



County of Monterey

Item No.12

Board Report

Board of Supervisors
Chambers
168 W. Alisal St., 1st Floor
Salinas, CA 93901

Legistar File Number: A 24-564

January 14, 2025

Introduced: 11/15/2024

Current Status: Agenda Ready

Version: 1

Matter Type: BoS Agreement

- a. Approve and authorize a Memorandum of Understanding (MOU), between the County of Monterey, the Monterey Peninsula Water Management District, the California Department of Parks and Recreation, the Monterey Peninsula Regional Park District, and Big Sur Land Trust for the long-term maintenance and management of the Carmel River Floodplain Restoration and Environmental Enhancement (CRFREE) Project (REF 140048); and
- b. Approve and authorize the Director of Housing and Community Development to sign the proposed MOU.

RECOMMENDATION:

It is recommended that the Board of Supervisors:

- a. Approve and authorize a Memorandum of Understanding (MOU), between the County of Monterey and the Monterey Peninsula Water Management District, the California Department of Parks and Recreation, the Monterey Peninsula Regional Park District, and Big Sur Land Trust for the long-term maintenance and management of the Carmel River Floodplain Restoration and Environmental Enhancement (CRFREE) Project (REF 140048); and
- b. Approve and authorize the Director of Housing and Community Development to sign the proposed MOU.

SUMMARY/DISCUSSION:

The Carmel River Floodplain Restoration and Environmental Enhancement Project (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 are to: 1) Create notches in the levees along the south bank of the lower Carmel River, 2) Restore the south lower Carmel River floodplain, and 3) Build a causeway along Highway 1, restoring connectivity between the lower Carmel River Floodplain and the south arm of the Carmel Lagoon. The CRFREE Project will lower the 100-year flood risk for Community Service Area (CSA) 50 and create public access trails between Carmel River Beach State Park to the west and Palo Corona Monterey Peninsula Regional Parks District (MPRPD) park to the east.

The CRFREE Project is currently in the final pre-construction stages of final design and pre-construction coordination, including grant funding, easements, and agreements. In order to begin work at the beginning of the 2025 construction season, all permits, funding, and agreements must be in place. The proposed Memorandum of Understanding (2024 MOU) for the long-term maintenance and management of the CRFREE Project site is an important milestone in the pre-construction agreements, and will be submitted as a grant deliverable, permitting milestone, and to Caltrans in anticipation of a ready to list ruling (Attachment A). Per the Wildlife Conservation Board grant

WC-1947CA, signed in April 2020 and approved by the Board of Supervisors on February 11, 2020, the long-term maintenance of the CRFREE project site is defined as 25 years following Project construction. The County of Monterey will enter into a maintenance agreement with the California Department of Transportation (Caltrans) prior to construction of the CRFREE Project, which is pending final legal review with Caltrans and included here in draft form (Attachment B).

On November 24th, 2010, the County of Monterey (County), the Monterey County Water Resources Agency (MCWRA), the Monterey Peninsula Water Management District (MPWMD), the California State Department of Parks and Recreation (State Parks), and Big Sur Land Trust (BSLT) entered into a Memorandum of Understanding for the purpose of coordinating planning activity for the CRFREE Project (2010 MOU). In 2019, it was established that the 2010 MOU would need to be updated and restated, and the Monterey Peninsula Regional Parks District (MPRPD) was added as a signatory, as a property owner within the CRFREE Project area. In June 2022 the all-party construction MOU updated and superseded the 2010 MOU for all-party coordination, from the final design phase through to the end of the construction phase. The proposed 2024 MOU is intended to pick up where the 2022 construction MOU leaves off, at the completion of the CRFREE Project construction, and will govern the 25 years subsequent to the acceptance of the punch list by the County of Monterey, currently anticipated to occur in 2028.

The parties to the proposed 2024 MOU are the County of Monterey, BSLT, State Parks, MPRPD, and MPWMD. By entering into the proposed 2024 MOU, the parties are agreeing to shared responsibility for ongoing property management and maintenance, including the creation of a future public access plan. On September 26, 2023, with support from the County Service Area (CSA) 50 Citizens' Advisory Committee, the Board of Supervisors approved use of CSA 50 funds for maintenance of the Maintained Flood Conveyance Areas (MFCAs) for the CRFREE Project per Board Order dated September 28, 2023, File ID 23-743, Board of Supervisors September 26, 2023, Agenda Item No. 34 (Attachment D). Pursuant to the Board's Order, CSA 50 funds will be allocated to the ongoing maintenance of the approximately 35 acres of the MFCAs for the CRFREE Project.

The proposed 2024 MOU was on the August 20, 2024, Board of Supervisors consent agenda, but was pulled prior to the meeting due to questions from the Ag Land Trust regarding the CRFREE Project and the 1998 "Agricultural and Open Space Conservation Easement Deed and Agreement" (Ag Land Trust Easement) between BSLT and the Monterey County Agricultural and Historic Land Conservancy (now known as Ag Land Trust) (Attachment E).

OTHER AGENCY INVOLVEMENT:

BSLT is co-sponsor for the CRFREE Project. BSLT, State Parks and MPRPD are property owners within the CRFREE Project area. Through a Cooperative Agreement with Caltrans, the County of Monterey is acting as the Lead Agency under the California Environmental Quality (CEQA) Act for the Project. The proposed 2024 MOU has been circulated to BSLT, State Parks, MPRPD and MPWMD for review, approval and signature by their respective authorized representatives.

ENVIRONMENTAL REVIEW:

The Project Environmental Impact Report (EIR) was certified by the Board of Supervisors during a public hearing on January 20, 2020. The U.S. Fish and Wildlife Service (USFWS), as lead federal agency for the floodplain restoration portion of the CRFREE Project issued a finding of no significant impact (FONSI) on October 30, 2020. The Project was approved, and the corresponding Mitigation Monitoring and Reporting Program (MMRP) was adopted by the Board of Supervisors on June 15, 2021. Federal environmental review was completed on April 23, 2021, when Caltrans, as the lead federal agency for the causeway portion of the Project, issued a FONSI consistent with the FONSI issued by the USFWS. However, the Federal Emergency Management Agency (FEMA) internal environmental review process, as it relates to FEMA grant funding, is still pending.

FINANCING:

Based on the December 2023 95% Design Engineers estimate, CRFREE is estimated to cost approximately \$57.8 million to complete the final design, construction, and restoration efforts, including construction management and soft costs (Attachment C). Funding for the CRFREE Project comes from State, Federal and local grants and funds, including from Monterey Peninsula Regional Parks District (MPRPD) fair share contribution for a left-hand turn lane on State Highway 1. The Project responsibility for cost of utility relocation and contribution from utility companies is estimated and will be better determined later this year. Approximately \$2.6 million in grant funds have been spent to date on the CRFREE Project. The County and BSLT currently have been awarded \$29.8 million in unexpended grant funds for the Project pre-construction, construction, and monitoring, with an additional \$27 million pending award from CalOES/FEMA (Attachment C). CRFREE is budgeted in Capital Project Fund 404, Unit 8564, with \$14.6 million budgeted in the FY24-25 Adopted Budget. Ongoing long-term maintenance of the MFCAs is estimated to begin in Fiscal Year 2026 at the earliest, at an estimated cost of up to \$30,000 annually and shall be financed by CSA 50 Fund 077-3200-8566-PFP031.

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

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Approved by: Craig Spencer, HCD Director

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

Attachment A - Proposed 2024 Long Term Maintenance MOU

Attachment B - Draft Caltrans Maintenance Agreement

Attachment C - CRFREE Funding Summary

Attachment D - Board Order dated 9/28/2023

Attachment E - Summary of 1998 Ag Land Trust Easement