

SALINAS RIVER MANAGEMENT

DRAFT

Grantee's full, legal name: Monterey County Water Resources Agency

Taxpayer ID Number: 946000523

Address: PO Box 930, Salinas CA 93902

Phone No.: (831) 755-4860

Name of Person Signing: David E. Chardavoyne

Title of Person Signing: General Manager

Contact Person, if different than Person Signing:

Name of Contact: Elizabeth Krafft

Title of Contact: Senior Hydrologist

SCOPE OF AGREEMENT

Pursuant to Chapter 3 and 5.5 Division 21 of the California Public Resources Code, the State Coastal Conservancy ("the Conservancy") hereby grants to Monterey County, Water Resources Agency ("the grantee") a sum not to exceed \$ 1,000,000 (one million dollars), subject to this agreement. The grantee shall use these funds to prepare enhancement and restoration plans ("the project") for the Salinas River and Lagoon in Monterey county as shown on Exhibit A (map to be added) which is incorporated by reference and attached.

The Grantee will undertake technical studies to support development of a Salinas River Management Program, which will include an assessment of the pilot phase of the Stream Management Program (SMP). The grantee will analyze current conditions in the Salinas River system, including the lagoon, taking into account current data, literature, and models and initiate a Technical and Design Committee to review current conditions. Grantee will also develop a management strategy to meet the goals and objectives for the system with flexibility.

The grantee shall carry out the project in accordance with this agreement and a work program as provided in the “WORK PROGRAM” section, below. The grantee shall provide any funds beyond those granted under this agreement which are needed to complete the project.

CONDITIONS PRECEDENT TO COMMENCEMENT OF PROJECT AND DISBURSEMENT

The grantee shall not commence the project and the Conservancy shall not be obligated to disburse any funds under this agreement until the following conditions precedent has been met:

1. The Board of Directors of the grantee has adopted a resolution designating positions whose incumbents are authorized to negotiate and execute this agreement and amendments to it on behalf of the grantee.

2. The Executive Officer of the Conservancy (“Executive Officer”) has approved in writing:
 - a. The work program for the project as provided in the “WORK PROGRAM” section, below.
 - b. All contractors that the grantee intends to retain in connection with the project.
3. The grantee has provided written evidence to the Conservancy that:
 - a. The grantee has provided for required insurance coverage, including additional insured endorsement, as described in the “INSURANCE” section, below.

TERM OF AGREEMENT

This agreement shall take effect when signed by both parties and received in the office of the Conservancy together with the resolution described in the “CONDITIONS PRECEDENT TO COMMENCEMENT OF PROJECT AND DISBURSEMENT” section of this agreement. An authorized representative of the grantee shall sign the first page of the originals of this agreement in ink.

This agreement shall run from its effective date through April 25, 2019 (“the termination date”) unless otherwise terminated or amended as provided in this agreement. However, all work shall be completed by January 25, 2019 (“the completion date”).

AUTHORIZATION

The signature of the Executive Officer of the Conservancy on this agreement certifies that at its June 15, 2019 meeting, the Conservancy adopted the resolution included in the

staff recommendation attached as Exhibit B. This agreement is executed under that authorization.

DRAFT

Standard Provisions

WORK PROGRAM

Before beginning the project, the grantee shall submit a detailed work program to the Executive Officer for review and written approval of its consistency with this grant agreement. The work program shall include:

1. The specific tasks to be performed.
2. A schedule of completion for the project, specifically listing the completion date for each project component and a final project completion date.
3. A detailed project budget. The project budget shall describe all labor and materials costs of completing each component of the project. For each project component, the project budget shall list all intended funding sources including the Conservancy's grant and all other sources of monies, materials, or labor.

If all or any part of the project to be funded under this agreement will be performed by third parties ("contractors") under contract with the grantee, then the grantee shall, prior to initiating any contractor selection process, submit the selection package to the Executive Officer for review and written approval as to consistency with the purposes of this grant agreement. Upon approval by the Executive Officer, the grantee shall proceed

with the contractor selection process. Prior to final selection of a contractor, the grantee shall submit to the Executive Officer for written approval the names of all contractors that the grantee intends to hire. The grantee shall then comply with the above paragraph regarding submission and approval of a work program prior to project commencement.

The work program shall have the same effect as if included in the text of this agreement. However, the work program may be modified without amendment of this agreement upon the grantee's submission of a modified work program and the Executive Officer's written approval of it. If this agreement and the work program are inconsistent, the agreement shall control.

The grantee shall carry out the project in accordance with the approved work program.

COORDINATION AND MEETINGS

The grantee shall coordinate closely with Conservancy staff and other involved entities, including local, state and federal agencies, and shall participate in meetings and other communications as necessary to ensure coordination.

WORK PRODUCTS AND ACKNOWLEDGMENT OF CONSERVANCY

SUPPORT

All material, data, information, and written, graphic or other work produced, developed or acquired under this agreement is subject to the unqualified and unconditional right of

the Conservancy to use, reproduce, publish, display, and make derivative use of all such work, or any part of it, free of charge and in any manner and for any purpose; and to authorize others to do so. If any of the work is subject to copyright, trademark, service mark, or patent, the Conservancy is granted and shall have a perpetual, royalty-free, nonexclusive and irrevocable license to use, reproduce, publish, use in the creation of derivative works, and display and perform the work, or any part of it, and to grant to any third party a comparable and coextensive sublicense.

The grantee shall include in any contract with a third party for work under this agreement terms that preserve the rights, interests, and obligations created by this section, and that identify the Conservancy as a third-party beneficiary of those provisions.

The grantee shall not utilize the work produced under this agreement for any profit-making venture, or sell or grant rights to a third party for that purpose.

In order to acknowledge the Conservancy's support of the project, the Conservancy's name and logo shall be included in the final report in a prominent location. The grantee shall mention the Conservancy's support in its project-related press releases, contacts with the media, and social media postings, and on its website.

COSTS AND DISBURSEMENTS

When the Conservancy determines that all “CONDITIONS PRECEDENT TO COMMENCEMENT OF PROJECT AND DISBURSEMENT” have been fully met, the Conservancy shall disburse to the grantee, in accordance with the approved project budget, a total amount not to exceed the amount of this grant, as follows:

The Conservancy shall disburse funds for costs incurred to date, less five percent, upon the grantee’s satisfactory progress under the approved work program and upon submission of a “Request for Disbursement” form, which shall be submitted no more frequently than monthly but no less frequently than quarterly. The Conservancy shall disburse the five percent withheld upon the grantee’s satisfactory completion of the project and compliance with the “PROJECT COMPLETION” section, below, and upon the Conservancy’s acceptance of the project.

The Conservancy will reimburse the grantee for expenses necessary to the project when documented by appropriate receipts. The Conservancy will reimburse travel and related expenses at actual costs not to exceed the rates provided in Title 2, Division 1, Chapter 3, Subchapter 1, Article 2 of the California Code of Regulations (“CCR”), except that reimbursement may be in excess of these rates upon documentation that these rates are not reasonably available to the grantee. Reimbursement for the cost of operating a private vehicle shall not, under any circumstance, exceed the current rate specified by the State of California for unrepresented state employees as of the date the cost is incurred. The Conservancy will reimburse the grantee for other necessary expenses if those

expenses are reasonable in nature and amount taking into account the nature of the project, its location, and other relevant factors.

The grantee shall request disbursements by filing with the Conservancy a fully executed “Request for Disbursement” form (available from the Conservancy). The grantee shall include in the form its name and address, the number of this agreement, the date of the submission, the amount of the invoice, the period during which the work was actually done, and an itemized description, including time, materials, and expenses incurred, of all work done for which disbursement is requested. Hourly rates billed to the Conservancy and specified in the approved work program budget shall be equal to the actual compensation paid by grantee to employees, which may include employee benefits. The form shall also indicate cumulative expenditures to date, expenditures during the reporting period, and the unexpended balance of funds under the grant agreement.

An authorized representative of the grantee shall sign the form. Each form shall be accompanied by:

1. All receipts and any other source documents for direct expenditures and costs that the grantee has incurred.
2. Invoices from contractors that the grantee engaged to complete any portion of the work funded under this agreement and any receipts and any other source documents

for costs incurred and expenditures by any such contractor, unless the Executive Officer makes a specific exemption in writing.

3. A supporting progress report summarizing the current status of the work and comparing it to the status required by the work program (budget, timeline, tasks, etc.), including written substantiation of completion of the portion of the project for which the grantee is requesting disbursement.

The grantee's failure to fully execute and submit a Request for Disbursement form, including attachment of supporting documents, will relieve the Conservancy of its obligation to disburse funds to the grantee unless and until the grantee corrects all deficiencies.

EXPENDITURE OF FUNDS AND ALLOCATION OF FUNDING AMONG BUDGET ITEMS

The total amount of this grant may not be increased except by written amendment to this agreement. The grantee shall expend funds consistent with the approved project budget. Expenditure on items contained in the approved project budget, other than overhead and indirect costs, may vary by as much as ten percent without prior approval by the Executive Officer, provided that the grantee first submits a revised budget to the Conservancy and requests disbursement based on the revised budget. Any deviation greater than ten percent, and any deviation that shifts funds from approved budget items into an overhead or indirect costs category, must be identified in a revised budget

approved in advance and in writing by the Executive Officer. The Conservancy may withhold payment for items which exceed the amount allocated in the project budget by more than ten percent and which have not received the approval required above. Any increase in the funding for any particular budget item shall mean a decrease in the funding for one or more other budget items unless there is a written amendment to this agreement.

PROJECT COMPLETION

The grantee shall complete the project by the completion date provided in the “TERM OF AGREEMENT” section, above. Upon completion of the project, the grantee shall supply the Conservancy with evidence of completion by submitting:

1. The plan and any other work products specified in the work program for the project, each in a format or formats (for example, paper, digital, photographic) approved by the Executive Officer.
2. A fully executed final “Request for Disbursement.”

Within thirty days of the grantee’s submission of the above, the Conservancy shall determine whether the grantee has satisfactorily completed the project. If so, the Conservancy shall issue to the grantee a letter of acceptance of the project. The project shall be deemed complete as of the date of the letter.

EARLY TERMINATION, SUSPENSION AND FAILURE TO PERFORM

Before the project has commenced, either party may terminate this agreement for any reason by providing the other party with seven days notice in writing.

Before the project is complete, the Conservancy may terminate or suspend this agreement for any reason by providing the grantee with seven days notice in writing. In either case, the grantee shall immediately stop work under the agreement and take all reasonable measures to prevent further costs to the Conservancy. The Conservancy shall be responsible for any reasonable and non-cancelable obligations incurred by the grantee in the performance of this agreement prior to the date of the notice to terminate or suspend, but only up to the undisbursed balance of funding authorized in this agreement. Any notice suspending work under this agreement shall remain in effect until further written notice from the Conservancy authorizes work to resume.

If the grantee fails to complete the project as required, or fails to fulfill any other obligations of this agreement prior to the termination date, the grantee shall be liable for immediate repayment to the Conservancy of all amounts disbursed by the Conservancy under this agreement. The Conservancy may, at its sole discretion, consider extenuating circumstances and not require repayment for work partially completed. This paragraph

shall not be deemed to limit any other remedies the Conservancy may have for breach of this agreement.

Before the project is complete, the grantee may terminate this agreement for any reason by providing the Conservancy with seven days notice in writing and repaying to the Conservancy all amounts disbursed by the Conservancy under this agreement. The Conservancy may, at its sole discretion, consider extenuating circumstances and allow early termination without repayment for work partially completed.

On or before the date of termination of the agreement under this section, whether terminated by the grantee or the Conservancy, the grantee shall provide the Conservancy with all work, material, data, information, and written, graphic or other work produced, developed or acquired under this agreement (whether completed or partial), in appropriate, readily useable form.

The parties expressly agree to waive, release and relinquish the recovery of any consequential damages that may arise out of the termination or suspension of this agreement under this section.

The grantee shall include in any agreement with any contractor retained for work under this agreement a provision that entitles the grantee to suspend or terminate the agreement with the contractor for any reason on written notice and on the same terms and conditions specified in this section.

INDEMNIFICATION AND HOLD HARMLESS

The grantee shall be responsible for, indemnify and hold harmless the Conservancy, its officers, agents and employees from any and all liabilities, claims, demands, damages, or costs, including without limitation litigation costs and attorneys fees, resulting from or arising out of the willful or negligent acts or omissions of the grantee, its officers, agents, contractors, subcontractors and employees, or in any way connected with or incident to this agreement, except for the active negligence of the Conservancy, its officers, agents or employees. The duty of the grantee to indemnify and hold harmless includes the duty to defend as provided in Civil Code Section 2778. This agreement supersedes any right the grantee may have as a public entity to indemnity and contribution as provided in Gov. Code Sections 895 et seq.]

The grantee waives any and all rights to any type of express or implied indemnity or right of contribution from the State, its officers, agents or employees, for any liability resulting from, growing out of, or in any way connected with or incident to this agreement.

Nothing in this agreement is intended to create in the public or in any member of it rights as a third-party beneficiary under this agreement.

INSURANCE

Throughout the term of this agreement, the grantee shall procure and maintain insurance, as specified in this section, against claims for injuries to persons or damage to property that may arise from or in connection with any activities by the grantee or its agents, representatives, employees, or contractors associated with the project undertaken pursuant to this agreement. As an alternative, with the written approval of the Executive Officer, the grantee may satisfy the coverage required by this section in whole or in part through: (a) its contractors' procurement and maintenance of insurance for work under this agreement, if the coverage otherwise fully satisfies the requirements of this section; or (b) the grantee's participation in a "risk management" plan, self insurance program or insurance pooling arrangement, or any combination of these, if consistent with the coverage required by this section.

1. Minimum Scope of Insurance. Coverage shall be at least as broad as:
 - a. Insurance Services Office ("ISO") Commercial General Liability coverage, occurrence basis (Form CG 00 01) or comparable.
 - b. Automobile Liability coverage - ISO Form Number CA 0001, Code 1 (any auto).
 - c. Workers' Compensation insurance as required by the Labor Code of the State of California.

2. Minimum Limits of Insurance. Grantee shall maintain coverage limits no less than:

- a. General Liability: \$2,000,000 per occurrence for bodily injury, personal injury and property damage. If Commercial General Liability Insurance or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to the activities under this agreement or the general aggregate limit shall be twice the required occurrence limit.
- (Including operations, products and completed operations, as applicable)
- b. Automobile Liability: \$1,000,000 per accident for bodily injury and property damage.

3. Deductibles and Self-Insured Retentions. Any deductibles or self-insured retentions must be declared to and approved by the Executive Officer.

4. Required Provisions Concerning the Conservancy and the State of California.

- a. Each insurance policy required by this section shall be endorsed to state that coverage shall not be canceled by either party, except after thirty days' prior written notice by first class mail has been given to the Conservancy; or in the

event of cancellation of coverage due to nonpayment, after ten days prior written notice to the Conservancy. The grantee shall notify the Conservancy within two days of receipt of notice that any required insurance policy will lapse or be cancelled. At least ten days before an insurance policy held by the grantee lapses or is cancelled, the grantee shall provide the Conservancy with evidence of renewal or replacement of the policy.

- b. The grantee hereby grants to the State of California, its officers, agents, employees, and volunteers, a waiver of any right to subrogation which any insurer of the grantee may acquire against the State of California, its officers, agents, employees, and volunteers, by virtue of the payment of any loss under such insurance. Grantee agrees to obtain any endorsement that may be necessary to effect this waiver of subrogation, but this provision applies regardless of whether or not the grantee has received a waiver of subrogation endorsement from the insurer.
- c. The general liability and automobile liability policies are to contain, or to be endorsed to contain, the following provisions:
 - (i) The State of California, its officers, agents and employees are to be covered as additional insureds with respect to liability arising out of automobiles owned, leased, hired or borrowed by or on behalf of the grantee; and with respect to liability arising out of work or operations, including completed operations,

performed by or on behalf of the grantee including materials, parts or equipment furnished in connection with such work or operations.

(ii) For any claims related to this agreement, the grantee's insurance coverage shall be primary insurance with respect to the State of California, its officers, agents and employees, and not excess to any insurance or self-insurance of the State of California.

(iii) The limits of the additional insured coverage shall equal the limits of the named insured coverage regardless of whether the limits of the named insurance coverage exceed those limits required by this agreement.

d. Coverage shall not extend to any indemnity coverage for the active negligence of the additional insured in any case where an agreement to indemnify the additional insured would be invalid under Subdivision (b) of Section 2782 of the Civil Code.

5. Acceptability of Insurers. Insurance shall be placed with insurers admitted to transact business in the State of California and having a current Best's rating of "B+:VII" or better or, in the alternative, acceptable to the Conservancy and approved in writing by the Executive Officer.

6. Verification of Coverage. The grantee shall furnish the Conservancy with original certificates and amendatory endorsements, or copies of the applicable policy language, effecting coverage required by this clause. All certificates and

endorsements are to be received and approved by the Executive Officer before work commences. The Conservancy reserves the right to require complete, certified copies of all required insurance policies, including endorsements affecting the coverage, at any time.

7. Contractors. The grantee shall include all contractors as insureds under its policies or shall require each contractor to provide and maintain coverage consistent with the requirements of this section. To the extent generally available, grantee shall also require each professional contractor to provide and maintain errors and omissions liability insurance appropriate to the contractor's profession and in a reasonable amount in light of the nature of the project
8. Premiums and Assessments. The Conservancy is not responsible for premiums and assessments on any insurance policy.

AUDITS/ACCOUNTING/RECORDS

The grantee shall maintain financial accounts, documents, and records (collectively, "records") relating to this agreement, in accordance with the guidelines of "Generally Accepted Accounting Principles" ("GAAP") published by the American Institute of Certified Public Accountants. The records shall include, without limitation, evidence sufficient to reflect properly the amount, receipt, deposit, and disbursement of all funds related to work under the agreement. Time and effort reports are also required. The grantee shall maintain adequate supporting records in a manner that permits tracing from

the request for disbursement forms to the accounting records and to the supporting documentation.

Additionally, the Conservancy or its agents may review, obtain, and copy all records relating to performance of the agreement. The grantee shall provide the Conservancy or its agents with any relevant information requested and shall permit the Conservancy or its agents access to the grantee's premises upon reasonable notice, during normal business hours, to interview employees and inspect and copy books, records, accounts, and other material that may be relevant to a matter under investigation for the purpose of determining compliance with this agreement and any applicable laws and regulations.

The grantee shall retain the required records for a minimum of three years following final disbursement by the Conservancy. The records shall be subject to examination and audit by the Conservancy and the Bureau of State Audits during the retention period.

If the grantee retains any contractors to accomplish any of the work of this agreement, the grantee shall first enter into an agreement with each contractor requiring the contractor to meet the terms of this section and to make the terms applicable to all subcontractors.

The Conservancy may disallow all or part of the cost of any activity or action that it determines to be not in compliance with the requirements of this agreement.

COMPUTER SOFTWARE

The grantee certifies that it has instituted and will employ systems and controls appropriate to ensure that, in the performance of this contract, state funds will not be used for the acquisition, operation or maintenance of computer software in violation of copyright laws.

NONDISCRIMINATION

During the performance of this agreement, the grantee and its contractors shall not unlawfully discriminate against, harass, or allow harassment against any employee or applicant for employment because of sex, race, color, ancestry, religious creed, national origin, ethnic group identification, physical disability (including HIV and AIDS), mental disability, medical condition, genetic information, gender, gender identity, gender expression, marital status, age, sexual orientation, or military and veteran status (Government Code section 12940). The grantee and its contractors also shall not unlawfully deny a request for or take unlawful action against any individual because of the exercise of rights related to family-care leave (Government Code sections 12945.1 and 12945.2). The grantee and its contractors shall ensure that the evaluation and treatment of their employees and applicants for employment are free of such discrimination, harassment and unlawful acts.

Consistent with Government Code section 11135, the grantee shall ensure that no one, on the basis of race, national origin, ethnic group identification, religion, age, sex, sexual orientation, color, or disability, is unlawfully denied full and equal access to the benefits

of, or is unlawfully subjected to discrimination under, the work funded by the Conservancy under this agreement.

Pursuant to Government Code section 12990, the grantee and its contractors shall comply with the provisions of the Fair Employment and Housing Act (Government Code section 12900 et seq.) and the applicable regulations (California Code of Regulations Title 2, section 7285.0 et seq.). The regulations of the Fair Employment and Housing Commission regarding Contractor Nondiscrimination and Compliance (Chapter 5 of Division 4 of Title 2 of the California Code of Regulations) are incorporated into this agreement by this reference.

The grantee and its contractors shall give written notice of their obligations under this clause to labor organizations with which they have a collective bargaining or other agreement. This nondiscrimination clause shall be included in all contracts and subcontracts entered into to perform work provided for under this agreement.

PREVAILING WAGE

Work done under this grant agreement may be subject to the prevailing wage and other related requirements of the California Labor Code, Division 2, Part 7, Chapter 1, sections 1720-1861. If required by law to do so, the grantee shall pay prevailing wage to all persons employed in the performance of any part of the project and otherwise comply with all associated requirements and obligations.

INDEPENDENT CAPACITY

The grantee, and the agents and employees of the grantee, in the performance of this agreement, shall act in an independent capacity and not as officers or employees or agents of the State of California.

ASSIGNMENT

Without the written consent of the Executive Officer, this agreement is not assignable by the grantee in whole or in part.

TIMELINESS

Time is of the essence in this agreement.

EXECUTIVE OFFICER'S DESIGNEE

The Executive Officer shall designate a Conservancy project manager who shall have authority to act on behalf of the Executive Officer with respect to this agreement. The Executive Officer shall notify the grantee of the designation in writing.

AMENDMENT

Except as expressly provided in this agreement, no change in this agreement shall be valid unless made in writing and signed by the parties to the agreement. No oral

understanding or agreement not incorporated in this agreement shall be binding on any of the parties.

LOCUS

This agreement is deemed to be entered into in the County of Alameda.

SURVIVAL

The obligations in the “WORK PRODUCTS AND ACKNOWLEDGMENT OF CONSERVANCY SUPPORT” and “INDEMNIFICATION AND HOLD HARMLESS” sections, above, shall survive the termination of this agreement.

EXHIBIT B
COASTAL CONSERVANCY

DRAFT Staff Recommendation
June 15, 2016

SALINAS RIVER MANAGEMENT

Project No.17-008-01

Project Manager: Tom Gandesbery

RECOMMENDED ACTION: Authorization to disburse up to \$1 million to the Monterey County Water Resources Agency to undertake technical studies to support development of a Salinas River Management Program.

LOCATION: Salinas, Monterey County

PROGRAM CATEGORY: Climate Change and Integrated Coastal and Marine Resources Protection

EXHIBITS

Map (to be added)

Project Map and Photos (to be added)

Letters (to be received and added)

RESOLUTION AND FINDINGS:

Staff recommends that the State Coastal Conservancy adopt the following resolution pursuant to Sections 31113 and 31220 of the Public Resources Code:

“The State Coastal Conservancy hereby authorizes the disbursement of up to one million dollars (\$1,000,000) to the Monterey County Water Resources Agency (MCWRA) to undertake technical studies to support development of a Salinas River Management Program, subject to the following condition that prior to disbursement of funds, RCD shall submit for review and approval by the Executive Officer of the Conservancy a work program, including tasks, schedule and budget; all contractors to be employed for the project; and evidence that all necessary landowner access agreements and permits have been secured.”

Staff further recommends that the Conservancy adopt the following findings:

“Based on the accompanying staff report and attached exhibits, the State Coastal Conservancy hereby finds that:

The proposed authorization is consistent with Chapter 5.5 of Division 21 of the Public Resources Code, Section 31220(a) regarding integrated coastal and marine resource

The proposed project is consistent with the current Conservancy Project Selection Criteria and Guidelines.”

PROJECT SUMMARY:

Staff recommends providing up to \$1 million to the Monterey County Water Resources Agency (MCWRA) to undertake technical studies to support development of a Salinas River Management Program. The proposed project would be funded with an appropriation to the Conservancy specifically for MCWRA’s work on the Salinas River (See “Project Financing” section, below).

The Salinas River is the largest river system in the central coast. Environmental conditions within the watershed provide some of the most fertile and productive agricultural land in the West Coast, generating billions of dollars to the regional economy. However, this intensive agriculture has also had numerous negative impacts on the River including removal of riparian vegetation, ad-hoc bank stabilization and flood control, groundwater withdrawal, polluted irrigation drainage, spread of invasive plants and gravel extraction. The Salinas River Lagoon is a small bar-built estuary that faces additional challenges, including poor water quality and flooding of adjacent agricultural fields and roads. The MCWRA breaches the sandbar to alleviate flooding but in doing so raises questions about impact to the resident and migrating fish species.

The MCWRA operates Nacimiento and San Antonio Reservoirs; the Salinas River Diversion Facility (SRDF) located near Marina CA; and is the flood control agency for most of Monterey County. There is a recognized need by the MCWRA for the development of a Salinas River Management Program that will address MCWRA facilities and operations as well as system-wide issues such as flood risk reduction, threatened and endangered species management, water supply operations, natural resource conservation, and federal and state Endangered Species Act compliance.

The goals of the proposed project are to:

- Identify long-term solutions for management of the Salinas River that include flood reduction, water resources and habitat management for threatened and endangered species.

- Investigate the Salinas River Lagoon for the potential of reducing flooding on productive agricultural lands in the vicinity.
- Identify potential mitigations and solutions to steelhead migrations issues in the Salinas River corridor utilizing existing management efforts and future projects.
- Develop an outline for a long-term management strategy for the Salinas River within Monterey County that meets a variety of multi-benefit management goals.
- Continue implementation of the multi-benefit Salinas River Stream Maintenance Program (SRSMP) including documenting effectiveness for physical and biological attributes of the SRSMP to inform long-term planning.

The MCWRA will develop, review, and analyze a large amount of data to support the proposed project, specifically it will:

- Conduct physical assessments in a portion of the maintenance areas to document geomorphic conditions and how the conditions change over time, and test new technologies for physical monitoring of the river channel. Based on stream flow and design flows, assess flood risk reduction effectiveness of the SRSMP. The multi-benefit SRSMP seeks to balance sustained and improved riparian habitat with annual flood maintenance in the Salinas River. The SSRMP accomplishes this by constructing secondary channels that mimic historical channel braiding, focusing on Arundo removal for mitigation, replanting of natives in quality habitat areas and avoidance of disturbance of key habitats including wetlands and older successional riparian habitat.
- Analyze current conditions in the Salinas River system, including the lagoon, taking into account current data, literature, and models and provides for incorporation of new data. This analysis would account for a variety of conditions in a water year as well as current water operations. This assessment will make use of current models, including the SRWMP hydrologic model and groundwater modeling, and will take into account existing projects and plans and those in development.
- Perform a data gap assessment of the Salinas River system to identify additional studies needed to complete for the Management Program. These studies will provide additional review for: (i) assumptions regarding physical or biological conditions in the system that have yet to be developed specific to the Salinas River system; (ii) projects that might be able to be conducted in the short term, which provide benefit to the system; and (iii) analysis of landowner/operator opportunities to engage in further voluntary conservation planning.
- Initiate a Technical and Design Committee to receive and review the current conditions analysis. This will include agency staff, technical consultants, landowners and operators on the River, and other stakeholders.

Finally, MCWRA will develop a management strategy to meet the goals and objectives for the system with flexibility. The strategy will clearly define the co-benefits, outline

incentives for participation by stakeholders, and be compatible with existing land and water rights and uses.

The MCWRA is responsible for a wide range of activities along the Salinas River including flood management and water supply. It has led recent efforts to develop a long-term management plan for the watershed and is the appropriate entity to undertake this proposed project.

Site Description: The Salinas River watershed is the third largest in California. It begins 4,000 feet above sea level, in the La Panza Range near Santa Margarita in San Luis Obispo County and drains a 4,200 square mile area. It flows north over 175 miles from its headwaters and 110 miles within Monterey County, emptying into the Monterey Bay. The proposed project area consists of 95 river miles of the River's main-stem as well as several tributaries and the lagoon.

The Salinas River is a fluvial (river-formed) valley that flows to the northwest or 'up' along the principal axis and length of the valley. The valley was named during the late 18th-century Spanish colonial Alta California period, and in Spanish *salina* is the term for a salt marsh, salt lake, or salt pan. Near its opening to the ocean, the river had brackish tule ponds in broad depressed areas, though nearly all historically low wetlands areas were drained and developed for farming in the 19th Century. The valley begins south of San Ardo framed by the central inner California Coast Ranges and continues north-westward continuously defined on the west by the Santa Lucia Range, on the east by the Gabilan Range, to its end and the river's mouth at the Monterey Bay (Exhibit 2). The valley lends its name to the geologic province in which it is located, the Salinian Block. Major cities along the river valley include King City, Soledad, Salinas, and Castroville.

Agriculture dominates the economy of the valley. Promoters call the Salinas Valley "the Salad Bowl of the World" for the production of lettuce, broccoli peppers and numerous other crops. Strawberries, lettuce, tomatoes, and spinach are the dominant crops in the valley. Water in the upper region of the river is managed with two water supply reservoirs, Nacimiento and San Antonio, both operated by MCWMA. These store and release water for groundwater recharge, flood control and farming. Agricultural wells access the groundwater to irrigate about 275,000 acres (1,110 km²) of fruits and vegetables and to supply the valley cities. The Salinas River itself is a sand river, so water appears on the surface only during heavy rains or when water is released from the upstream reservoirs. Increased demand near the mouth of the valley has resulted in seawater intrusion so MCWMA and the regional sanitation agency now operate a sophisticated water recycling and groundwater injection system.

Environmental conditions within the watershed provide some of the most fertile and productive agricultural land in the West Coast. Agriculture in Monterey County contributes a total of \$8.1 billion to the local economy, including:

- \$5.7 billion in direct economic output, which represents 18.5% of the county's total direct economic output.

- \$2.4 billion in additional economic output in the form of expenditures by agriculture companies and their employees.

The Salinas River and its lagoon is designated critical habitat for the federally-threatened steelhead trout. The lagoon is also habitat for federally endangered tidewater goby and the beach area is designated critical habitat and breeding grounds for the federally-threatened Western Snowy Plover. Other species with the potential to occur in the Salinas River corridor and lagoon include:

- California Red-Legged Frog – federally listed as threatened and a California Species of Special Concern
- California Tiger Salamander – State and federally listed as threatened
- Least Bell's Vireo – State and federally listed as endangered
- San Joaquin kit fox – federally listed as endangered, State listed as threatened
- Bank Swallow – State listed as threatened
- Smith's blue butterfly – federally listed as endangered
- Southwestern butterfly- federally listed as endangered

Project History: The Monterey County Water Resources Agency (MCWRA) held a series of public workshops in late fall of 2013 to gather input for a long term Salinas River Management Plan that would have multiple benefits that include flood reduction, habitat restoration and management, water conservation and continuing efforts to halt seawater intrusion to the coastal aquifer. The one theme that was consistent from the public during these meetings was that local stakeholders should be the ones to determine the contents of a plan. The strategy that evolved implements a comprehensive, phased approach that encompasses a range of options.

A first step in the phased approach was the Salinas River Stream Maintenance Program (SRSMP) that provides flood reduction benefits, habitat restoration and enhancement to 95 miles of the Salinas River upstream of the Salinas River Lagoon. That project, which began implementation in 2016, is a partnership of landowners (the Salinas River Channel Coalition), The Nature Conservancy, the Resource Conservation District of Monterey County and the Grower-Shipper Association of the Central Coast. The Conservancy assisted in the development of the SRSMP during the planning phase by funding a 2-dimension hydrodynamic model through the through its Integrated Watershed Restoration Program (IWRP) and later through a \$330,000 Climate Ready grant to The Nature Conservancy to for planning, design, and permitting of the SRSMP.

Concurrently with development of the SRSMP, MCWRA established a Salinas River Lagoon Working Group consisting of landowners, federal and state regulatory agencies, environmental groups and local organizations to collaborate on solutions for the issues related to the lagoon. The next steps in this approach are to continue to implement the SRSMP and address the multitude of issues in the Salinas River, the lagoon and the Old Salinas River. This regional working group, which includes farming interests and landowners, will be leveraged as a review body for this proposed project.

PROJECT FINANCING

Coastal Conservancy	\$1,000,000
Others	\$0
Project Total	\$1,000,000

The source of funding for this proposed project is from an appropriation to the Conservancy in fiscal year 2016/17 from the General Fund. That appropriation specifically is for a grant to the Monterey County Water Resources Agency to initiate efforts to do any of the following in the Salinas River: (a) assist in the removal of excess vegetation and trash; (b) increase the efficiency of instream flow using sediment and vegetation management strategies; or (c) support the development and implementation of long-term management policies. The proposed project will support the development and implementation of a long-term management plan and thus is consistent with the appropriation.

CONSISTENCY WITH CONSERVANCY'S ENABLING LEGISLATION:

The proposed project would be undertaken pursuant to the Conservancy's enabling legislation, Division 21 of the Public Resources Code (PRC); in particular, Chapter 3, PRC Section 31113, regarding climate change and Chapter 5.5, PRC Section 31220, regarding integrated coastal and marine resources protection.

PRC Section 31113 (a) authorizes the Conservancy to undertake projects that address the impacts and potential impacts of climate change on resources within its jurisdiction, Pursuant to Section 31113(b), the Conservancy is authorized to award grants to nonprofit organizations and public agencies to undertake projects that reduce greenhouse gas emissions, address extreme weather events, sea level rise, storm surge, beach and bluff erosion, salt water intrusion, flooding, and other coastal hazards that threaten coastal communities, infrastructure, and natural resources. Consistent with section 31113, the proposed authorization is to award a grant to MCWRA, a wide special district agency, to reduce the potential for and storm induced flooding of agricultural and resource lands as a result of sea level rise and other climate change related hazards at the Salinas River Lagoon.

PRC Section 31220(a) authorizes the Conservancy to undertake a project or award a grant for coastal watershed and living marine resources protection and restoration projects that meet one or more of the criteria of Section 31220(b). The proposed project will help achieve the objectives of the following subsections: (b)(2) protect and restore fish and wildlife habitat within a coastal watershed; (b)(6) restore sensitive watershed lands; and (b)(7) reduce the impact of population pressures on the coastal resources caused water withdrawals. The proposed project will help achieve these objectives by restoring the creek channel, removing barriers to fish passage and adding vegetative buffers to protect water temperatures within the Salinas River.

Consistent with §31220(a), staff has consulted with the State Water Resources Control Board and the Central Coast Regional Water Quality Control Board in the development of the project to ensure consistency with PRC Section 30915 concerning protection and restoration of water quality of coastal waters.

As Section 31220(c) requires, the proposed project is consistent with the Water Quality Control Plan (Basin Plan) prepared by the regional water quality control board as discussed in detail below under "Consistency with Local Watershed Management Plan/State Water Quality Control Plan," and will include monitoring data and assessment of Program effectiveness.

**CONSISTENCY WITH CONSERVANCY'S 2013 STRATEGIC PLAN
GOAL(S) & OBJECTIVE(S), AS REVISED JUNE 25, 2015:**

Consistent with **Goal 5, Objective C** of the Conservancy's 2013-2018 Strategic Plan, the proposed project will complete a plan to improve water quality to benefit coastal and ocean resources.

Consistent with **Goal 5, Objective F** of the Conservancy's 2013-2018 Strategic Plan, the proposed project will complete a plan to improve water quality to benefit coastal and ocean resources.

**CONSISTENCY WITH CONSERVANCY'S
PROJECT SELECTION CRITERIA & GUIDELINES:**

The proposed project is consistent with the Conservancy's Project Selection Criteria and Guidelines, last updated on October 2, 2014, in the following respects:

Required Criteria

1. **Promotion of the Conservancy's statutory programs and purposes:** See the "Consistency with Conservancy's Enabling Legislation" section above.
2. **Consistency with purposes of the funding source:** See the "Project Financing" section above.
3. **Promotion and implementation of state plans and policies:**

This proposed project is consistent with the 2014 *Safeguarding California: Reducing Climate Risk, An update to the 2009 California Climate Adaptation Strategy*. The proposed project seeks to understand the Salinas River SMP demonstration sites to develop strategies to prepare for climate-driven impacts on riparian habitats. It is consistent with the Ocean and Coastal Ecosystems and Resources section that seeks to improve management practices for coastal and ocean ecosystems and resources, increase capacity to withstand and recover from climate impacts, support pilot projects to demonstrate effectiveness of innovative management techniques, and support investment in cost-effective green infrastructure to reduce flood risk and storm water runoff and maximize associated co-benefits.

This proposed project is consistent with the *California @ 50 Million: The Environmental Goals and Policy Report* (2013 Draft) because it “increase[s] ecosystem services and biodiversity” and “increase[s] resilience of natural systems to recover from disruption.” The proposed project will also “steward and protect natural and working landscapes” by helping to understand the effects of management activities on upstream and downstream communities and ecosystems as well as reflect the benefits of those ecosystem.

The proposed project is consistent with the *California Water Action Plan* in that it improves flood management using and Integrated Water Management Approach; and in that it protect(s) and restore(s) surface water and groundwater quality, improves data collection and analysis, and provides decision-support tools.

The proposed project implements state and federal species recovery plans, foremost being the *South-Central California Steelhead Recovery Plan*, (National Marine Fisheries Service 2013). The Salinas River is designated a Biogeographic Population Group (BPG) in the Recovery Plan. Specifically, the Recovery Plan calls for development of a water management plan for diversion operations, and development and implementation of a plan to restore natural channel features (SCCCS-4.2 and SCCC-7.1, respectively. Page 9-32). Closely related, the Plan also calls for the development and implementation of a plan for stream bank and riparian corridor restoration (SCCCS-7.3, Page 9-33). All these actions are within the scope of the proposed grant.

4. **Support of the public:** The proposed project has the support of elected officials, community organizations, and government agencies, including State Senator Anthony Canella, Assemblymember Anna Caballero, Grower-Shipper Association of Central California, Salinas River Channel Coalition, The Nature Conservancy, Central Coast Wetlands Group, Monterey County Farm Bureau and The Resource Conservation District of Monterey County.
5. **Location:** The Salinas River is a coastal watershed and a small portion of the proposed project area is within the Coastal Zone (Exhibit 2).
6. **Need:** This project would not be possible without Conservancy funds, as MCWRA has limited resources to undertake watershed-wide planning.
7. **Greater-than-local interest:** The Salinas River is a vitally important regional resource that supports the multi-billion-dollar agricultural economy and provides habitat to a number of species of both state and federal concern. In addition, it is the largest river draining to the Monterey Bay National Marine Sanctuary and water quality conditions in the River can have significant impacts on the Sanctuary. The proposed project will facilitate long-term improvements in the management of the river system.
8. **Sea level rise vulnerability:** The lower portions of the River, including the lagoon, will be impacted by sea level rise. Therefore, sea level rise will be considered in developing a long-term management strategy for the lagoon and lower river.

Additional Criteria

9. Resolution of more than one issue: The Salinas River SMP strives to permit and guide the flood protection activities of landowners as well as facilitate restoration and enhancement of the riparian zone of the River including the goal of eradicating giant reed (*Arundo donax*) from the watershed.
10. Realization of prior Conservancy goals See “Project History” above.
11. Cooperation: Under the SRSMP, landowners, farmers, county water managers and state and federal resource agencies are working together to implement innovative habitat restoration and bank stabilization projects, using a multi-site programmatic approach.

**CONSISTENCY WITH LOCAL WATERSHED MANAGEMENT PLAN/
STATE WATER QUALITY CONTROL PLAN:**

The lower portion of the Salinas River watershed is identified in the *Water Quality Control Plan for the Central Coastal Basin*, March 2016, (“Basin Plan”) published by the Regional Water Quality Control Board, Central Coast Region as “impaired” due to excess fecal coliform bacteria (page 4-126); as well as nitrogen and organophosphate pesticide (page 4-141). The proposed project is consistent with the Basin Plan in that the proposed planning and monitoring may help to manage and control discharge of pollutants to the river and its tributaries. The proposed project will monitor and assess the effectiveness of various riparian restoration practices that may have a positive impact on nitrogen inputs. The proposed project is also consistent with the Basin Plan in that the SRSMP may reduce harmful inputs of sediment to the river by promoting best management practices within the riparian corridor.

COMPLIANCE WITH CEQA:

The proposed project is statutorily and categorically exempt from the California Environmental Quality Act. Title 14 California Code of Regulations (CCR) Section 15262 sets forth a statutory exemption from the requirement to prepare an environmental impact report or negative declaration for the preparation of feasibility and planning documents for future actions that have not yet been approved or funded, provided that environmental factors are considered. 14 CCR Section 15306 exempts projects that fall in the category of basic data collection and resource evaluation activities that do not result in serious or major disturbance to an environmental resource. The proposed project entails preparation of feasibility and planning documents as well as data collection and resource evaluation activities. These activities will inform potential future actions that MCWRA may take that are not yet approved or funded. The proposed project will not have an impact on environmental resources, and the proposed project will consider environmental factors.

Upon approval, staff will file a Notice of Exemption for the project.