for the allowances the Agency continues to make, which aims to balance the risk the Agency faces with the desires of the watercraft community to continue utilizing our reservoirs for recreation. I trust the conditions witnessed recently are not indicative of the Association's normal care of the Agency's property and that upon my next visit, the property will be free of any debris and trash, and all signage will be clean, clearly visible, and strictly adhered to as part of the Association's duty under the Lease².

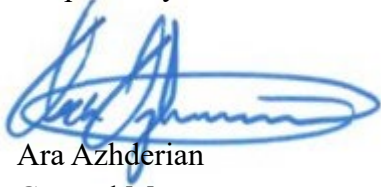
I trust the value held by the Agency for our long-standing relationship is shared by the Association and that appropriate and timely measures will be taken to remedy the concerns raised in this letter. To that end, and at your earliest convenience, I would appreciate a written reply of the actions taken, or

¹ APN 080-111-001-000 – "That portion of Nacimiento and adjacent undeveloped real property outlined and described in Exhibit A, as prepared by the LESSOR, dated December 2019, attached hereto and incorporated herein. The lease property is 60.4 acres."

² Please see Articles 14 and 15, Exhibit B, Exhibit C, and Exhibit E.

proposed, so that we may share a common understanding. Additionally, per the Lease, please provide the Agency with an updated Certificate of Insurance. If, in the meantime, you would care to discuss these or any other matters pertinent to our lease, or schedule an in-person meeting, please feel free to contact me directly.

Respectfully,

A handwritten signature in blue ink, appearing to read 'Ara Azhderian', is written over a light blue oval background.

Ara Azhderian
General Manager

CC:

Faith Zenker
Water Quality Manager
Public Works, County of San Luis Obispo

Tom Shepherd
Property Specialist
Monterey County Water Resources Agency

ATTACHMENT 1



