



# Monterey County

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## Board Report

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Item #3

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- a. Receive a report on the status of water allocations for County lands in the former Fort Ord area; and
- b. Provide direction to staff to develop a County Water Allocation Plan.

### RECOMMENDATION:

It is recommended that the Fort Ord Committee:

- a. Receive a report on the status of water allocations for County lands in the former Fort Ord area; and
- b. Provide direction to staff to develop a County Water Allocation Plan.

### SUMMARY:

The Fort Ord Reuse Authority (FORA) has allocated a total of 720 acre-feet per year (afy) of groundwater (710 afy to "Groundwater County" plus 10 afy to "County/Marina Sphere") and 134 afy of recycled water (reclaimed wastewater) for development on County lands within the former Fort Ord. To date, records indicate that the Board of Supervisors has sub-allocated a total of 524.7 afy from the County of Monterey groundwater allocation and 1.5 afy from the County/Marina Sphere allocation. Use of recycled water is contingent on Marina Coast Water District (MCWD) providing the infrastructure to deliver the recycled water; accordingly, while recycled water allocation was considered with the East Garrison and the Monterey Peninsula College Emergency Vehicle Obstacle Course (MPC EVOC) projects, no recycled water has been allocated due to a lack of infrastructure available.

There are three categories of need for use of the County's water allocation:

- 1) Existing uses: The County owns two properties with on-going water use for which the Board has not formally approved sub-allocations, and it is recommended these allocations be formalized.
  - a. Ord Market Lease. A lease between the former Redevelopment Agency and the operator allows a maximum water use of 1.5 afy for the leased property. There is another 18 acres of land around the market site to which the Board has not yet sub-allocated water.
  - b. District 4 Supervisor's office, 2616 1st Avenue, Marina (former CID building). This is a County-owned building located within the City of Marina. At the time title transferred from FORA to the County in 2007 water use was not metered, and County staff estimated the potential water allocation to be 1.0 afy (1,250 gpd @ 5 days/week). This number has not been updated or validated based on prior actual use. It is recommended the actual water usage for the last five years be determined from meter records and a sub-allocation for this use be formalized.

- 2) Sub-allocations approved by the Board of Supervisors: The Board has approved the following allocations but the sites are not yet [fully] developed.
  - a. East Garrison (EG). The Board allocated 470 afy of water to the East Garrison Project, with right of reversion of unused water if the project is not built out. (Attachment 4.) The project has the potential to use an estimated 75 afy of recycled water for irrigation of parks and open space landscaping in lieu of potable water, so there is a potential to reduce the groundwater allocation in the future if recycled water can be delivered to the development. An agreement between the County and the developer requires the developer to install a dual pipe system, but there is no formal requirement that EG use recycled water. Infrastructure to deliver recycled water to East Garrison has not been constructed, and the Marina Coast Water District (MCWD) does not include plans for such in its Capital Improvement Plan (CIP).
  - b. MPC EVOC. The Board approved an allocation of 52.5 afy of water for this site. The project has not started construction (Attachment 5.) The project has the potential to use an estimated 22 afy of recycled water for irrigation and training uses in lieu of potable water, so there is a potential to reduce the groundwater allocation in the future if recycled water can be delivered to the development.
  - c. Central Coast Veterans Cemetery. The Board allocated 2.2 afy of water for this project. (Attachment 6.) The project has not started construction.
- 3) Development opportunity lands where the County has not formally or informally sub-allocated water: The County has received, or will receive, ownership of lands that are not restricted, meaning they could be developed. If the State Department of Finance does not accept the Successor Agency's proposal to transfer land to the County for open space, then the County needs to determine if water should be allocated to those holdings for potential sale. In addition, the County has received inquiries from two potential applicants to discuss new possible sub-allocations:
  - a. Monterey Downs/Monterey Horse Park/Veterans Cemetery development project. The City of Seaside released a draft EIR identifying that 187.5 afy of County potable groundwater allocation would be provided to this project. County staff provided comments including notice that the Board of Supervisors will need to consider a request for allocating water.
  - b. UC MBEST Center's East Campus. Staff received a request from UCSC for a temporary (up to 10 years) allocation for agricultural irrigation on the UC Triangle property.

There are other properties and projects that have been discussed from time to time that may warrant future consideration of water availability and sub-allocation of water. (See Discussion section below)

This report was prepared to provide a status report on water allocations. Staff is seeking direction from the Committee to prepare a Water Allocation Plan before proceeding to the Board of Supervisors. It is recommended that the Water Allocation Plan consider:

- Actual water use at the District 4 Supervisor's office, 2616 1st Avenue, Marina (former CID building) in order to submit a request to formalize a sub-allocation for this use
- Actual water use at the Successor Agency-owned property located at 2700 Imjin Road and leased by Ord Market.

- Allocation of water to lands planned for development and/or sale.
- Appropriate use of recycled water based on MCWD infrastructure plans.
- Temporary allocation of currently-unused groundwater to UCSC for agricultural irrigation on the UC Triangle property

Staff recommends that a Water Allocation Plan be developed before any new allocations are committed. The intent would be to submit this Plan to the Board of Supervisors to formalize and plan for sub-allocation requests for County lands. Staff has attached a “Table of Water Allocation to County Projects on Fort Ord” with a summary of current water allocations (Attachment 1).

#### DISCUSSION:

##### Groundwater - Prior Army Water Right

The U.S. Army originally developed capacity to deliver 6,600 acre-feet per year (afy) from groundwater wells. When the Army closed the base, it retained 1,577 afy to serve Army-retained housing areas on Fort Ord (POM Annex), and transferred to FORA the right to allocate the remainder to local jurisdictions.

In 1997 the FORA Board of Directors approved an allocation plan for this water which included a “strategic reserve” of 413.5 afy and a 535 afy allowance for “line loss”. On October 9, 1998 FORA approved an “adjusted” allocation plan which allocated 560 afy to the County of Monterey, plus an additional 10 afy to the “County/Marina Sphere”. (Through interviews with FORA and MCWD staff, it is understood that the original intent of the County/Marina Sphere allocation was to be used for the City of Marina’s proposed development of a City park on Parcel L5.7 in the unincorporated area. When the City later withdrew its proposal for this development, FORA and MCWD staff determined this allocation should be applied to developments in the unincorporated area within the City of Marina’s General Plan Sphere of Influence.) (See also the May 8, 2001 Implementation Agreement between FORA and County, listing allocation of 560 afy to County.)

The FORA Board of Directors’ action also approved “loans” of 150 afy from the “strategic reserve” to the Cities of Marina, Seaside, Del Rey Oaks, and the County (Attachment 2.) In 2007 the FORA Board of Directors approved a resolution making these allocations permanent (Attachment 3.)

In summary, FORA has allocated a total of 720 afy of groundwater availability for development on County lands within Fort Ord.

##### Recycled Water/Reclaimed Wastewater - Future Water Augmentation Project

*In 1972 the Monterey Regional Water Pollution Control Agency (MRWPCA) was created to collect, treat, and dispose of urban sewage from the communities of Del Rey Oaks, Monterey, Pacific Grove, Salinas, Sand City, Seaside, Boronda, Castroville, Moss Landing, Fort Ord, Monterey County, and Marina. MRWPCA and MCWD determined that 1,427 afy of recycled water would be available to agencies on the former Fort Ord through the proposed Fort Ord Water Augmentation Program. On May 11, 2007 the FORA Board of Directors approved Resolution No. 07-18 allocating future recycled water to former Fort Ord land use jurisdictions when it becomes available. This resolution earmarked 134 afy of recycled water to be made*

available to the County of Monterey for future developments on the former Fort Ord. (Attachment 3)

MCWD has stated that this recycled water would be made available upon the request of the County when and if the distribution system for delivery of such water is funded and constructed through MCWD's capital improvement program. To date County staff has estimated potential future allocations totaling 95 afy of recycled water to two different development projects (East Garrison I, Monterey Peninsula College) for irrigation and training uses, respectively, in lieu of potable water, so there is a potential to reduce the groundwater allocation in the future if recycled water can be delivered to the development. To date MCWD has not funded or constructed the delivery systems for this water. Therefore, although East Garrison has a installed dual pipe system to utilize recycled water in certain areas, water availability for these developments must be provided from the County's groundwater allocation until MCWD can deliver recycled water to these customers, at which time the Board of Supervisors might be able, with the permission of the projects involved, to re-allocate the "offset" potable water and make it available to other projects.

#### County Sub-Allocations to Developments on Fort Ord

Procedurally, in County Staff's experience, sub-allocation of the available water supply on the former Fort Ord has been a three-step process:

1. The Board of Supervisors determines on a case-by-case basis how much of the FORA-to-County water allocation should be sub-allocated to individual developments, and forwards these determinations to FORA.
2. The FORA Board of Directors reviews the County's resolution in the context of the FORA water allocation plan, and determines whether to approve it.
3. The individual project applicant submits a water allocation request to MCWD, supported by a technical Water Supply Assessment report. MCWD reviews the Water Supply Assessment in accordance with the current edition of its *Urban Water Management Plan*, and the MCWD Board of Directors determines whether to approve the Water Supply Assessment and the water allocation.

Staff is conferring with FORA staff regarding FORA and MCWD's roles in this process.

To date, the County has officially "sub-allocated" a total of 524.7 afy of available groundwater to three approved developments in the unincorporated area of the former Fort Ord:

- 470.0 afy to the East Garrison residential development (Attachment 4: Resolution No. 05-268, October 4, 2005).
- 52.5 afy to the Monterey Peninsula College (MPC) Emergency Vehicle Operations Center (EVOC) (Attachment 5: *Agreement Regarding Public Safety Officer Training Facilities*, October 22, 2002).
- 2.2 afy to the Central Cost Veterans Cemetery development (Attachment 6: Memorandum of Understanding dated April 28, 2009).

Formal sub-allocations to date from the "County of Monterey" groundwater allocation total 524.7 afy.

“Informal” Sub-allocations to Existing Uses

A number of properties on the former Fort Ord were in use at the time the properties transferred to local ownership and FORA established its water allocation program. FORA’s practice has been to assign allocations to these uses based on their on-going water use prior to and at the time property was transferred. The County has received ownership of two properties on this basis, but has never made formal sub-allocations to these properties.

- District 4 Supervisor’s office, 2616 1st Avenue, Marina (former CID building): This property is located within the City of Marina. The property was originally used by the Army as its Criminal Investigation Division (CID) headquarters. Ownership was transferred to FORA in 2000. The County leased the building from FORA to use as a remote office for the Planning and Building Department and the District 4 County Supervisor’s office. Title transferred to the County in 2007.

At the time title transferred from FOR A to the County the building’s water use was not metered, and County staff estimated the potential water allocation to be 1.0 afy (1,250 gpd @ 5 days/week). This number has not been updated or validated based on prior actual use. It is recommended the actual water usage for the last five years be determined from meter records and that a request be submitted to formalize a sub-allocation for this use. Staff is researching the procedural policies to determine whether the water sub-allocation for this property should be counted as a “County” or “City of Marina” sub-allocation.

- Ord Market, 2700 Imjin Road, Marina: This property was originally leased by the Army to a private operator to run a gas station and convenience food store. Ownership of the property transferred from the Army to FORA on May 9, 2006, and from FORA to the Redevelopment Agency of the County of Monterey on September 5, 2006.

On August 22, 2006 the Board of Supervisors, acting as the Board of Directors of the Redevelopment Agency, approved a Disposition, Development and Lease Agreement with Lessee Darryl Choates. This lease limits the lessee to a maximum water usage of 1.5 afy. This number has not been updated or validated based on actual use. It is recommended the actual water usage for the last five years be determined from meter records and that a formal allocation request be approved by the Board of Supervisors and submitted to FORA.

(During preparation of a Water Supply Assessment report for a proposed water allocation for the prior Whispering Oaks Development in 2008 (which has since been rescinded), Redevelopment Agency staff estimated that the potential future water allocation needed for the 3-acre Ord Market lease property could be as much as 5.0 afy. The Water Supply Assessment report was submitted to MCWD at that time, and District staff picked up this estimated future use and entered it into the District’s table of Basewide water allocations. MCWD staff has continued to distribute updates of its water allocation table showing this amount, even though it is a staff estimate and has not been formally approved by the Board of Supervisors.)

The “informal” sub-allocations to date from the “County/Marina Sphere” groundwater allocation total 1.5 afy. As stated above, FORA initially allocated 10 afy of potable groundwater to the “County/Marina Sphere” in its water allocation planning, and the County’s

“informal” sub-allocation of 1.5 afy to the Ord Market lease leaves 8.5 afy available for future allocations in the County/Marina Sphere area.

Water Available for Sub-Allocation to Other Projects:

As shown on the table attached as Attachment 1, there remains available from the FORA water allocations to the County 185.3 afy from the “Groundwater County” allocation, 8.5 afy from the “County/Marina Sphere” allocation, and 134.0 afy from the Recycled Water allocation.

The County has received inquiries to discuss possible sub-allocations for a number of potential properties/projects. Presently two projects desire sub-allocation of the County’s water allocation: 1) UC MBEST temporary allocation for agriculture; and 2) Monterey Downs/Monterey Horse Park/Veteran’s Cemetery proposed development.

- UC/MBEST “temporary” allocation for agricultural irrigation at “UC Triangle” - Parcel S2.2.1, Blanco Road/Reservation Road. UCSC has a prospective farmer who would like to drill a new well and grow organic strawberries on 200 acres. The farmer has indicated a need for up to 600 AFY of water. FORA allocated 230 afy of groundwater and 60 afy of recycled water availability to UC/MBEST for this site. UC staff has talked with Monterey County Water Resources Agency and knows the history of well problems on the site. County staff has received an e-mail request from the staff of UC/MBEST to discuss the possibility of a “temporary” (ten-year) water allocation to facilitate a proposed agricultural lease at the 270-acre “UC Triangle” property (aka UC MBEST Center’s East Campus).

UC has in the past gone to FORA to ask for their concurrence regarding the farmer’s use of water that has been allocated to other jurisdictions but which has not yet been used. Each time FORA has agreed, but this time is different because the farmer needs a minimum of six years to amortize the cost of drilling a new well, and FORA sunsets in five years, and FORA can’t agree to water use beyond their timeframe.

Staff has identified some issues that need to be addressed if the determination is to move forward with some sort of agreement:

- Ten years is a long commitment to assume nothing will happen that would require water. Staff inquired if UC would consider a shorter term with possible renewal understanding that berries are generally a 2-year crop rotation. UC responded that they could consider 6 years with renewals. The initial lease needs to be long enough to amortize the cost of drilling a well.
- Is UC willing to compensate County for using our water allocation? UC will receive compensation for the lease.
- We have 134 afy of recycled water allocation. Recycled water would be more appropriate for crop use, but there is no infrastructure to this site, and no recycled water source nearby to serve it. As such, recycled water probably won’t figure into the picture.
- UC requests that the County allow the farmer to use water that is otherwise unused, even if it has been allocated to a development project. There is an expectation that not all County planned projects with water allocations will need all of that water within the first six years. However, if the request is to allocate water that has already been sub-allocated to other uses, that action would raise legal issues and is not advisable.

- Monterey Downs/Monterey Horse Park/Veteran's Cemetery has proposed development on 414 acres located near 8th Avenue and Gigling Road. On March 1, 2015 the City of Seaside circulated a Draft Environmental Impact Report for the Monterey Downs/Monterey Horse Park/Veterans Cemetery proposed development. The DEIR assumed the current balance of the FORA groundwater allocation to the County (estimated to be 187.5 afy) would be sub-allocated to this development. On June 19, 2015 the Board of Supervisors submitted a letter of comment to the City on this DEIR (Attachment 8) indicating that the County had not yet allocated water to the project.

Other properties/projects that have been discussed from time to time to evaluate for future consideration of sub-allocation of available water include:

- Future development or sale of County lands:
  - 145-acre County-owned "Travel Camp" property
  - 247-acre County-owned "Laguna Seca Annex" property adjacent Highway 68 and the Laguna Seca Raceway.
  - 73-acre County-owned Parcel L-5.7 located south of Intergarrison Road near Schoonover Drive
  - Proposed Fort Ord Recreational Habitat Area (FORHA) Trail Master Plan indicates the locations of possible future trailhead parking areas with restrooms.
- Future sale or development of Successor Agency lands (if so directed by the State Department of Finance):
  - 21-acre commercial property at Imjin Parkway/Abrams Drive (Ord Market).
  - 58-acre "Whispering Oaks" parcel
  - 152-acre East Garrison II property at Watkins Gate Road and Barloy Canyon Road.

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Approved by: Carl P. Holm, AICP, Acting Director, Resource Management Agency

Attachments:

1. Table of Water Allocation to County Projects on Fort Ord, July 2, 2015
2. Staff Report regarding Water Allocation Recommendations, FORA Board of Directors, October 9, 1998
3. Resolution No. 07-10 Allocating Recycled Water to Former Fort Ord Jurisdictions, Fort Ord Reuse Authority, May 11, 2007
4. Resolution No. 05-268, East Garrison Water Allocation, October 4, 2005
5. *Agreement Regarding Public Safety Officer Training Facilities*, October 22, 2002
6. *Central Cost Veterans Cemetery Memorandum of Understanding*, April 28, 2009
7. *Ord Market Disposition, Development and Lease Agreement*, September 6, 2006
8. Letter to City of Seaside commenting on the Draft EIR for the Monterey Downs/Monterey Horse Park/Veterans Cemetery, June 19, 2015
9. Supplemental Letter to City of Seaside amending the County's comments on the Draft EIR for the Monterey Downs/Monterey Horse Park/Veterans Cemetery, June 23, 201

cc: FO Committee (2), County Counsel (W. Strimling); FORA (M. Houlemard, S. Endsley, J. Garcia);  
City of Seaside (D. Ingersol, L. Brinton, T. Wissler-Adam), Monterey Downs LLC; UCSC (Graham Bice)