Attachment 1





State Water Resources Control Board

SENT VIA E-MAIL AND USPS

OCT 1 8 2019

Brent Buche Monterey County Water Resources Agency 893 Blanco Circle Salinas, CA 93901 bucheb@co.monterey.ca.us

PROPOSITION 1 GROUNDWATER GRANT FUNDING PRELIMINARY AWARD; MONTEREY COUNTY WATER RESOURCES AGENCY (MCWRA); PROTECTION OF DOMESTIC DRINKING WATER SUPPLIES FOR THE LOWER SALINAS VALLEY IMPLEMENTATION PROJECT (PROJECT); FINANCIAL ASSISTANCE APPLICATION SUBMITTAL TOOL (FAAST) PIN NO. 42174

Dear Mr. Buche:

Congratulations! By this letter, I am approving the funding for MCWRA's Project through the Proposition 1 Groundwater Grant Program (GWGP). This implementation project is conditionally approved for funding, with a preliminary grant award of up to \$7,348,000 for a total Project cost of \$9,197,332.

MCWRA proposes to destroy approximately 100 abandoned and dormant wells located in proximity to the City of Salinas, the communities of Castroville and Boronda, and unincorporated areas of Monterey County. The goal of the Project is to prevent chlorideand nitrate-contaminated groundwater from migrating into drinking water aquifers.

The Project has been reviewed by technical experts from the State Water Resources Control Board's (State Water Board) Division of Financial Assistance (DFA), the Central Coast Regional Water Quality Control Board, and the Department of Water Resources. The technical experts concur that the Project should achieve the stated objectives and is eligible for funding per the <u>GWGP Funding Guidelines</u>, as amended by the State Water Board in December 2017 (<u>Resolution No. 2017-0075</u>).

The GWGP Funding Guidelines indicate a reduced match amount for projects benefitting disadvantaged communities or economically distressed areas. Based on DFA's review of your request for a reduced match of twenty percent (20%) and supporting information provided in the Full Proposal, DFA staff have determined that additional information is needed to determine the proposed match amount.

E. JOAQUIN ESQUIVEL, CHAIR | EILEEN SOBECK, EXECUTIVE DIRECTOR

1001 I Street, Sacramento, CA 95814 | Mailing Address: P.O. Box 100, Sacramento, CA 95812-0100 | www.waterboards.ca.gov

Diana Conkle has been assigned as the DFA Grant Manager for this Project. You will receive information related to roles and responsibilities, grant agreement development, invoicing, deliverables, performance measures, reporting requirements, and due dates at a future date from an assigned Program Analyst. You will also be contacted by your assigned Grant Manager to ensure that all conditions and comments are addressed prior to execution of the final grant agreement. We encourage your prompt response to any requests from our staff, since unreasonable delays or failure to respond could result in withdrawal of this grant award.

Your grant award is preliminary and conditioned on the successful negotiation of a grant agreement. The grant agreement process will begin with the finalization of a scope of work and budget that is acceptable to the DFA Deputy Director. The scope of work will be based on the Full Proposal; however, DFA may require changes to the scope of work and budget as part of the grant agreement negotiation process. Based on the technical review of the Full Proposal, DFA staff have initially identified the following item(s) that will need to be addressed.

Key information to be provided prior to execution of the grant agreement:

- Additional justification for requested match reduction is required. DFA staff suggest conducting an income survey of the community of Salinas to determine if the community is disadvantaged and qualifies for reduced match. The County may hire a third-party contractor to conduct the survey, or the survey can potentially be performed by a technical assistance provider from the Proposition 1 Technical Assistance Program.
- 2. An acceptable, detailed budget updated to include the additional deliverables listed below. Also, ongoing, routine groundwater monitoring and sampling activities are ineligible and must be removed from the budget.
- 3. An acceptable schedule providing a breakdown and supporting cost estimates from contractors for the consulting, materials, and equipment costs.

Items to be addressed within the grant agreement as conditions, tasks, or deliverables:

1. Conduct a comprehensive groundwater monitoring and sampling event to determine current chloride and nitrate concentrations and groundwater elevations and gradients within the Project area. The information from this effort should be included in a Well Location Report, which should include sampling data, iso-concentration maps, hydrogeologic cross-sections, and water elevation maps, as well as well completion logs that indicate which drinking water aquifers and drinking water supply wells would be protected by the wells proposed for destruction.

Thank you for your consideration in addressing these items with DFA staff. We look forward to working with you on this Project. Please contact the assigned Grant Manager, Diana Conkle, with any questions at (916) 341-5660, or Diana.Conkle@waterboards.ca.gov.

Sincerely,

Fislit Ludon

Leslie S. Laudon, Deputy Director Division of Financial Assistance

cc: Meghan Tosney Division of Financial Assistance

> Robert Reeves Division of Financial Assistance

> Diana Conkle Division of Financial Assistance

> Debbie Cheung Division of Financial Assistance

Jennifer Fearing Office of Legislative Affairs

Greg Bishop Regional Water Quality Control Board

Katie McNeill Regional Water Quality Control Board

Amber Sellinger Regional Water Quality Control Board

Kelley List Department of Water Resources Kelley.List@water.ca.gov

Mark Foxworthy Monterey County Water Resources Agency FoxworthyME1@co.monterey.ca.us