

**Greater Monterey County Integrated Regional Water Management Program
Regional Water Management Group Meeting
July 19, 2017
Location: Monterey Bay National Marine Sanctuary, Monterey, CA**

RWMG Attendees:

Brenda Granillo – California Water Service Company
Tom Harty – Monterey County Resource Management Agency
Bridget Hoover – Monterey Bay National Marine Sanctuary
Elizabeth Krafft – Monterey County Water Resources Agency
Heather Lukacs – Environmental Justice Coalition for Water (EJCW)
Karen McBride – Rural Community Assistance Corporation (RCAC)
Christina McGinnis – Monterey County Agricultural Commissioner’s Office
Kevin O’Connor – Central Coast Wetlands Group
John Olson – California State University Monterey Bay
Gary Petersen – City of Salinas
Rachel Saunders – Big Sur Land Trust

Non-RWMG Attendees:

Karen Nilsen – Nilsen & Associates
Susan Robinson – Greater Monterey County IRWM Program Director

Meeting Minutes

1. Brief Introductions.

2. IRWM Disadvantaged Community Involvement Grant Funds: Bridget said that the Disadvantaged Community (DAC) Involvement application was submitted by the Central Coast IRWM Regions several months ago. The Department of Water Resources’ (DWR) comments were minimal. The revised application has not yet been submitted to DWR, pending some budget details. Tim Carson, with the Santa Cruz Regional Water Management Foundation (lead applicant), said he hopes to submit the application early next month, with a contract in hand by end of the year if not sooner. The entities who will be doing work through this grant within the Greater Monterey County IRWM region include EJCW, RCAC, and Nilsen & Associates.

Bridget wondered, since there is no “lead agency” heading up the Regional Water Management Group (RWMG), who will be the primary entity or group responsible for overseeing the DAC Involvement work? Perhaps a subcommittee of the RWMG? She noted that the grant will fund a DAC Coordinator, who will act as the primary point of contact for the Santa Cruz Regional Water Management Foundation and as a liaison between the subcontractors and the RWMG. Rachel recommended that Susan be the point person to work with the DAC Coordinator on behalf of the RWMG, and that there should be some funds set aside for that purpose. Others voiced agreement with that idea. Heather suggested there may be a role for the DAC Coordinator to liaison with the State as well.

3. Project Review Process: Susan provided an overview of the revisions that have been put forward for the IRWM Plan project review process. Several individuals had submitted comments and Susan had provided responses to those comments. She asked if anyone wanted to discuss the comments, or had additional input/questions. There were no further comments or questions.

Susan brought up one comment in particular from John Olson regarding whether a RWMG member who is also a project proponent should be able to participate in discussion about that project during the process of selecting projects for an IRWM Implementation Grant application; the thought is that it may create an

unfair disadvantage to other project proponents who cannot be present to present/defend their projects at the RWMG meeting. Bridget and Gary both voiced strong support for allowing RWMG members to engage in discussion about their projects, noting how helpful it has been in previous rounds to the Project Review Committee. Others agreed. Susan noted that in the past, project proponents have been invited to attend the RWMG meetings during the project selection process. Gary suggested that attendance should actually be a requirement for project proponents, in order for them to present their projects. Everyone agreed with that idea. John said he agreed as well.

Elizabeth brought up the issue of lead applicant. In previous Implementation Grant rounds, it has often been difficult to find a lead applicant (and without a lead applicant, there's no application). Hence, by default, if an entity has volunteered to act as lead applicant, their project has essentially been automatically "selected" for the application. How does that play in to the project review process, she asked? Susan noted that the cap on project administration has been 5% in previous grants; on a \$3.2M grant – which is what the Greater Monterey County IRWM region anticipates receiving in Prop 1 Round 1 – this would be about \$162K. After some discussion it was decided that this issue does not need to be factored into the project review process per se, but should simply be recognized. Bridget suggested asking Rich Guillen, who has been administering the Prop 84 Implementation Grant, to talk to the group sometime about what's involved with project administration.

Elizabeth asked whether the RWMG needs to re-adopt the IRWM Plan, given the significant changes to the project review process. Susan answered no, the RWMG is able to make changes such as this to the Plan through a formal vote. John motioned to approve the revisions to the project review process per the latest draft that Susan had sent to the RWMG. Rachel seconded. All voted in favor, none opposed, none abstained. Susan said she would write up those revisions into the Project Review chapter, and send the chapter to the RWMG for review soon.

Susan then reviewed the IRWMP project solicitation schedule and DWR's anticipated schedule for Round 1 of the Proposition 1 IRWM Implementation Grant:

- August 18, 2017: Project solicitation for the IRWM Plan officially begins (simple application)
- August 30, 2017: Public workshop at the Farm Bureau in Salinas (from 2:00PM – 4:00PM)
- October 6, 2017: Project applications for inclusion in the IRWM Plan are due
- October 6 – November 3: A subcommittee reviews and ranks the projects; sends draft Ranked Project List to RWMG.
- November 8, 2017: RWMG discusses/approves new Ranked Project List for the IRWM Plan.
- Late Fall 2017: The Round 1 Prop 1 IRWM Implementation Grant draft Proposal Solicitation Package (PSP) is expected to be released by DWR. As soon as the draft PSP is released, Susan will contact all project proponents who have projects in the IRWM Plan, ask who would like to apply in Round 1, and those project proponents will then be required to fill out a more detailed application form. The RWMG will review those applications and determine which projects to put forward in Round 1 — with an aim to determine the final mix of projects by the time the final PSP is released. Applications are due to DWR in Spring 2018.

4. 2018 Water Bond Initiatives: Prior to the meeting, Susan had sent the RWMG a summary of two water bond initiatives. One is sponsored by Jerry Meral (\$8.345 billion), and the second is sponsored by the Conservation Strategy Group (\$7.5 billion). Susan primarily wanted to point out to the RWMG that neither initiative includes funding for IRWM. She said that the legislature has passed Parks bonds in both houses (SB 5 and AB 18), and one of those bonds (SB 5) includes \$125M for IRWM.

Rachel explained further about the process. There has been dialogue to try to bring the Parks bonds together to get signed by the governor, but the governor hasn't expressed support for it. The legislature has encouraged outside groups to fashion a measure to keep pressure on the negotiating process; and if the legislative bills don't move forward then there would be a fallback (i.e., voter initiatives).

Rachel noted that there have been differing opinions as to how successful IRWM has been. In a Water Bond Coalition meeting last week, the question of why funding for IRWM was not included in either of the initiatives was posed directly to Jerry Meral and Cynthia Vitale of Conservation Strategy Group. Susan read their response (from the Water Bond Coalition meeting minutes): "Polling finds that voters are more likely to support bond measures that include specific funding for projects, like water conservation, groundwater recharge, watershed restoration, etc. IRWM funding isn't specific, and doesn't poll as well. It was also reported that the organizations the initiative organizers contacted did not include IRWM funding as top priorities."

Bridget asked whether it was too late to get IRWM into the bonds. Susan said not necessarily; the Water Bond Coalition (of which the Greater Monterey County RWMG is a member) is in the process of sending letters to the authors of the bond initiatives as well as to Senator De Leon (SB 5) and Assemblymember Eduardo Garcia (AB 18), urging them to include \$510 million for IRWM in the bonds (same amount allocated in Prop 1). Rachel said she would keep the group posted as to any new developments.

5. Salinas Valley Interim Replacement Water Agreement: Heather explained that the Salinas Valley Interim Replacement Water Agreement is between a group of growers (at least a couple dozen) and the State Water Resources Control Board Office of Enforcement, and covers the entire Salinas Valley, including all major groundwater basins. The growers agree to provide replacement water to small water systems that have nitrate-contaminated water. EJCW is currently providing bottled water to six of those water systems. In Year 1 the growers agree to provide water to 35 small water systems and to come up with a plan to expand to other water systems as well as private domestic wells. They will offer free water quality testing for nitrate for potentially affected parties. Heather commented that there now seems to be increased motivation to work on long-term solutions to address nitrate in the Salinas Valley.

Susan asked, is this too good to be true? Someone noted that the State had been looking at a much larger, valley-wide enforcement action. While the growers are "wanting to do the right thing," this agreement also allows them to delay any kind of enforcement action. There was some discussion about the practical and positive aspect of providing clean drinking water, versus addressing the source of the problem.

6. Update on Salinas Valley Groundwater Sustainability Agency: Gary provided an update on the GSA. He note that Marina Coast Water District (MCWD) filed as a GSA with an extended service area; there is a legal question as to whether they can form a GSA outside of their jurisdictional boundaries. The City of Greenfield filed a GSA with the Clark Colony Water Company, called the Arroyo Seco GSA, that bisects the valley. (Someone asked, how do they separate the groundwater basin?) San Lucas Water District also filed a GSA, but withdrew their application. The Salinas Valley GSA is engaged in discussions with the Arroyo Seco GSA to try to form one GSA; they may also have discussions with MCWD. August is the deadline for filing GSAs.

Gary noted that the Sustainable Groundwater Management Act (SGMA) stipulates that groundwater balance be achieved, but does not specify how to manage the basin in order to achieve that. He said that the State is interested in finding two locations to implement a pilot project. Professor Mike Young of the University of Adelaide has been funded by the Water Foundation to assist groundwater communities around California in considering and perhaps implementing what might be described as the "Sharing System" of groundwater management. The system's structure and principles are based off of the policies implemented during the Australian Water reform, of which Mike was a key architect. Gary briefly described how the "Sharing System" works, a sort of cap and trade for groundwater. He said the system

has had marked success in Australia over the past 20 years. He noted that if you “create” water (e.g., through recycling or recharge), you get credit. The value of the water is set by the market, not by the governing body. Susan asked whether the market considers groundwater quality as well, and Gary responded that it did; the system has been used to generate funds for people to clean up contaminated water.

Gary said Mike has been talking with some entities in the Salinas Valley and will be returning next week; Gary invited people to attend. Rachel asked “who decides” whether to do the pilot project here, and Gary responded that it would need to be a broad consensus (including the ag community).

The next RWMG meeting will be held on August 16, 2017, 1:30PM – 3:30PM, at Moss Landing Marine Labs.