



County of Monterey

Item No.

Board Report

Board of Supervisors
Chambers
168 W. Alisal St., 1st Floor
Salinas, CA 93901

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February 07, 2025

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Consider recommending that the Board of Directors authorize the General Manager to enter into Amendment No. 3 to the Subgrant Agreement between the Salinas Valley Basin Groundwater Sustainability Agency and Monterey County Water Resources Agency, related to Grant Agreement Number 4600014638 Sustainable Groundwater Management Act Implementation Grant, to increase the subgrant eligible fund amount by \$1,302 for a total contract amount not to exceed \$3,481,302; and revise the work plan.

RECOMMENDATION:

It is recommended that the Finance Committee:

Recommend that the Monterey County Water Resources Agency Board of Directors authorize the General Manager to enter into Amendment No. 3 to the Subgrant Agreement between the Salinas Valley Basin Groundwater Sustainability Agency and Monterey County Water Resources Agency, related to Grant Agreement Number 4600014638 Sustainable Groundwater Management Act Implementation Grant, to decrease the subgrant eligible fund amount by \$1,302 for a total contract amount not to exceed \$3,481,302; and revise the work plan.

SUMMARY/DISCUSSION:

On September 19, 2022 the Board of Directors authorized the General Manager to enter into a Subgrant Agreement with the Salinas Valley Basin Groundwater Sustainability Agency (SVBGSA) to receive funding related to Grant Agreement Number 4600014638 Sustainable Groundwater Management Act Implementation Grant, in the amount of \$3,690,000, to financially support the Monterey County Water Resources Agency's (Agency) involvement with certain components of the SVBGSA's Phase 1 Implementation projects.

The work plan in the Subgrant Agreement provided funding for the Agency to work collaboratively with the SVBGSA on activities associated with planning, development, preparation, and/or implementation of the Dry Chlorine Scrubber Upgrade; Castroville Seawater Intrusion Project Distribution System Upgrades; Interested Parties Outreach and Engagement; Feasibility Studies on Aquifer Storage and Recovery; Demand Management Feasibility; Compliance Reporting and Data Expansion; Operationalizing Deep Aquifers Study Recommendations, and grant administration tasks (Attachment 1).

Amendment No. 1 to the Subgrant Agreement, dated 6/30/2023, revised the work plan to include a new task under Component 9, Seawater Intrusion Feasibility Study; amended the Budget to include an additional \$131,000 in grant funding to support the Agency's work on Component 9; and amended

the Schedule to provide that all work associated with Component 9 be completed by January 31, 2025 (Attachment 2).

Amendment No. 2 to the Subgrant Agreement, dated 7/16/2024, revised the work plan under Component 3, Castroville Seawater Intrusion Project (CSIP) Distribution System Upgrades, to include a modified implementation project to achieve CSIP Optimization in order to align grant deliverables with the grant deadline of March 2025. Amendment No. 2 also reduced the total subgrant award, as requested by the SVBGSA for completion of other critical work plan items (Attachment 3).

The Agency has completed numerous Components of the Subgrant Agreement but due to various delays, has not completed them all. Additionally, the SVBGSA has identified tasks related to Component 8, Deep Aquifer Study Implementation, that they are requesting Agency support with. Therefore, the Agency has requested a six-month extension to the subgrant agreement, with a final completion date of September 30, 2025, to ensure full completion of Component 3, Castroville Seawater Intrusion Project (CSIP) Distribution System Upgrades, Component 7, Compliance Reporting and Data Expansion and Component 8, Deep Aquifer Study Implementation. With this extension granted, the Agency will be able to complete another phase of the CSIP Optimization implementation. Therefore, funding is being requested to be re-allocated for that effort, within that Component.

The extension request, budget and work plan modifications are detailed in Attachment 4. The SVBGSA will work with the State of California Department of Water Resources (DWR) to make modifications to the grant agreement and the subgrant agreement amendment will follow shortly after.

OTHER AGENCY INVOLVEMENT:

State of California Department of Water Resources, Salinas Valley Basin Groundwater Sustainability Agency, Monterey One Water

FINANCING:

Funding expenditures under this subgrant agreement are reimbursable by DWR for a total amount of \$3,481,302.

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Approved by: Ara Azhderian, General Manager, (831) 755-4860

Attachments:

1. Original Subgrant Agreement with SVBGSA
2. Subgrant Agreement Amendment No. 1
3. Subgrant Agreement Amendment No. 2
4. MCWRA letter requesting Amendment No. 3

