

MONTEREY COUNTY

WATER RESOURCES AGENCY

PO BOX 930
SALINAS, CA 93902
(831)755-4860
FAX (831) 424-7935

DAVID E. CHARDAVOYNE
GENERAL MANAGER



STREET ADDRESS
893 BLANCO CIRCLE
SALINAS, CA 93901-4455

October 11, 2016

Nancy Isakson, President
Salinas Valley Water Coalition
33 El Camino Real
Greenfield, CA 93927

Dear Ms. Isakson:

Re: SVWC Letter Dated September 29, 2016

I have been asked to respond to your letter, dated September 29, 2016, to Chair Hart wherein you asked the following questions:

1. What are the conditions that would require you to operate the reservoir to meet 20 fps and/or exceed it up to 30 fps as has been historically operated;

Response to Item 1:

Per the Salinas Valley Water Project Biological Opinion (SVWPBO), Monterey County Water Resources Agency (MCWRA) is currently releasing 60cfs from Nacimiento Reservoir, which is just under four (4) fps. Anytime MCWRA is releasing 306 cfs or less, the velocity will be 20 fps or less. All releases from Nacimiento Reservoir, except flood control releases, are made under the SVWPBO.

2. What operational changes would need to be made to meet the 20 fps and/or exceed it up to 30 fps;

Response to Item 2:

None, except to put Generating Unit No.1 on line when a flow greater than 150 cfs, but less than 460 cfs is desired.

3. What is the maximum velocity when all of the gates (high and low) are operational or when all of the low level gates are operational;

Response to Item 3:

As stated in the Nacimiento Hydroelectric Project – Operation and Maintenance Manual, 1987, and in the Reservoir Operations Manual, 1997 and 2001, the maximum velocity for the low level outlet works is 30 fps.

4. We request that an analysis be completed to show how any proposed reduced capacity/velocity limitation will allow you to meet the following: fishery flows as per existing Biological Opinion; SVWP mitigation measures specifically as to fishery flow requirements; SVWP defined benefits; and DSOD evacuation criteria.

Response to Item 4:

Same as Response to Item 1, except for DSOD requirement. California Department of Water Resources (DWR) Division of Safety of Dams (DSOD) does have a dewatering requirement. In part, it states, for reservoirs that impound over 5,000 acre-feet of water, the outlet system should be capable of lowering the maximum storage depth by 10 percent within seven (7) days and draining its full contents within 90 days, which are evaluated on a case-by-case basis; particularly for the very large reservoirs that are in excess of 100,000 acre-feet. The inflatable spillway gates and high-level gates dewater a full reservoir by 10 percent of storage depth within seven (7) days. Using the original 1957 maximum flow capacity of approximately 600 cfs for the low level outlet (which is not recommended – see Item 3), complete dewatering of the reservoir would take just over 200 days. Neither DSOD, nor FERC, has required additional low level outlet capacity.

5. If you are going to consider recommending a change in the existing policy (the reduction alone would be a change in policy because it then equals a change in operations), you MUST do a complete CEQA analysis, which would ultimately require approval by the BOS. This would also be true if you change the operation to make the hydro plant anything beyond the incidental use as it is currently stated in the water rights permits and evaluated in the EIR for the Salinas Valley Water Project.

Response to Item 5:

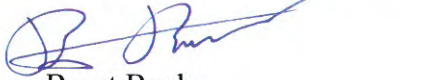
Monterey County Water Resources Agency plans continued operation of Nacimiento Reservoir in compliance with the present Salinas Valley Water Project Biological Opinion.

6. We also want to ask for a physical assessment of the infrastructure of Nacimiento, including a safety evaluation, so you can be fully informed as to what valves need to be replaced and maintained.

Response to Item 6:

Nacimiento Dam and its appurtenances are routinely inspected for safety and proper operation by Agency staff and annually by both federal and state dam safety regulators – the Federal Energy Regulatory Commission (FERC) and California Department of Water Resources, Division of Safety of Dams (DSOD). Both FERC and DSOD rate the dam safe for continued operation. Agency staff has presented plans to the Reservoir Operations Committee and the Board of Directors for repair and upgrade of the low level discharge outlets.

Sincerely,

A handwritten signature in blue ink, appearing to read "Brent Buche", with a long horizontal flourish extending to the right.

Brent Buche
Deputy General Manager

Salinas Valley Water Coalition

33 El Camino Real • Greenfield, CA 93927
(831) 674-3783 • FAX (831) 674-3835



Hand-Delivered

Monterey County Water Resources Agency
Reservoir Operations Committee
Chair Dave Hart & Committee Members
893 Blanco Circle
Salinas, Ca 93901

29 September, 2016

Re: Agenda Item #6

Dear Chair Hart and Committee Members;

Your agenda item #6 states the Committee will consider the following:

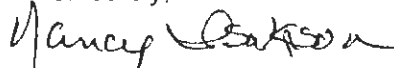
"A. Are there conditions that maximum velocity through the Naciminto low-level outlet conduit should be 20 feet per second (+/- 300 cfs) based on the recommendation from the Hollenbeck Consulting memorandum, Subject: Naciminto Low Level Outlet Maximum Velocity Evaluation, dated September 14, 2016 (Attachment 5).

B. Number of Naciminto low level valves to be replaced and maintained."

The Salinas Valley Water Coalition requests that you include the following in evaluating this matter and in making your recommendation to the Board of Directors and/or Board of Supervisors:

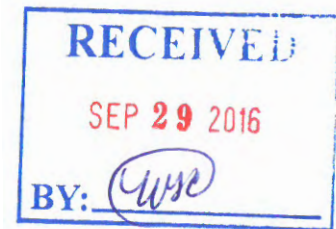
1. What are the conditions that would require you to operate the reservoir to meet 20 fps and/or exceed it up to 30 fps as has been historically operated;
2. What operational changes would need to be made to meet the 20 fps and/or exceed it up to 30 fps;
3. What is the maximum velocity when all of the gates (high and low) are operational or when all of the low levels gates are operational;
4. We request that an analysis be completed to show how any proposed reduced capacity/velocity limitation will allow you to meet the following: fishery flows as per existing Biological Opinion; SVWP mitigation measures specifically as to fishery flow requirements; SVWP defined benefits; and DSOD evacuation criteria.
5. If you are going to consider recommending a change in the existing policy (the reduction alone would be a change in policy because it then equals a change in operations), you MUST do a complete CEQA analysis, which would ultimately require approval by the BOS. This would also be true if you change the operation to make the hydro plant anything beyond the incidental use as it is currently stated in the water right permits and evaluated in the EIR for the Salinas Valley Water Project.
6. We also want to ask for a physical assessment of the infrastructure of Naciminto, including a safety evaluation, so you can be fully informed as to what valves need to be replaced and maintained.

Sincerely,


Nancy Isakson, President



September 27, 2016



Mr. David E. Chardavoyne
Monterey County Water Resources Agency
893 Blanco Cir.
PO Box 930
Salinas, CA 93901

RE: MIRAVALLE/SUMMERFIELD - BRYANT CANYON CHANNEL - SOLEDAD, CA

Dear Mr. Chardavoyne:

Please accept this letter as a formal proposal regarding the improvements to portions of Bryant Canyon Channel ("BCC") located in Soledad. After many years of working with staff we believe it is in the best interest of all parties for UCP Soledad, LLC ("UCP") to pay MCWRA a fee for the channel improvements.

As discussed with staff, UCP is very concerned about timing of the natural resource permits and the subsequent impact that may have on our ability to commence construction of the BCC improvements. To alleviate this issue UCP has offered to pay an in-lieu fee of \$1,200,000 directly to MCWRA. This would have the mutual benefit of alleviating UCP of the timing concerns while concurrently providing the Agency with a lump sum of cash that enables them to prioritize the improvements at their discretion. As UCP's obligation is capped at \$1,200,000 and the full improvements are currently estimated at \$1.8M this structure allows MCWRA to leverage other labor sources to enable a scope of improvements greater than what would be constructed by UCP.

Below are the general terms that we are proposing be included in an "In-Lieu Fee Agreement" (draft attached) or other form of document acceptable to all parties.

1. UCP would pay MCWRA \$1,200,000 for improvements to Bryant Canyon Channel in addition to the below costs already expended by UCP for the benefit of the project:
 - \$33,858 to Schaaf & Wheeler per Agency request to assume cost to finish the plans
 - \$12,300 to Bestor Engineers for topo required to finish the Schaaf & Wheeler plans
 - \$15,420 costs to Briscoe Ivester & Bazel to assist with Natural Resource permitting, and
 - \$16,873 to Rincon Associates for the CEQA addendum
2. In addition to the \$1.2M, UCP would provide MCWRA \$50,000 to use at their discretion for the completion of the natural resource processing.
3. UCP would provide MCWRA any required easements on UCP owned land that does not impact the existing site plan.

4. That both MCWRA and the City of Soledad provide written concurrence that this payment would satisfy all requirements in both the Conditions of Approval and Development Agreement regarding improvements to Bryant Canyon Channel. See below language from the Development Agreement.

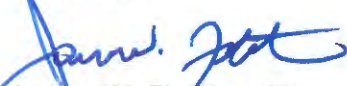
e. Bryant Canyon Channel. (1) In conjunction with the development of Increment III, DEVELOPER shall complete the improvements to Bryant Canyon Channel pursuant to the plans prepared by Schaaf & Wheeler dated February 2011. No building permits shall be issued for lots 1 through 16 inclusive, lots 49 through 57 inclusive, and lots 90 through 94 inclusive, as shown on the Miravale Phase II Unit III final map, until all Channel improvements are complete. The Channel and restricted lots are shown on Attachment A. Improvements shall be deemed complete upon written notice from the County of Monterey or their designee, to the City of Soledad, stating improvements have been installed in substantial compliance with the plans dated February 2011. There shall be no restrictions associated with Channel improvements for building permit issuance, lot improvements and final certificates of occupancy for lots 17 through 48 inclusive, lots 58 through 89 inclusive and lots 95 through 103 inclusive, per the Miravale Phase II Unit III final map.

5. That this agreement be approved by the MCWRA Board of Directors and the MCWRA Board of Supervisors to enable UCP to commence construction and sell homes on the above referenced lots by January 31, 2017.
6. Payment would be made within 10 days of satisfaction of both items #4 & #5.

We look forward to hearing from MCWRA as we believe this proposal provides a mutually beneficial solution for all parties. If amenable, it would be anticipated that UCP would draft a formal agreement based on the above terms for review and approval by MCWRA.

Please call me at (408) 207-9411 if you have any questions or require additional information.

Sincerely,



James W. Fletcher, Division President
UCP Soledad, LLC

Enclosures: Shaunna Juarez, MCWRA
Brent Slama, City of Soledad
Don Wilcox, City of Soledad
James Fletcher, Division President, Benchmark Communities
Holly Cordova, General Counsel, Benchmark Communities

**IN LIEU FEE AGREEMENT
(MIRAVALE II/SUMMERFIELD)**

THIS IN LIEU AGREEMENT is entered into as of _____ (the “Effective Date”) by and between the MONTEREY COUNTY WATER RESOURCES AGENCY (“MCWRA”) and UCP Soledad, LLC, a Delaware limited liability company (“UCP”).

RECITALS

A. The City of Soledad (the “City”), by Resolution No. 3379, dated October 15, 2003, approved a vesting tentative map for the Phase II of the Miravale Subdivision Project (the “Project”), subject to certain conditions including the construction of certain improvements.

B. The Tentative Map conditions of approval include Project Specific Conditions F.1 through F.5 and O, as set forth on Exhibit A attached hereto, all of which are related to requirements for MCWRA (the “MCWRA Conditions”).

C. UCP, as owner of the Project, and the City entered into a Development Agreement dated October 7, 2015, and recorded October 21, 2015 as Instrument No. 2015060861 in the Official Records of Monterey County (the “Development Agreement”).

D. Exhibit B to the Development Agreement includes the obligations set forth on Exhibit B attached hereto, related to Bryant Canyon Channel improvements (the “Bryant Canyon Channel Obligations”).

E. Various natural resource permits are required prior to commencing the Bryant Canyon Channel improvements (the “Permits”). However, it is very unlikely that the Permits can be obtained within the time frame that UCP will be prepared to obtain building permits and start construction on the Project.

F. UCP has proposed paying directly to MCWRA a fixed fee, lump sum payment, to satisfy the MCWRA Conditions and Bryant Channel Obligations, and MCWRA has agreed to the foregoing, subject to the terms and conditions of this Agreement.

AGREEMENT

Now, therefore, for good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, UCP and MCWRA agree as follows:

1. In Lieu Fee. Subject to UCP obtaining the City Acknowledgment described in Section 2 below, UCP will pay to MCWRA the fixed amount of \$1,700,00.00 (the “In Lieu Fee”), which is equal (a) \$1,200,000.00 for MCWRA’s construction of the Bryant Canyon Channel improvements, and (b) \$50,000.00, for MCWRA to retain a consultant to process the

Permits. The In Lieu Fee is a fixed amount, and will not be adjusted based on MCWRA's actual costs for construction and processing the Permits. UCP will pay the In Lieu Fee to MCWRA within 10 days after the later of mutual execution of this Agreement and receipt of the City Acknowledgment.

2. City Approval Condition. UCP's and MCWRA's obligations hereunder are conditioned upon the City acknowledging in writing, in a form reasonably acceptable to UCP and MCWRA, that upon UCP's payment of the In Lieu Fee, (a) the MCWRA Conditions and Bryant Channel Obligations will be deemed fully satisfied, and (b) the City will not withhold any building permits for the Project due to Bryant Canyon Channel improvements not being constructed ("City Acknowledgment").

3. Satisfaction of Obligations. MCWRA agrees that, upon receipt of the City Acknowledgment and the In Lieu Fee, (a) the MCWRA Conditions and Bryant Canyon Channel Obligations will be deemed fully satisfied, and , (b) UCP and the Project will not be subject to any additional obligations or conditions related to Bryant Canyon Channel. Subject to applicable laws, regulations or statutory requirements, MCWRA may use the In Lieu Fee in any way it elects, and within any time frame it desires, in connection with obtaining the Permits and constructing the Bryant Canyon Channel improvements; provided, however, UCP shall have no further obligations related thereto.

IN WITNESS WHEREOF, the said parties have executed this Agreement as of the Effective Date.

MCWRA:

MONTEREY COUNTY WATER
RESOURCES AGENCY

By: _____
Name: _____
Its: _____

UCP:

UCP Soledad, LLC, a Delaware limited
liability company

By: _____
Name: James W. Fletcher
Its: Division President

EXHIBIT A
CONDITIONS OF APPROVAL TO BE SATISFIED BY IN LIEU FEE

F. Monterey County Water Resources Agency requirements:

1. The proposed development shall be setback a least 50 feet from top of bank, as defined in Monterey County Code, Chapter 16.16 Regulations for Floodplains in Monterey County, unless it can be proven to the satisfaction of the Water Resources Agency that the proposed development will be safe from flow-related erosion hazards and will not significantly reduce the capacity of the existing watercourse. The top of bank shall be defined by a professional engineer and shown on the site plan prior to issuance of any grading and/or building permits.
2. Streambank erosion protection, for the Bryant Canyon Channel, shall be provided in accordance with plans by a registered civil engineer and approved by the City Engineer.
3. A drainage plan shall be prepared by a registered civil engineer to address on-site and off-site impacts to include detention facilities to mitigate the impact of impervious surface stormwater runoff. All detention/retention ponds shall be fenced for public safety as needed. Natural runoff shall be routed around the proposed development in a way that mitigates any impacts to downslope properties. Necessary improvements shall be constructed in accordance with approved plans and permits/agreements as required have been obtained.
4. The applicant shall provide certification that applications have been submitted for all required local, State and Federal permits. Agencies include, but are not limited to, California Department of fish & Game and the California Regional Water Quality Control Board.
5. A hydrologic and hydraulic analysis shall be prepared by a registered civil engineer analyzing the cumulative and regional impacts of the proposed diversion channel including the ability of the Bryant Canyon Channel to accept additional runoff. Prior to issuance of any grading permits, the WRA and the City shall approve any drainage diversion to the Bryant Canyon Channel.

O. Acceptance of Mitigation, Monitoring and/or Reporting Program:

The Conditions of Approval include the mitigation measures identified in the project EIR. The Mitigation, Monitoring and/or Reporting Program is attached herewith and incorporated by reference with this document. Acceptance of the Mitigation, Monitoring and/or Reporting Program is required and evidence by the signature on the original document. Return the original document to the City within 30 days of project approval. At no time may any of the conditions be eliminated, removed, altered or modified without prior approval by the City, a designated authority or professional authorized to act on behalf of the City.

EXHIBIT B
DEVELOPMENT AGREEMENT OBLIGATION TO BE SATISFIED BY IN LIEU FEE

c. **Bryant Canyon Channel.** (1) In conjunction with the development of Increment III, DEVELOPER shall complete the improvements to Bryant Canyon Channel pursuant to the plans prepared by Schaaf & Wheeler dated February 2011. No building permits shall be issued for lots 1 through 16 inclusive, lots 49 through 57 inclusive, and lots 90 through 94 inclusive, as shown on the Miravale Phase II Unit III final map, until all Channel improvements are complete. The Channel and restricted lots are shown on Attachment A. Improvements shall be deemed complete upon written notice from the County of Monterey or their designee, to the City of Soledad, stating improvements have been installed in substantial compliance with the plans dated February 2011. There shall be no restrictions associated with Channel improvements for building permit issuance, lot improvements and final certificates of occupancy for lots 17 through 48 inclusive, lots 58 through 89 inclusive and lots 95 through 103 inclusive, per the Miravale Phase II Unit III final map.

NO BUILDING PERMITS SHALL BE ISSUED FOR LOTS 1 THROUGH 16 INCLUSIVE, LOTS 49 THROUGH 57 INCLUSIVE, AND LOTS 90 THROUGH 94 INCLUSIVE AS SHOWN ON THE MIRAVALE PHASE II UNIT III FINAL MAP UNTIL ALL CHANNEL IMPROVEMENTS ARE COMPLETE. IMPROVEMENTS SHALL BE DEEMED COMPLETE UPON WRITTEN NOTICE FROM SCHAAF & WHEELER, TO THE CITY OF SOLEDAD.

[CITY OF SOLEDAD LETTERHEAD]

September __, 2016

UCP Soledad, LLC
99 Almaden Boulevard, Suite 400
San Jose, CA 95113
Attention: James W. Fletcher

Re: Miravale/Summerfield Project
In Lieu Fee as Satisfaction of Conditions

Dear Mr. Fletcher:

This will confirm that the City of Soledad's agreement that payment of a fee to Monterey County Water Resources Agency ("MCWRA") will satisfy certain conditions of approval to the Miravale/Summerfield Tentative Map and Development Agreement, as follows:

1. The City, by Resolution No. 3379, dated October 15, 2003, approved a vesting tentative map for the Phase II of the Miravale Subdivision Project (the "Project"), subject to certain conditions including the construction of certain improvements.
2. The Tentative Map conditions of approval include Project Specific Conditions F.1 through F.5 and O, as set forth on Exhibit A attached hereto, all of which are related to requirements for MCWRA (the "MCWRA Conditions").
3. UCP Soledad, LLC, a Delaware limited liability company ("UCP"), is the current owner of the Project.
4. UCP and the City entered into a Development Agreement dated October 7, 2015, and recorded October 21, 2015 as Instrument No. 2015060861 in the Official Records of Monterey County (the "Development Agreement").
5. Exhibit B to the Development Agreement includes the obligations set forth on Exhibit B attached hereto, related to Bryant Canyon Channel improvements (the "Bryant Canyon Channel Obligations").
6. Various natural resource permits are required prior to commencing the Bryant Canyon Channel improvements (the "Permits"). However, it is very unlikely that the Permits can be obtained within the time frame that UPC will be prepared to obtain building permits and start construction on the Project.
7. UCP has proposed paying directly to MCWRA a fixed fee, lump sum payment (the "In Lieu Fee"), to satisfy the MCWRA Conditions and Bryant Channel Obligations. The In Lieu Fee will be in the fixed amount of \$1,700,000.00, which is equal (a) \$1,200,000.00

for MCWRA's construction of the Bryant Canyon Channel improvements, and (b) \$50,000.00, for MCWRA to retain a consultant to process the Permits. The In Lieu Fee is a fixed amount, and will not be adjusted based on MCWRA's actual costs for construction and processing the Permits.

Provided that MCWRA agrees to the foregoing, the City hereby agrees that, upon UCP's payment of the In Lieu Fee, (a) the MCWRA Conditions and Bryant Channel Obligations will be deemed fully satisfied, and (b) the City will not withhold any building permits for the Project due to Bryant Canyon Channel improvements not being constructed.

CITY OF SOLEDAD

By: _____

Name: _____

Its; _____

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2. Streambank erosion protection, for the Bryant Canyon Channel, shall be provided in accordance with plans by a registered civil engineer and approved by the City Engineer.
3. A drainage plan shall be prepared by a registered civil engineer to address on-site and off-site impacts to include detention facilities to mitigate the impact of impervious surface stormwater runoff. All detention/retention ponds shall be fenced for public safety as needed. Natural runoff shall be routed around the proposed development in a way that mitigates any impacts to downslope properties. Necessary improvements shall be constructed in accordance with approved plans and permits/agreements as required have been obtained.
4. The applicant shall provide certification that applications have been submitted for all required local, State and Federal permits. Agencies include, but are not limited to, California Department of fish & Game and the California Regional Water Quality Control Board.
5. A hydrologic and hydraulic analysis shall be prepared by a registered civil engineer analyzing the cumulative and regional impacts of the proposed diversion channel including the ability of the Bryant Canyon Channel to accept additional runoff. Prior to issuance of any grading permits, the WRA and the City shall approve any drainage diversion to the Bryant Canyon Channel.

O. Acceptance of Mitigation, Monitoring and/or Reporting Program:

The Conditions of Approval include the mitigation measures identified in the project EIR. The Mitigation, Monitoring and/or Reporting Program is attached herewith and incorporated by reference with this document. Acceptance of the Mitigation, Monitoring and/or Reporting Program is required and evidence by the signature on the original document. Return the original document to the City within 30 days of project approval. At no time may any of the conditions be eliminated, removed, altered or modified without prior approval by the City, a designated authority or professional authorized to act on behalf of the City.

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c. **Bryant Canyon Channel.** (1) In conjunction with the development of Increment III, DEVELOPER shall complete the improvements to Bryant Canyon Channel pursuant to the plans prepared by Schaaf & Wheeler dated February 2011. No building permits shall be issued for lots 1 through 16 inclusive, lots 49 through 57 inclusive, and lots 90 through 94 inclusive, as shown on the Miravale Phase II Unit III final map, until all Channel improvements are complete. The Channel and restricted lots are shown on Attachment A. Improvements shall be deemed complete upon written notice from the County of Monterey or their designee, to the City of Soledad, stating improvements have been installed in substantial compliance with the plans dated February 2011. There shall be no restrictions associated with Channel improvements for building permit issuance, lot improvements and final certificates of occupancy for lots 17 through 48 inclusive, lots 58 through 89 inclusive and lots 95 through 103 inclusive, per the Miravale Phase II Unit III final map.

NO BUILDING PERMITS SHALL BE ISSUED FOR LOTS 1 THROUGH 16 INCLUSIVE, LOTS 49 THROUGH 57 INCLUSIVE, AND LOTS 90 THROUGH 94 INCLUSIVE AS SHOWN ON THE MIRAVALLE PHASE II UNIT III FINAL MAP UNTIL ALL CHANNEL IMPROVEMENTS ARE COMPLETE. IMPROVEMENTS SHALL BE DEEMED COMPLETE UPON WRITTEN NOTICE FROM SCHAAF & WHEELER, TO THE CITY OF SOLEDAD.

MONTEREY COUNTY



OFFICE OF THE COUNTY COUNSEL

168 WEST ALISAL STREET, 3RD FLOOR, SALINAS, CALIFORNIA 93901-2439
(831) 755-5045 FAX: (831) 755-5283

CHARLES J. McKEE
COUNTY COUNSEL

Jesse J. Avila
Deputy County Counsel
E-mail: Avilajj@co.monterey.ca.us

September 22, 2016

VIA E-MAIL TRANSMISSION

David E. Chardavoyne, General Manager
Monterey County Water Resources Agency
893 Blanco Circle
Salinas, CA 93901

Re: The Otter Project - 60-Day Notice of Intent to Sue for Endangered Species Act &
Clean Water Act Violations in Relation to the Salinas Valley Water Project
Our File No. A16-02094

Dear Mr. Chardavoyne:

I am happy to report that the above-referenced matter has been concluded. Accordingly, the litigation hold that was placed on this matter may be lifted. Please do not hesitate to call if you have any questions concerning this matter, and thank you for your efforts in preserving evidence while this matter was pending.

Sincerely,

CHARLES J. McKEE, County Counsel

By: JESSE J. AVILA
Deputy County Counsel

JJA:sem

cc (via e-mail): Brent Buche
Robert Johnson
Cathy Paladini
Howard Franklin
Elizabeth Kraft



MARINA COAST WATER DISTRICT

11 RESERVATION ROAD • MARINA, CA 93933-2099

Home Page: www.mcwd.org

TEL: (831) 384-6131 • FAX: (831) 883-5995

RECEIVED

SEP 23 2016

BY: 

September 21, 2016

Monterey County Water Resources Agency
Board Chair David Hart
893 Blanco Circle
Salinas, CA 93901

Re: Groundwater Sustainability Agency

Dear Chair Hart;

After many months of research, study and discussion, the Marina Coast Water District (MCWD) Board of Directors on September 6, 2016 conducted a public hearing on whether to form one or two Exclusive Groundwater Sustainability Agencies (GSA's) for the Seaside Area and Corral de Tierra Subbasins within our service area. At that hearing, the Board voted unanimously to proceed with the formation of a GSA for each of the afore mentioned areas. The Board did not form a third GSA for its service area within the 180/400 Foot Aquifer Subbasin, which has been designated by the State as a Critically Overdrafted Subbasin, but reserves the right to do so if necessary to protect MCWD's groundwater rights. Attached are the exhibit maps for the proposed MCWD GSA areas that were submitted to the Department of Water Resources.

I think it is important that you, as a regional leader and stakeholder, understand MCWD's motivations to pursue this path to avoid any misunderstanding.

The 2014 State Groundwater Management Act defines "basin" as subbasin or basin and the Department of Water Resources' staff have further explained that in multi-subbasin groundwater basins, SGMA GSA and Groundwater Sustainability Plan (GS Plan) requirements apply to each subbasin and not to the larger basin as a whole. It's fundamental to the implementation of SGMA that each subbasin be viewed as the individual building block for effective sustainable groundwater management. Under SGMA, each subbasin is required to have one or more GSAs and a GS Plan or coordinated GS Plans. While it's still early in this process and the eventual outcomes are unknown at this time, I can assure you that MCWD will approach the development of GS Plans for the respective GSA areas in a collaborative fashion with other GSAs serving the Salinas Valley Groundwater Basin (SVGB).

MCWD has a unique profile of customers. Our approximately 33,000 customers are almost exclusively residential users with a diverse socio-economic demographic profile. Formation of GSAs within the MCWD service areas ensures that our ratepayers have a voice in the management of their only water source. In a recent survey of our ratepayers, we learned of their strong desire for MCWD to focus on regional collaboration to secure future water supplies and to keep rates affordable. We view formation of GSAs very much in keeping with the desires of the ratepayers to whom we are ultimately accountable.

MCWD has proven its commitment to collaboratively identify regional solutions to secure future water supplies for the Monterey Region. Examples include the recent completion of the Urban Water Management Plan; water facility master planning; implementing the Regional Urban Water Augmentation Plan (RUWAP); securing 1,427 acre-feet per year of advanced treated water (Pure Water Monterey) for the Ord Community; entering into an agreement with MRWPCA to design, finance, construct, own and operate the Pure Water Monterey transmission pipeline; entering into a three-party agreement with FORA and MRWPCA to identify 973 acre-feet of water to satisfy the vision established via the Fort Ord Base Reuse Plan. Implementation of SGMA will require that the GS Plan be consistent and complimentary with these efforts. Establishing GSAs as MCWD has proposed will also allow us the flexibility to pursue the most cost effective solutions.

For nearly 60 years, MCWD has effectively and responsibly managed its water supply and defended its rights while collaborating with organizations and leaders such as yourself. We have given the formation of GSAs a great deal of study and thought and do not take this policy decision lightly. If you have any questions or require any additional information, I am happy to meet at a mutually convenient time.

Sincerely,
MARINA COAST WATER DISTRICT

A handwritten signature in black ink, appearing to read 'KVanDerMaaten', written in a cursive style.

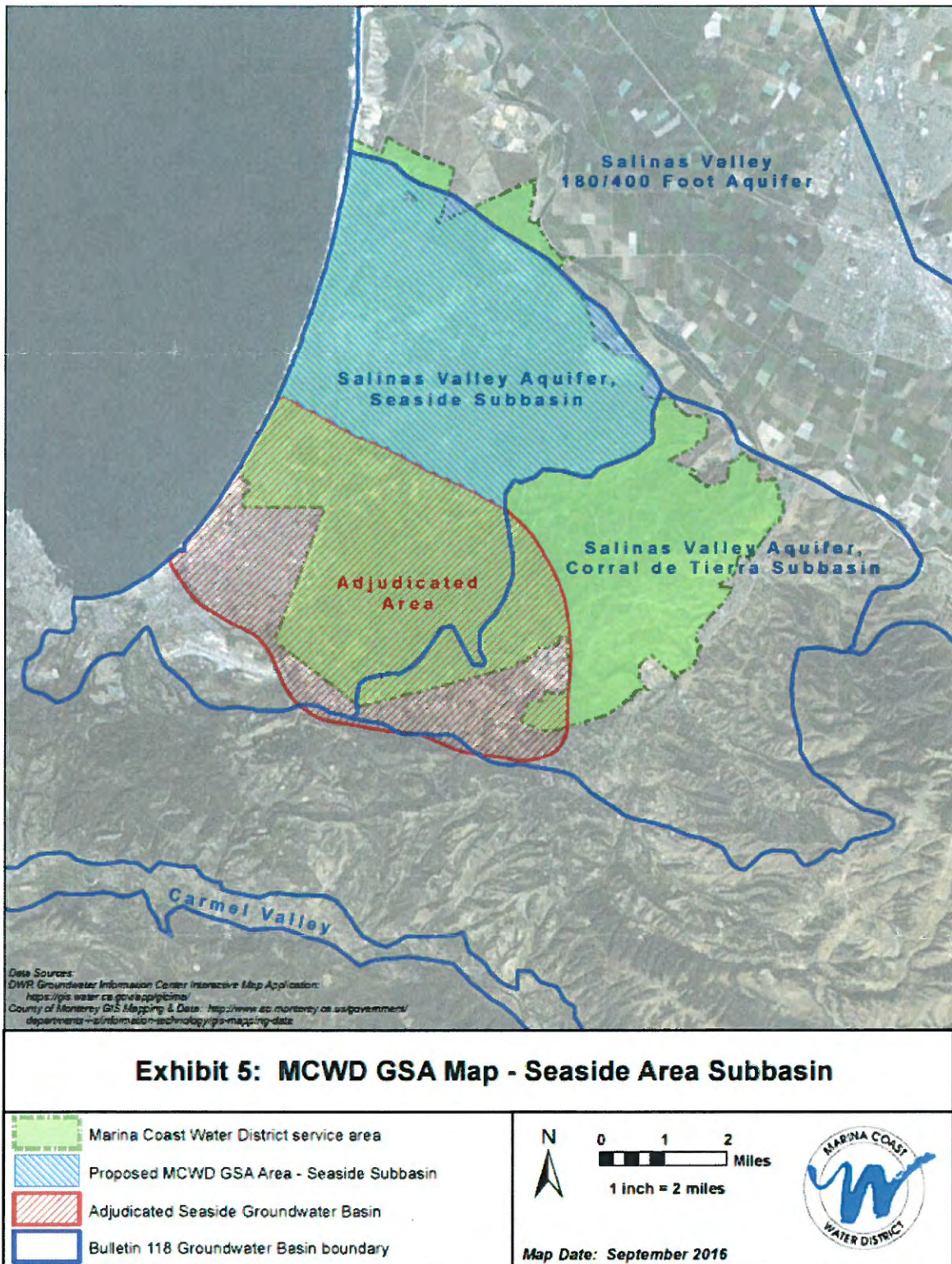
Keith Van Der Maaten,
General Manager

Attachments:

Attachment 1: "Exhibit 5: MCWD GSA Map- Seaside Area Subbasin"

Attachment 2: "Exhibit 3: MCWD GSA Map-Corral De Tierra Subbasin"

Attachment 1



Attachment 2

