

Resources Hydrologist position in Unit 8195 RMA012 after final determination of the appropriate position in consultation with Human Resources.

SUMMARY/DISCUSSION:

Over the course of several years, The Big Sur Land Trust (BSLT) worked with a number of local and state agencies, including the County of Monterey and Caltrans, to coordinate an effort to secure funding to enable implementation of “The Lower Carmel River Floodplain Restoration and Environmental Enhancement Project” (“Project”). This is a multi-objective project that combines flood protection, habitat enhancement and wildlife corridors, agricultural land protection, storm water retention and public recreation on a 130-acre site in the lower Carmel River just east of the Highway 1 Bridge. Over \$14 million of state and federal grants have been secured to support this project which includes the following elements:

- floodplain, riparian and wetland habitat restoration of 130 acres along the southern portion of the lower Carmel River east of the Highway 1 bridge;
- construction of a new causeway along State Route 1 allowing for connectivity between the flood plain and the south arm of the Carmel River Lagoon;
- removal of a ½ mile section of levee to allow flood flow access to the floodplain; and
- retention of a 36-acre site available for organic agriculture and public trails.

County of Monterey was designated as the lead agency for the Phase that includes creation and construction of a connection under Highway 1 from the Odello East property to the Carmel River Lagoon. Since the work involves construction within the State highway, a cooperative agreement is required between the local agency and CalTrans. A Project Study Report (PSR) was completed by CalTrans for the causeway project with an understanding that funding for environmental review and project construction would be provided by others.

Challenges in securing land tenure of the approximately 80 acres of land in the project area owned by the Carmel Development Company required BSLT to hold off on entering into grant contracts for at least five grants that were awarded to support various components of this project. Over time, staff at BSLT has changed and BSLT requested the County to consider executing grant contracts for grants which do not have executed contracts. County staff and BSLT initiated discussions to work out the details of the County assuming grant contracts.

A first step for the County was to establish current cost estimates related to available grant funding specifically for the causeway. Whitson Engineers, Inc. provided updated construction estimates for the Project to inform the County about how much funding is still needed to construct the causeway portion. A conservative engineering estimate indicates that there could be up to \$3 million in added construction costs between 2013 and 2018.

While the details of project management and future funding needs for the causeway continue to be determined, one funder has a compressed deadline to enter into a grant contract. The State of California Department of Water Resources (DWR) Flood Protection Corridor Program awarded \$5 million towards this project, of which \$2.5 million supports causeway construction costs. The grant was awarded and funds have been allocated to BSLT. A grant contract must be executed by August 31, 2013 in order to preserve the funding. BSLT has asked the County to execute the grant contract for this project in order to preserve the funds. This would also transfer responsibility for grant oversight and project management to the County through at least the five-year grant period. The Resource Management Agency (RMA) is not currently staffed to adequately provide for the level of expertise and scope of these increased responsibilities, which will require at least one added position at a Senior Civil Engineer/Senior Hydrologist level to assume grant and project management oversight through at least the grant period.

Conversations with grant managers indicated that the contract could be made conditional on receiving the remainder of the funds for the causeway construction.

The process to execute a grant contract with the DWR - Flood Corridor Protection Program includes:

- Funding Agreement Package: Standard Terms, Project Location Maps, Scope of Work, Maintenance Plan, and Funding Agreement
- Public Notice: A public newspaper notice, public hearing and public comment period are required before a funding agreement can be fully executed.

OTHER AGENCY INVOLVEMENT:

In 2010, County of Monterey, Monterey County Water Resources Agency (MCWRA), Monterey Peninsula Water Management District (MPWMD), California Department of Parks and Recreation, and BSLT executed a Memorandum of Understanding which outlines the roles of each agency in the Project. Removing a levee on the south side of the Carmel River and installing a causeway south of the existing Highway 1 bridge would provide flood benefits to CSA 50 (Lower Carmel River). Monterey County WRA assumed lead agency to prepare a Mitigated Negative Declaration for some initial work performed by BSLT. On June 3, 2013, the Capital Improvement Committee voted in support of the Board of Supervisors authorizing the Director of Resource Management Agency (RMA) and General Manager of MCWRA to enter into agreements for implementation of the Project. On June 12, 2013, the Budget Committee voted to support a request to the Board of Supervisors to approve assuming grant contracts and to request appropriation of a full time position to manage various projects/grants such as the Carmel River/Lagoon.

FINANCING:

There are many components for work being performed in the Lower Carmel River/Carmel Lagoon area. As noted above, BSLT has secured about \$14 million in funding for the “The Lower Carmel River Floodplain Restoration and Environmental Enhancement Project,” which requires \$300,000 in local match funding. Sources for meeting this match have not yet been fully determined, but could be provided through one or more of the involved agencies. The attached Exhibit D details the project elements, grant sources and funding currently secured for the Lower Carmel River Floodplain Restoration and Environmental Enhancement Project by the various involved agencies. Community Service District (CSD) 50 allocated about \$300,000 for a study that generates conceptual projects and preliminary cost estimates for flood control, updating a 2002 report accounting for current conditions and other projects, which may help qualify as local matching funds. It should be noted that no funding has been included for local grant oversight and project management for the BSLT grants. Board approval for RMA to assume the grants will require at least one additional position for grant and project management, estimated at a cost of around \$150,000 beginning in FY 2013-14 and \$750,000 through the five-year grant period. This added staff cost qualifies toward local matching requirements. This expense is not currently included in the FY 2013-14 Recommended Budget. Historically, annual costs to manage (physically) the Lagoon and protect homes from flooding ranges from \$200,000 to \$500,000 per year. It is anticipated that completion of the project will significantly reduce these emergency costs, which are ultimately borne by the General Fund each year.

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Attachments:

- A. Overview Map
- B. 8/22/11 Legislative Committee Report
- C. Executed project MOU
- D. Secured grants budget for entire project
- E. Whitson updated budget memo (portion)
- F. Existing scope of work and budget from DWR grant
- G. Sample contracts from DWR

Attachments are on file with the Clerk of the Board.