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December 6, 2006

Ms. Tracie Billington
California Department of Water Resources
901 P Street
PO Box 942836
Sacramento, CA 94236-0001

Subject: Response to Proposition 50 Draft Funding Recommendations from Monterey County Group

Dear Ms. Billington:

This letter constitutes the applicant's response for PIN #10052 to the State's preliminary funding recommendations regarding Proposition 50 Chapter 8 Implementation Grants, Phase 1, Step 2, requested for submission on or before December 8, 2006. We wish to make several prefatory comments before proceeding with a critique of the evaluation of our application beginning with "Introduction" below.

First, the evaluation summary reflects an effort to find fault with the application format and presentation rather than to identify worthy projects ready for implementation. Comparison with other applications for those projects scored above and below our own shows uneven evaluation, some of which is noted below. Of special note is the acceptance and posting by the State of materials received from litigants after the application filing deadline. These litigation-related materials are alluded to repeatedly as having a negative effect in the project evaluation. Significantly, however, the applicant was not made aware of the submission of these materials and had no opportunity to respond thereto. Indeed, a proposal by the applicant to update the State in October on continuing litigation and permitting was rejected. The progress of both litigation and permitting can change significantly in short periods. In the present case, significant litigation and permitting issues relating to the project after the application was filed. We believe this particular application was penalized unfairly by the consideration of inaccurate information submitted by third parties to which the applicant did not have an opportunity to respond.

Second, the evaluations do not appear to have examined readiness to proceed with project construction equitably or in detail. We are unable to find "apples to apples" comparisons of readiness to proceed. For example, the evaluations are unclear as to the completion of CEQA/NEPA for all applications, and do not identify the degree to which there has been documented public acceptance of particular projects, both in terms of basic project support and in terms of approved funding. In contrast, the Salinas Valley Water Project, for example, has completed environmental review and received 85% public support, of both its components and its financing, via an affirmative Proposition 218 vote and has successfully weathered litigation efforts that typically follow the development of water projects throughout the State.

Additionally, in regards to permits and compliance, note that the Salinas Valley Water Project not only has the above-mentioned EIR and successful Proposition 218 passage, it also possesses a California Department of Fish and Game 1601 Permit (Streambed Alteration), a Clean Water Act Section 401 Water Quality Certification, and a Draft "Non-Jeopardy" Biological Opinion from the NOAA Fisheries.

Monterey County Water Resources Agency provides flood control services and manages, protects, and enhances the quantity and quality of water for present and future generations of Monterey County.

Third, our partnership believes the evaluation falls short of considering applications on their statewide merits, both in the context of Proposition 50 Guidelines and as identified by State officials in prior actions, by the Legislature in its crafting of Proposition 50 (and subsequent legislative infrastructure bond measures) and in materials distributed as part of the Chapter 8 grant development processes. Here we cite the State's prior actions regarding the statewide importance of water quality and water supply in the Salinas Valley, including the State Board's inclusion of the Salinas Valley as the only specific area in the State singled out as important for funding support in the State Board's Strategic Plan.

We also cite, in the context of the Legislature's broad view of water issues as they relate to California's economic viability and vitality, the Salinas Valley's $3.4 billion annual contribution to California agriculture, as well as the importance of water supply and quality to state and national food safety. We note the importance of water supply and quality to the State's and nation's substantial investment in facilities in Monterey County, most notably to military facilities of national significance, to California State University Monterey Bay and to two large State prisons. The three major projects in this application are key to continued viability of those institutions, while also allowing planned reuse of former Fort Ord, the largest base closure in California, with its 16,000 plus new jobs and approximately 13,000 housing units.

Fourth, the evaluation of scientific and technical merit, specifically with regard to 1) the Salinas Valley Integrated Ground and Surface Model (SVIGSM) and 2) the Blanco Drain, curiously fails to recognize the long history of development, validation, state involvement and multipurpose use of the SVIGSM as a most appropriate planning tool for the Salinas Valley. It also fails to recognize the Blanco Drain as a privately owned drainage facility having only a possible effect on fishery water quality, and vegetative treatment as the preferred alternative at the time of final submission of the Step 2 application. Subsequent to that filing, but unable to be reported to the State as requested in October, 2006 as an update to the application (like litigation and permitting status), a nationally significant produce food safety problem developed which has caused re-evaluation of preferred solutions, for example water treatment. We also note below that no money is requested for this minuscule portion of the total project costs. Simply stated, the intent of including this project was to introduce creativity and innovation to the agricultural runoff treatment problem. The success of any of the major project components of this application is independent of the scientific or technical merit of Blanco Drain vegetative treatment.

The following discussion provides further detail in areas where points were lost inappropriately, either due to apparent bias, lack of sufficient review, misunderstanding of the project components, or unequal evaluation in comparison with other applications. We respectfully request reconsideration of the evaluation and inclusion of this application with those recommended for funding. We are aware that the State reconsidered its recommendations in the Chapter 8 Planning process by adding additional money and applications to the approved list. We are also aware that the State has not yet determined how it should proceed with a Chapter 8 Implementation Phase 2, and that both Propositions 1E and 84 approved by voters in November provide substantial new money for the kind of projects able to be funded by Proposition 50. We ask the State to carefully consider the most efficient use of public funds, notably the large sums expended by local agencies in preparing Step 2 of this first round of Chapter 8 Implementation grant applications. For Pin # 10052, local agencies spent nearly $250,000 in preparation of Step 1 and 2 applications.

Time is of the essence for implementation of the Salinas Valley Water Project and other projects identified in Pin #10052. If the applicant is required to wait two or more years for decisions on other possible funding sources, the economic feasibility of the Salinas Valley Water Project will be at risk due to anticipated significant increases in construction costs. The time to build the projects identified in Pin #10052 is now.

1 Introduction

This letter identifies defects in the evaluation process for the Salinas Valley Integrated Regional Water Management Plan (IRWMP) Proposition 50 Chapter 8 Implementation Grant Application. For the purposes of evaluating this application in context with other applications, this review has compared it to three other applications: Pajaro Valley (Pin #10021) and Community Foundation of Santa Cruz County (Pin #10045) applications due to their geographic proximity, and the Humboldt County application (Pin #9595) since that particular application received the highest score.

This analysis will focus on where the application for Pin #10052 lost critical points. It compares the scores that the Monterey County application received relative to its competitors and indicates where the evaluation of the Monterey County application was defective.

2 Elements that Affected Score

Based on an overview of the comments in the proposal evaluation, it appears that two elements of the proposal weighed especially heavily on the application scoring for Pin #10052. These two elements are:

- Correspondence received by the State after the application submittal, and
- Skepticism over the development and feasibility of the Blanco Drain element of the Salinas Valley Water Project

The correspondence received from litigants against the Salinas Valley Water Project (SVWP) has been cited above as a major concern for MCWRA. This correspondence was posted (presumably by SWRCB and DWR staff) on the FAAST website with the application materials. The emails contain opinions that are highly prejudicial and completely inaccurate. The applicant was not made aware of or given the opportunity to respond to the comments, nor was it permitted to update State reviewers on either litigation or permitting status.

The Blanco Drain Treatment System project is one of the projects that make up the SVWP. The proposal evaluation indicates skepticism over the implementation of this project. The Blanco Drain Project is a vegetative wetland project that is planned to remove pesticides and nitrates from agricultural runoff and drainage. The final design of this project is not complete at this time. However, this project only accounts for approximately $88,000 out of a total project cost of $79,500,000, which corresponds to approximately one tenth of one percent of the total proposal cost and is not included in the funding request. It seems as though the evaluation of this extremely small and innovative project has been disproportionately weighted in the proposal evaluation.

It is difficult to gauge the full effects of these two elements, as reviewers' opinions for or against projects can permeate into the evaluation of all elements of the application. However, the following are examples of how the evaluation process was affected:

- **IRWMP Implementation Score (4 out of 5).** The fact that some permits have not been obtained is cited as a reason that the implementation schedule is questionable. Other proposals (some which had projects in the feasibility study phase and therefore have no permits in place) were not similarly cited, thus making it difficult to understand why the Monterey County proposal received downgraded scores on permit acquisition, especially with a court-validated EIR, a successful Proposition 218 ballot measure, and other key permits in place, as described above. The project litigants' email dated 9/18/06 regarding the permit process (in which the individual making the claim has no first hand knowledge of) appears to have misled application reviewers. Again, no opportunity was provided for the applicant to clarify actual circumstances.
- **IRWMP Financing Score (3 out of 5).** This criterion is discussed in more detail below. The litigation against the project is cited as a reason that the project financing is in doubt even though the IRWMP clearly indicates that that is not the case. Therefore, it seems as though the correspondence from the litigants regarding the project influenced the review and led to this low score.
- **Work Plan Score (9 out of 15).** The scoring evaluation for this item is discussed below as well. The evaluation contains a comment that states, "Some permitting and operational requirements are not specifically discussed." This statement may be in reference to the claims of the litigant regarding permitting. Also, the Blanco Drain, an extremely small program element, is referred to specifically in this evaluation.

- **Schedule Score (3 out of 5).** The permitting activities are cited as a reason that the schedule may shift. This seems to be a reference to the litigant's email regarding permits again and does not acknowledge what the applicant has already accomplished.
- **Scientific and Technical Merit Score (9 out of 15).** This item is discussed in more detail below. Questions regarding the Salinas Valley Integrated Ground and Surface Water Model (SVIGSM) were included as a reason that the SVWP is not technically sound. The attachment included a detailed discussion of the model's development and strong argument for its merit. One of the emails from the project litigants included a criticism of the model by the concessionaire (who is not an engineer or an expert in hydrology). It appears that this criticism by a person in active litigation against the Agency may have influenced the reviewers' opinions of the model as an evaluation tool. Also, the Blanco Drain is referred to as a project without basis for technical merit. The project is in the feasibility stage, and consists of a very small percentage of the cost for the entire proposal.

3 Specific Score Responses

This section highlights some of the application elements which received incorrect or arbitrary evaluation.

3.1 IRWMP Score

Monterey County's weighted IRWMP score was 24 out of 30 points. This review examines elements that Monterey County scored the lowest on, Data Management and Financing. Monterey County received 3 points out of a total of 5 for each of these criteria. A comparison of these two elements with the County of Humboldt application reveals the arbitrary nature of the IRWMP scoring.

Data Management

The Monterey County IRWMP got the following evaluation for Data Management:

> The FED describes data collected by the involved agencies and describes a data management system used by the applicant. The applicant states that data collected will be in a format compatible with State and federal databases, but does not discuss how such data would support statewide needs or how it would be integrated into state programs.

Why this evaluation is incorrect:

The document clearly says that the data will be shared with the State and Federal agencies consistent with their needs, and that it will be provided to the State as appropriate. This is stated on page 10-5 of the Salinas Valley IRWMP (attached). Moreover, data developed by the SVIGSM has been provided to the SWRCB in 2002 and 2003 specifically in response to the State's request for information needs to continue the adjudication of the Salinas Valley Ground Water Basin.

This information transfer demonstrates the merit of the applicant's ground water data program and our ability to provide that data directly to the SWRCB.

Why this evaluation is arbitrary:

In order to assess MCWRA's strength on this criterion, the evaluation was compared to Humboldt County's application which scored a 5 on Data Management. The North Coast application got the following evaluation:

Monitoring for each project can be found in Section 7 of the IRWMP. A discussion of the state of other existing monitoring efforts is found in Section 9 of the IRWMP. The applicant states that data will be collected as required by regulatory requirements and guidelines. The IRWMP describes the development and use of a GIS database. Data will be disseminated via a website to all web users and to state agencies. Hardcopies will be provided to interested parties without web access.

The North Coast IRWMP discusses data collection and dissemination on a project-by-project basis, with varying levels of detail. It describes the State's monitoring efforts in Section 9, but doesn't refer to the way data collected as part of IRWMP implementation will correspond to these monitoring efforts except for some project descriptions that indicate that data will be compatible with SWAMP. In fact the statement *"The applicant states that data collected will be in a format compatible with State and federal databases, but does not discuss how such data would support statewide needs or how it would be integrated into state programs"* is just as applicable to the North Coast IRWMP as it is for the Salinas Valley IRWMP. However, MCWRA received a score of 3 on this element while Humboldt County received a score of 5. This is evidence of arbitrary evaluation.

Financing

The Salinas Valley IRWMP got the following evaluation for the Financing Section of the IRWMP.

A financing strategy is presented in the FED. Funds will primarily be derived from assessments, service fees, and borrowed funds. The participants of the FED are committed to providing a 60% match. Applicant addresses results of ongoing litigation and its influence on financing. A definite alternative for financing as a result of the litigation has not been identified. The applicant states that O&M costs were taken into account and were included in the land-based assessments, but does not state how or if litigation has affected funds for O&M.

Why this evaluation is incorrect:

The document discusses the effects of a lawsuit that had been filed in relation to the SVWP, indicating that it had resulted in a judgment that lowered the Agency's annual assessment collection by less than 3%. The document states that "This loss can be recouped through reallocation of project resources, acquisition of increased outside funding, and/or increased water delivery charges." The other lawsuit, which is still pending settlement or trial, is not an obstacle to SVWP implementation, as indicated in the document and as pointed out to State staff in conversations and correspondence previously. Pages 14-5 and 14-6 of the IRWMP are attached for reference. The Agency did address the effects of litigation on both capital and O&M financing, and included alternative means of acquiring additional financing.

Why this evaluation is arbitrary:

In order to assess Monterey County's strength on this criterion, the evaluation was again compared to Humboldt County's application which scored a 4 on Financing. The North Coast application received the following evaluation.

The applicant identifies beneficiaries for each project in the IRWMP. Appendix M of the IRWMP identifies potential funding/financing for each project. However, no discussion of ongoing support and financing for O&M of implemented projects is provided in the IRWMP.

The North Coast IRWMP does not have a specific section that addresses financing, so it was difficult to assess whether the applicant identified beneficiaries for each project (as indicated in the evaluation). A cursory reading of the document did not turn up a discussion of beneficiaries. Furthermore, the evaluators refer to Appendix M as identification of potential project financing. Appendix M of this document contains the cost estimate tables that

were required for Attachment 7 of the Step 1 application. The tables each contain a cell that lists the names of the entities that are responsible for contributing the cost match for the proposal.

It is clear that the Monterey County and Humboldt County applications are not being held to the same standard on this criterion. Humboldt County received 4 points for simply listing the entities that would be providing the matching funds for the Prop. 50 grant. Monterey County went steps beyond simply listing the source of funding by providing details on how each project would be financed. As discussed above, it even addressed options for recouping money that it might not be able to collect through the voter-approved assessment process. The submitted documents do not support the different scoring of these two applications in this regard.

IRWMP Scoring

The examples above only address the two elements of the IRWMP in which Monterey County received 3 out of 5 points. A detailed analysis of all twelve criteria yields similar inaccuracies or inconsistencies.

3.2 Work Plan

The Monterey County application received a score of 9 out of a possible 15 points. The evaluation summary for the work plan was as follows:

> The work plan includes a tabulated overview of projects with an abstract, current project status, and project location map. Linkages among the projects are discussed. Individual project descriptions lack detail. Some permitting and operational requirements are not specifically discussed. Some projects, such as the Blanco Drain Treatment System project, are in the preliminary stages of design and lack a thorough project description, analysis of environmental documentation, or detailed discussion of work plan items.

Why this evaluation is incorrect:

The following discussion addresses the three major criticisms of the Salinas Valley proposal Work Plan: individual project descriptions, permitting and operational requirements, and the Blanco Drain Treatment System.

Individual Project Descriptions

The stated purpose of this attachment was to provide detailed work items for plan implementation. There is no requirement for providing project description apart from the "tabulated overview of projects" referred to in the above evaluation comment. Monterey County provided project abstracts in tabular form for ease of review, and referred to the FEP as the location for detailed project description. Pages 5.0-2 and 5.0-3 of Attachment 5 are attached to this document for reference.

Permitting and Operational Requirements

The evaluation statement regarding permitting and operational requirements is vague and difficult to respond to. For each project, a table of required permits and acquisition status is included, as required in the Proposal Solicitation Package (PSP). It is unclear what "operational requirements" would necessitate discussion in the work plan attachment. Monitoring, Assessment, and Performance measures are addressed in Attachment 9, and operational requirements are discussed in the various documents included with Attachment 8.

Blanco Drain Treatment System

A common theme throughout the application evaluation (including the Work Plan) is a criticism of the Blanco Drain aspect of the Salinas Valley Water Project (SVWP). The Blanco Drain Project is a proposed vegetative wetland project that is planned to reduce pesticides and nitrates from a privately owned agricultural ditch delivering agricultural runoff and tile drain water to the Salinas River. This treatment proposal was the preferred solution for possible Salinas River fishery habitat improvement at the time of application submittal. The final design of this project is not complete at this time. Indeed, as noted above, a nationally notorious food safety event subsequent to application filing has caused re-evaluation of this and other alternative treatment solutions. It is the project proponent's intent to provide maximum protection of water quality, recognizing that the water produced will supplement recycled water already used in irrigating vegetable crops. Again, as noted above, this project only accounts for approximately $88,000 out of a total project cost of $79,500,000, which corresponds to approximately one tenth of one percent of the total proposal cost. Furthermore, the application does not request any money from the State to pay for this element of the Salinas Valley Water Project. It appears that this extremely small element of the proposal is being weighed disproportionately in the evaluation of the application materials.

Based upon the evaluation above, we believe that the Monterey County application should receive the full 15 points for this element of the application.

4 Scientific and Technical Merit

The Monterey County application scored only 9 out of a possible 15 points in this regard. We do not have sufficient knowledge of the local features of competitive applications to make an application-by-application comparison with them regarding scientific and technical merit. We do, however, take substantial issue with this portion of the evaluation and the low scoring for Monterey County. The criticism in this section focused on the Salinas Valley Integrated Groundwater Surface Model (SVIGSM) and the Blanco Drain project. The evaluation was as follows.

> The technical merit and feasibility for several of the projects is heavily dependent upon the Salinas Valley Integrated Groundwater Surface Water Model tool. The applicant does not state whether data external to the planning region was included in that model, specifically data related to the Nacimiento Water Project. Other data gaps in the proposal are appropriately identified, and the work plan includes items that fill these gaps. The Blanco Drain Treatment System project is in the planning stages and lacks support for scientific and technical merit. The applicant could have referenced other reports having success with this type of treatment in order to support project feasibility.

Why this evaluation is incorrect:

SVIGSM

The IGSM, as documented in Attachment 8 and its supporting documents, was originally developed by the SWRCB and DWR. Frankly, we are surprised at the apparent failure to recognize this history. Its development for use in the Salinas Valley was briefly documented in Attachment 8. The SVIGSM has been subject to extreme scrutiny by the leading hydrogeologists in the State, and the input of these hydrogeologists has made the Salinas Groundwater Basin one of the best understood in the State. There is no better tool for determining the benefits of such a large scale and complex water supply project, and the implication that this model is not technically sound is absolutely incorrect. We also note, and both State departments are aware, that Monterey County has been

focused on solving seawater problems identified by the State since the 1940's, and that the SVIGSM (or it predecessors) has been utilized extensively in our development of projects to halt seawater intrusion.

Nacimiento Water Project

Another criticism of the SVIGSM is that it does not include a discussion of outside factors to the region and whether they are included in the model's assumptions. Specifically, the evaluation indicates that the effects of the County of San Luis Obispo's Nacimiento Water Project (NWP) are not discussed as being included in the model. The NWP allocations *were* included as assumptions in the model runs done for the SVWP. The evaluators have overlooked the long and widely recognized fact that the original water rights and construction of Nacimiento Dam accounted for the water allocation now being tapped by the NWP. The SVIGSM was developed subsequent to that construction and has been evaluated numerous times since, all of the time accommodating that future allocation. It should more appropriately be recognized that the Nacimiento Water Project "data" are not external to the region but rather an integral part of it not needing further explanation. Due to the nature of Attachment 8 as a page-limited summary of the technical and feasibility documents, we did not believe that re-education of State staff regarding these facts would be necessary.

It is mentioned elsewhere in the application that the San Luis Obispo County allocations (aka NWP) were included in the modeling done for the SVWP. Specifically, it is mentioned on page 3-29 of the Functionally Equivalent Plan. Additionally, it was discussed in the supporting documentation that was submitted with Attachment 8. This was mentioned in virtually all discussions of the modeling in the EIR, specifically pages 5-1, 5.3-5, 5.3-11, 5.4-13, 6-1, and 6-4 of the Draft EIR (attached).

Blanco Drain Treatment System

The third criticism of this Attachment is the technical feasibility of the Blanco Drain portion of the SVWP. We have emphasized above some facts about the Blanco Drain and its relationship to the Salinas Valley Water Project component of the application. We also noted the evolving nature of dealing with food safety issues and improved agricultural water treatment. We know that the State recognizes the success of the existing Castroville Seawater Intrusion and Salinas Valley Reclamation Projects which provide treated recycled water for food crop irrigation. The data gaps in the feasibility of using vegetation for the purposes of removing nitrates and pesticides from Blanco Drain were identified in the Attachment and the work plan included the tasks for filling those gaps. As previously discussed, the Blanco Drain project has a budget which is approximately 0.1% of the total proposal budget and the MCWRA was not requesting reimbursement from this Proposition 50 application for this project. It is difficult to imagine why the application is being penalized for proposing an innovative approach to a persistent water quality problem, especially when the State is not being asked to pay for it.

Why this evaluation is arbitrary:

The arbitrary nature of the evaluation of Attachment 8 is best illustrated when the Monterey County proposal is compared to the Santa Cruz County proposal. This comparison is appropriate due to the proximity of the two regions. The two proposals include vastly different levels of detail, but both received the same score of 9 out of 15 points.

The PSP clearly indicates the requirements for this attachment. They are roughly outlined below:

- Provide data and studies that support the projects' site location, feasibility, and technical methods.
- Provide technical basis to understand and verify benefits that are claimed in Attachments 10 and 11.
- Include references to page locations of studies or reports cited.
- Discuss data gaps.

The Monterey County Attachment 8 clearly follows these requirements for each project. Each project description includes a discussion of technical adequacy, which includes a table that outlines the reports and studies (with page numbers) that support the site location, feasibility, and technical methods for the project. This is followed by a summary of the benefits claimed in Attachments 10 and 11 with references (including page numbers) to the reports that verify these benefits. Data gaps for each project are also discussed.

The Santa Cruz County Attachment 8 includes lists of reports and project plans for each project without including page number references. There is no discussion of which reports support the projects' site location, feasibility and technical methods. There is no discussion of the benefits claimed in Attachments 10 and 11. It includes a discussion of some data gaps for some projects.

A comparison of the two attachments shows a vast difference relative to the attachment requirements, level of detail, and rigor. We believe that the Monterey County application should have received the full 15 points for this element of the proposal.

4.1 Statewide Priorities

The Salinas Valley proposal received only 18 out of 30 points on this element of the proposal. The evaluation of Attachment 13 was as follows.

> The applicant addresses Statewide Priorities and demonstrates a moderate degree of certainty that some of the priorities can be achieved. The proposal most significantly addresses seawater intrusion, an important regional and statewide issue involving water users, water recycling, and water rights. The breadth with which this Statewide Priority is addressed by the projects is limited to strategies involving water supply augmentation, and it does not include conservation methods, primarily irrigation efficiency by agriculture.

Why this evaluation is incorrect:

Attachment 13 highlights that the State Board considers the groundwater quality problems of the Salinas Valley an extremely high priority. In fact, the Salinas Valley is the only region of the State that is specifically called out for funding in the SWRCB Strategic Plan. The State's own documents and studies since the 1940's point to water problems, especially seawater intrusion and nitrates, in the Salinas Valley. The SWRCB Strategic Plan is also crystal clear that the State should support local funding to solve these problems. The evaluation fails to recognize the very significant local contributions to problem solving over the years, including local taxpayers' funding of two dams and recycling projects and resultant lack of dependence on State and Federal water projects. It also fails to recognize the Proposition 218 85% voter approval of the Salinas Valley Water Project. These clearly stated State objectives alone indicate that the proposal should receive a high score in regards to statewide priorities. Attachment 13 goes on to discuss the several other ways in which the projects in the proposal meet additional Statewide Priorities.

The comment regarding lack of projects that include conservation methods is misguided. The farmers of the region already employ extensive agricultural conservation methods in order to minimize water use and therefore keep the prices of their crops down. While we are not aware of systematically collected data statewide, it is commonly recognized that Salinas Valley agricultural operations utilize drip irrigation at a significantly higher rate than other agricultural areas of the State,

including Southern California. The Monterey County Water Resources Agency collects Agricultural Water Conservation Plans and summarizes those data. These plans provide information about how the agricultural industry in the Salinas Valley incorporates best management practices to conserve water. These practices range from significant capital investments to recurring operational considerations. The implementation of these best management practices represents a significant financial investment by the agricultural community in long-term conservation methods.

Investments can include flowmeters, micro-irrigation systems and tailwater return systems. Other practices include fallowing fields, reduced sprinkler spacing and off-wind irrigation. The combined total of the incorporation of best management practices by the agricultural community from 1991 to 1997 is approximately $173,503,074.

Additionally, the Salinas Valley Water Project EIR analyzed the amount of demand management that would be required to halt seawater intrusion in the coastal areas of the basin. The result of the analysis was that a reduction in pumping of 30 to 50% would be required to stop seawater intrusion. Obviously, this would be devastating to the State's economy as well as the region. Conservation alone will not solve the problems of the basin. Conservation remains an important part of groundwater management in the region, and will continue to be important, as evidenced by its high profile in the Salinas Valley IRWMP.

Additional information:

There are additional reasons that the projects of this proposal are of high importance to the State. These were not addressed in the Statewide Priorities Attachment either because they are issues that have come to light since the proposal was sent to the State, or because they involve priorities that are more over-arching than water priorities. These are:

- The importance of agricultural irrigation water quality given the recent E. coli outbreak
- The importance of maintaining the State Prison System infrastructure
- The economic importance of developing the former Ft. Ord.

Agricultural Irrigation Water Quality

The recent E. coli outbreak severely hindered the Salinas Valley economy and caused distrust of California farmers by consumers across the country. It was estimated (November 2006 estimates) that the spinach industry (wholesalers, retailers, and farmers) lost in excess of $100,000,000 which was directly related to the E. coli outbreak. For this reason, the Blanco Drain Treatment System project is much more important than it was when the original grant proposal was sent to the State. As mentioned previously, this portion of the project is currently being designed and re-evaluated for increased effectiveness and efficiency. No money is being requested in this application for this portion of the project.

State Prison System

There is extensive statewide benefit in accommodating the State prison facilities in Soledad (i.e. Salinas Valley State Prison owned and operated by California Department of Corrections and Rehabilitation and the training facility owned and operated by California Prison Industry Authority).

The existing Salinas Valley State Prison facility in Soledad, already in a crowded condition, was experiencing a flow to the city plant at 2.3 MGD, approximately a quarter of a million gallons above the assigned flow. In addition, the facility is currently undergoing an expansion to accommodate 528 additional beds; 336 additional staff and approximately 53 additional visitors. This expansion will result in an additional increase of almost 5% in flow.
The California Prison Industry Authority also is in the process of planning an expansion to their facility in Soledad by adding 200 residential units.

The plant expansions that will be implemented for the Soledad Recycling/Reclamation project would provide the necessary wastewater treatment capacity to accommodate both the current flowrate (which is currently over capacity) as well as the additional flows created by the planned expansions. As the state is experiencing a statewide crisis in its lack of adequate prison facilities, the relatively small investment that would come from this Prop 50 grant would go a long way in making a major dent to this statewide crisis and thus provide benefits beyond the local communities.

There is extensive statewide benefit that will be realized in accommodating the existing prison facilities and allowing for the planned expansion.

Development of the Former Ft. Ord

Fort Ord is the largest military base closure in the State of California. Two major components of the application bear directly on the viability of Fort Ord's reuse and the State's substantial investment in it, most notably the Marina Coast Water District Well 33 project. The State has invested heavily in the reuse of Fort Ord, including a new California State University Monterey Bay, a University of California office/industrial park administered by the University of California at Santa Cruz, a Police Officers Secondary Training facility administered by Monterey Peninsula Community College and, through grants, improvements to infrastructure and supportive State programs administered by the Fort Ord Reuse Authority. The base Reuse Plan, which is dependent on sustainable long-term water supplies, proposes 16,000 to 18,000 new jobs and 12,000 to 13,000 housing units, including nearly 3,000 new affordable units. The transfer of approximately 800 acres and 4 miles of prime Monterey Bay frontage to the State Department of Parks and Recreation is likely the single most important contribution to the State's chain of State Parks surrounding Monterey Bay. All of these State investments will require clean and sufficient water, and will benefit from implementation of this proposed application.

Based upon the evaluation above, we believe that the Monterey County application should receive the full 30 points for this element of the application.

In closing, we again respectfully request the re-evaluation of the Monterey County Application and inclusion with other applications for funding. The evaluation above recommends an adjustment in the scoring of the Monterey County Application in the amount of an additional 27 points, which would result in a total score of 124. We look forward to your favorable review of our comments.

Sincerely,

for Curtis V. Weeks
General Manager

Attachments (1)

Cc: Lester Snow
John Woodling
Tom Howard
Vicky Whitney
Barbara Evoy
Shahla Farahnak

10.1.3 Soledad Data Collection

The starting point for the data that will be generated, maintained and reported will be through Monitoring and Reporting Program of Order No. R3-2005-0074 and subsequent updates. The city also has dedicated staff assigned to collecting the data, storing it and reporting it in the format spelled out by the regulatory agency. In addition, the city will also disseminate the ongoing data collected to the MCWRA in such format to facilitate the sharing of information. As the city is a public entity, it will also make all these records available to the public as public records. City staff will also report to the city council on a periodic basis, the condition and performance of the plant and its improvements, including its continual compliance with agency reporting requirements.

10.2 Future Data Collection and Dissemination

10.2.1 Future Data Collection

MCWRA has plans for expanding its data collection opportunities. In addition to the present data collection program, MCWRA will collect additional information on Salinas River water quality as well as Steelhead Trout habitat and population parameters in conjunction with the implementation of the Salinas Valley Water Project (SVWP). The Steelhead Trout habitat and population monitoring program will be implemented to assess the success of Steelhead Trout migration into and use of the Salinas River Basin.

The Water Management Group is committed to cooperation with the state to provide data that is consistent with statewide data needs. The data acquired in the IRWMP process is managed in a format compatible with State and Federal databases such as Surface Water Ambient Monitoring Program (SWAMP), Groundwater Ambient Monitoring Assessment (GAMA), and California Environmental Resources Evaluation System (CERES). Reports that are developed through the IRWMP process will be provided to the appropriate State and Federal Agencies for use in their programs.

10.2.2 Future Data Dissemination

Data dissemination to stakeholders and the public will continue to occur after the implementation of the proposed projects. The Management Group will utilize the regularly scheduled MCWRA Board of Director's (Board) and Committee meetings as the primary vehicle for data dissemination to the public as well as through websites and Board approved reports.

Moreover, one component of the proposed Salinas Valley Water Project is a water quality and Steelhead Trout habitat and population monitoring program in the Salinas River. Data obtained from this program will be shared with the California Department of Fish and Game and NOAA Fisheries to ensure compliance with project permit requirements. Water quality information collected will assist the MCWRA, state agencies, public and stakeholders to better assess water quality issues in the Salinas Watershed. Both the water quality data and Steelhead Trout related monitoring parameters will be stored in the Water Resources Agency Information Management System (WRAIMS) database.

US Army Corps of Engineers (COE)

The COE served as the lead NEPA agency for the SVWP and preparation of the Environmental Impact Statement (EIS) for that project. In addition, a 404 Permit from the COE is required for construction of the diversion structure associated with the SVWP.

Key contact: Robert Smith (415) 977-8450

US Fish and Wildlife Service (FWS)

MCWRA has worked closely with FWS on issues associated with the SVWP, including evaluation of impacts and appropriate mitigations for endangered species that may be impacted by the proposed SVWP. MCWRA is now participating in Section 7 consultation for the SVWP, through the COE, for Snowy Plover, a federally listed species.

Key contact: David Pereksta (805)-644-1766

National Oceanographic and Atmospheric Administration, Marine Fisheries (NOAA Fisheries)

MCWRA has worked closely with NOAA Fisheries on issues associated with the SVWP, including evaluation of impacts and appropriate mitigations for endangered species that may be impacted by the proposed SVWP. MCWRA is now participating in Section 7 consultation for the SVWP, through the COE, for Steelhead, a federally listed species.

Key contact: Dick Butler (707)-575-6064

14.7 Potential Obstacles to Implementation

The Management Group has worked diligently to obtain public, key stakeholder, and agency support for the proposed projects. Regional water projects in California commonly focus more energy on litigation than developing solutions to water resources management; the Management Group is very pleased that only three areas of potential obstacle currently remain to the implementation of the IRWM Plan. The Management Group feels that all potential obstacles will be effectively resolved in favor of project development.

Water Rights Petition Protest

MCWRA has petitioned the SWRCB for a change in the place of use and the addition of a new point of diversion for the water rights for Nacimiento and San Antonio Reservoirs. NOAA Fisheries is the sole protestor of this petition. However, NOAA Fisheries and MCWRA have been working closely to develop in-stream flow regimes that will protect and/or enhance Steelhead fish passage on the Salinas River. As a result of these efforts and very recent progress in these negotiations, NOAA Fisheries has begun to better appreciate the hydrology of the Salinas River system and the proposed SVWP relative to its potential to enhance flows for fish passage.

NOAA Fisheries has agreed to remove its protest once successful negotiations are completed, which would then allow NOAA fisheries to complete its Section 7 consultation process and issue a Biological Opinion for the project and would allow the SWRCB Division of Water Rights to administratively process the water rights petition. On this basis, MCWRA now believes the protest of the water rights petition by NOAA Fisheries is not a significant obstacle to implementation of the IWRM Plan.

Legal Challenge by Salinas Valley Property Owners for Lawful Assessments (SVPOLA)

A group called Salinas Valley Property Owners for Lawful Assessments (SVPOLA) filed a legal challenge to the basis of the SVWP assessments in Monterey County Superior Court. On March 16th, 2006, the judge in the case entered a stipulated judgment settling the case and establishing modified assessments for the plaintiffs. The judgment will not hurt MCWRA's ability to implement and fund the project. The modified assessments will result in approximately $130,000.00 less per year in funding for the SVWP. The total assessment is approximately $4 million annually. This loss can be recouped through reallocation of project resources, acquisition of increased outside funding, and/or increased water delivery charges.

Legal Challenge by Water World Resorts, Inc.

MCWRA prepared and certified an EIR for the SVWP that fully addresses the issues, impacts, and mitigation measures associated with the SVWP. Based on the information presented in the SVWP EIR, Water World Resorts, Inc. - operators of the recreational facilities at San Antonio Reservoir and owner of similar facilities at Nacimiento Reservoir - has filed a suit contending impacts on reservoir levels that will result from implementation of the SVWP, negatively affecting their business. Water World is not challenging the project, but is seeking monetary compensation for the affects caused by the IRWM Plan implementation to Water World's operations at the two reservoirs. Therefore, the legal challenge by Water World Resorts, Inc. is not an obstacle to the project, but is an attempt to resolve the financial impacts to the owner/operators of recreational facilities at the two reservoirs. This challenge is scheduled to be heard in Los Angeles County Superior Court in October of this year.

14.8 Provisions for Changing IRWMP

The elements of this IRWMP reflect the current understanding of the Salinas Valley Region and specific problems or areas of concern about that resource. While this Functionally Equivalent Plan provides a framework for present and future actions, new data will be developed as a result of implementing the Plan Projects. That new data could define conditions which will require modifications to currently definable management actions. As a result, this IRWMP is intended to be a living document which can be updated to modify existing elements and/or incorporate new elements as appropriate in order to recognize and respond to future groundwater and surface water conditions. Although not intended to be a rigid schedule, review and updating of this IRWMP will initially be conducted in five years, with subsequent updates to be scheduled as appropriate.

Flood Protection	Environmental Enhancement
• Protect existing infrastructure from flooding and erosion due to flood events • Work with Stakeholders to preserve existing channel maintenance program • Preserve flood protection associated with Dam Operations	• Identify opportunities to protect, enhance, and/or restore natural resources including streams, groundwater, watersheds, and other resources. • Minimize adverse environmental impacts of potential projects • Identify opportunities for open spaces and trails adjacent to streams, sloughs and lagoons • Identify opportunities to enhance ecological habitats, including migratory steelhead fish, through project implementation and operation.

2 Consistency with Adopted IRWM Plan

The Water Management Group adopted a Functional Equivalent Plan (FEP) to stand in place of an IRWM Plan. The adopted FEP describes the projects and programs by which the goals and objectives of the SVIRWM Plan will be implemented. A list of strategies was developed as a basis to meet the identified planning objectives. Potential local and regional projects were developed that correspond to the strategies and would achieve the goals and objectives of the planning process. This list of local and regional projects included a broad range of projects, ranging between projects that are already in the design process to projects that have not been fully evaluated and therefore may or may not be feasible.

Projects that have been included in this proposal met all of the goals and priorities of the SVIRWM Plan process, and all projects are scheduled for construction and implementation during 2006. They are the highest priority projects that were identified in the FEP, and they are described in detail in the FEP.

3 Projects Table

The following projects are contained in the proposal and are outlined in the Table 5-3.

- Salinas Valley Water Project
  - Salinas River Diversion Facility
  - Nacimiento Dam Spillway Modifications
  - Blanco Drain Treatment System
- Water Quality and Fish Habitat Monitoring Program
- Well 33, Booster Station and Reservoir Project
- Water Recycling/Reclamation Project

Table 5-3 Specific Projects

Project	Abstract	Current Status	Priority	Implementing Agency
1.Salinas Valley Water Project	The Salinas Valley Water Project has three components – (1) install a diversion structure on the Salinas River near Marina to temporarily store and divert water during dry periods (2) enlarging the spillway at Nacimiento Dam to handle a maximum probable flood, and (3) design and construct a vegetated treatment system to reduce pesticides and nitrates in the Blanco Drain.	**1.1 Diversion Facility:** Preliminary Design Phase **1.2 Nacimiento Spillway Modifications:** 60% Design Complete **1.3 Blanco Drain:** Preferred Alternative Selection	1	Monterey County Water Resources Agency
2. Water Quality & Fish Habitat Monitoring	Monitor the effect of reservoir releases on steelhead trout whereby sources of uncertainty are identified, appropriate hypotheses developed and tested and operations management adjusted to improve project performance with respect to safeguarding steelhead populations.	Final Planning Phase	2	Monterey County Water Resources Agency
3. Well 33, Booster Station and Reservoir	Drinking water production wells, associated booster pump station, and storage tank(s).	Preliminary Design Complete	3	Marina Coast Water District
4. Water Recycling/Reclamation Project	Upgrade treatment capabilities from secondary to tertiary levels; transforming its disposal ponds to storage of Title 22 water quality treated effluent; transporting the reclaimed water to two distinct points for irrigation use. Construct new recycled water scalping plant.	10% Design Complete	4	City of Soledad

5.0 AFFECTED ENVIRONMENT, ENVIRONMENTAL CONSEQUENCES OF PROPOSED ALTERNATIVES, AND MEASURES TO MITIGATE SIGNIFICANT ENVIRONMENTAL EFFECTS

This chapter of the EIR/EIS describes existing environmental conditions, evaluates the impacts of the project on the environment, and proposes mitigation to reduce impacts wherever feasible. In reviewing the analysis, readers should use the following guidance:

1. "Baseline" Conditions. The term baseline in this EIR is specific to a modeled condition. The baseline refers to the hydrologic environment, and issues related to hydrology, that have been modeled using the Salinas Valley Integrated Ground and Surface Water Model (SVIGSM). The SVIGSM is based on 46 years of hydrologic data compiled for the Salinas Valley, and reflects the period between 1948 and 1994. Baseline is a compilation of this data, and is frequently referred to as the "1995 Baseline" or "Existing Baseline". Because this analysis and the project have been developed over several years, 1995 reflects a static year selected as a basis for analysis for hydrology, hydrologic-based issues, and population projections. It is considered a reasonable reflection of current hydrologic conditions, especially because it generally reflects compilation, analysis, and averaging of physical, long-term scientific data. The EIR/EIS is not, however, based on 1995 data, except as it relates to this modeled condition. Current field investigations, data research, etc. have been conducted to reflect the most current data available in the analysis.

2. "Future" Conditions. The project is planned on an approximately 30-year horizon, and analysis and projections use the year 2030 as a planning year. Future hydrologic conditions with and without the proposed action and alternatives is projected. The project analysis is divided into two primary components: Existing Plus Project and Future Plus Project . Wherever possible, the Future Plus Project scenario is evaluated based on reasonably foreseeable future conditions, with the year 2030 used as the "future" year. This is the planning horizon for the project, and generally reflects unconstrained population growth, land use, and water consumption conditions which are projected to occur in the future, but also assumes the project has not been implemented.

3. Hydrologic Modeling. The SVIGSM was used in the Salinas Valley Water Project Draft EIR (1998), which evaluated as the proposed project, what is now Alternative B. The SVIGSM has since been updated to more accurately simulate the hydrologic and hydrogeologic conditions of the Arroyo Seco Cone area, the Nacimiento diversions to San Luis Obispo County, and the San Antonio rule curve, which was revised based on the San Antonio Reoperation Study (MCWRA, 2000). The updated SVIGSM was used to model baseline and future conditions with and without Alternative A. The SVIGSM analysis for Alternative B was not updated from the 1998 EIR. Rather, the modeling focused on Alternative A, and reservoir conditions anticipated for Alternative B were then interpolated based on different operating characteristics for Alternative B.

   The reasons that the model runs for Alternative B were not re-run using the updated model are: (1) the impact conclusions on the reservoirs and Salinas River are similar to Alternative A based on comparison of diversions from the Salinas River and the operational criteria for Alternative B; (2) it is costly to generate this level of new information; and (3) Alternative B is no longer the preferred alternative and given this, the accuracy of the model and the results are sufficient to compare the impacts of Alternative A to Alternative B.

Under an agreement dated October 19, 1959, as amended ("1959 Agreement"), the MCWRA is obligated to furnish to San Luis Obispo County up to 17,500 AFY of water from Nacimiento Reservoir. Furthermore, License for Diversion and Use of Water No. 7543, which establishes the MCWRA's water rights for Nacimiento Reservoir, is expressly subject to the 1959 Agreement. San Luis Obispo County has not historically exercised only a minimal amount of its rights to water under the 1959 Agreement. That County is now considering a project that would utilize some or all of these rights. The MCWRA reservoir operations to-date have included the small amount of deliveries to the lakeside residents in San Luis Obispo County, under the 1959Agreement, which total a minimum of approximately 1,300 AFY.

Current Operating Guidelines

In order to meet the objectives of the reservoir operations, the MCWRA has historically maintained an end of flow in the Salinas River near Spreckels, by targeting approximately 40 cubic feet per second (cfs) in the flow at the Chualar Bridge. Given the long river reach to control (approximately 100 miles) and maximize recharge, the Chualar Bridge has proven to be a good area to obtain flow information for operation of the reservoirs so they can maximize recharge through the river bed and minimize flow to the ocean during the spring and summer time operations. The actual location of the end of the flow is visually observed several times per week and reservoir releases adjusted when needed.

The average annual inflow to Nacimiento Reservoir is about three times that of San Antonio Reservoir. Because of this, the MCWRA has operated the reservoirs so that releases from the two reservoirs also result in an approximate 3:1 ratio in the stored water maintained between the two reservoirs.

There are two agencies, in addition to the MCWRA, that require or make recommendations regarding the storage and release volumes in the reservoir(s). In order to maintain an adequate flood control space in the reservoirs and be able to pass the Probable Maximum Flood, the California Department of Water Resources, Division of Safety of Dams (DSOD) requires a strict adherence to the designated flood control rule curve. The DSOD rule curve is designed to protect the dam structure from catastrophic failure when a large flood event occurs. The rule curve is used to ensure adequate storage space is available to prevent the dam from being overtopped based upon existing spillway capacity. In addition to water supply and flood control, Nacimiento dam also has a hydroelectric power plant at the dam site, bringing it under the jurisdiction of the Federal Energy Regulatory Commission (FERC), which also requires a rule curve. While the MCWRA is concerned about the safety of the dam structure, its goal is also to minimize the impacts of downstream flooding in a large flood event. As such, the MCWRA is currently using a more conservative rule curve than the DSOD and FERC curves, which are essentially the same. Figures 5.3-1 and 5.3-2 show the flood control rule curves currently used by the MCWRA for the operation of each reservoir, as well as the DSOD and FERC required curve for Nacimiento. The DSOD does not require a Rule Curve for San Antonio. Since there are no power plants at San Antonio Dam, FERC does not have jurisdiction for operation of San Antonio Reservoir.

Existing In-stream Flow Requirements

In addition to the reservoir storage and release operations, the MCWRA entered into a Memorandum of Agreement (MOA) with the California Department of Fish and Game (CDFG) in 1985 that establishes minimum downstream flow requirements for Nacimiento River and has an informal agreement with CDFG for San Antonio River. The MOA establishes minimum flow requirements and includes special conditions during periods of drought.

the model, is provided in the report entitled *Salinas Valley Integrated Groundwater and Surface Water Model Update, Final Report* (MW, 1997).

The SVIGSM was used to model the subsurface flow, chloride transport, and reservoir operation. The SVIGSM along with pre- and post-processing programs were used to evaluate the proposed project's potential impact on the hydrologic conditions in the Salinas Valley. The Corps of Engineers' Flood Frequency Analysis (FFA) package was used to analyze the flooding impacts of reoperation of reservoirs. The SVIGSM was also used to develop and assess the hydrologic impacts of water delivery options for the subsequent phases of the proposed project, as described in Chapter 3.0 (Project Description).

The SVIGSM version 4.15 (1997) was used to analyze the impacts of Alternative B. Since 1977, the SVIGSM has been updated as follows: 1) Additional data was obtained on hydrology and hydrogeology of the Arroyo Seco Cone area. This data was incorporated into the model and the model was subsequently recalibrated; 2) The San Antonio Rule Curve was updated based on the San Antonio Reoperation Study (MCWRA, 2000); and 3) The reservoir system layout in the model was refined to more accurately simulate and account for the Nacimiento diversions to San Luis Obispo County. The updated SVIGSM version 4.18 (1999) is used to assess the hydrologic impacts of Alternative A. Because Alternative B is no longer the preferred alternative and extensive modeling of Alternative B was conducted for the 1998 EIR, it has not been re-evaluated with the updated SVIGSIM. Nevertheless, the results of the 1998 EIR modeling of Alternative B compared with hydrologic conditions defined using the same model yield generally the same relative level of change as would result from using the updated model. See the discussion in the introduction to Chapter 5.0.

Impact Analysis - Format

The format of the following impact discussion is presented by phase and impact topic (i.e., changes in groundwater elevation), rather than by project component (i.e., diversion structure), as is done in the majority of the EIR sections. Hydrologic impacts are evaluated and measured on a basin-wide scale and are inherently linked to multiple components.

An overview of the project's operation, including amount of water released, stored, diverted and/or delivered is provided as an introduction to each phase. A discussion of impacts follows each "operational overview." The analysis is focused on Alternatives A and B, which result in physical changes that affect hydrology. A discussion of Alternatives C, D, and E is found at the end of the impact discussion.

Existing Conditions (1995) Plus Project- Overview of Operations

As discussed in Chapter 3.0 (Project Description), the proposed project includes modification to the existing spillway structure at Nacimiento Dam in order to meet the requirements of DSOD and FERC to pass the probable maximum flood (PMF). Based on this modification, it is anticipated that no flood control rule curve will be required by DSOD and FERC for Nacimiento Reservoir, because the new spillway would be designed to pass the PMF safely, without damage to the dam structure. The MCWRA would, however, have a flood control rule curve during the rainy season, in order to have sufficient storage available to reduce the risk of downstream flooding. Currently, no modifications to the San Antonio dam and/or spillway structure are proposed; San Antonio can safely pass the estimated PMF for that dam. Figure 5.3-4 shows the existing and proposed modified rule curve for the Nacimiento Reservoir.

Table 5.4-4 Notes:

1. Salinas River water quality data near Chualar, Ca (Station Number 11152300) collected off the United States Geologic Survey National Stream Water-Quality Monitoring Networks (WQN). USGS Digital Data Series DDS-37. Measured values represent 1996 conditions except where noted by the year in parentheses.
2. Year 1993 Results from Monterey County Parks Department Lake San Antonio South Shore Water Treatment Project. (1997) indicates results from surface water sample collected on October 13, 1997 by Monterey County Water Resources Agency.
3. Year 1995 Lake Nacimiento Water Quality Parameters. Samples collected at different depths. Sources include Boyle 1994, Carollo 1996a, and San Luis Obispo County 1996, 1997. (1997) indicates results from surface water sample collected on October 13, 1997 by Monterey County Water Resources Agency.

Nitrate-nitrogen in the San Antonio Reservoir has been monitored by the MCWRA at least annually since 1983. The highest measured levels have been around 4 mg/l NO_3, which is well below the drinking water MCL of 45 mg/l NO_3, and also within the no-problem range for general irrigation suitability.

Bacteriological contamination of San Antonio Reservoir could exist from grazing and human activities. Over 50 percent of the land in the watershed is used for grazing. Grazing animals have been identified as carriers of *Giardia* and *Cryptosporidium*. Body contact and recreational activities by humans on the lake are also a source of bacteriological contamination.

Nacimiento Reservoir Water Quality

Nacimiento Reservoir has historically been used as a water source for Heritage Ranch, a small community in San Luis Obispo County immediately south of the reservoir. Heritage Ranch operates a water treatment plant to treat the water from the reservoir. In addition, Nacimiento Reservoir is being considered as a future potable water supply source for San Luis Obispo County. For these two reasons, a fair amount of water quality data is available.

Organic Chemicals

The presence of pesticide residues (DDT, chlordane, hexachlorocyclohexane) has been confirmed in Nacimiento Reservoir from their presence in white bass taken from the Las Tables Creek area of the reservoir. No other data are available regarding pesticides in Nacimiento Reservoir. Also, water samples from Lake Nacimiento have been tested for volatile organic chemicals and unregulated organics. Previous analyses, although limited in scope, have not resulted in any of these chemicals being detected in the collected samples. (Ogden, 1998).

Suspended Solids and Turbidity

The turbidity of Nacimiento Reservoir water has been documented to range up to 30 NTU, although it is anticipated that lake turbidity levels might exceed these values during peak winter runoff into the lake.

Nitrates

Measured nitrates in Nacimiento Reservoir water have been detected at levels of less than 1 mg/l N (Carollo, 1996; San Luis Obispo County, 1996, 1997). The drinking water MCL is 10 mg/l N.

6.0 CUMULATIVE IMPACTS

As required by §15130 of the State CEQA Guidelines, this section includes a discussion of cumulative impacts. Cumulative impacts are defined as "...two or more individual effects which, when considered together, are considerable or which compound or increase other environmental impacts" (CEQA §15355). Cumulative impacts can occur as the combined result of individual impacts of one project, or from the incremental impact of one project when considered together with other existing, past or future projects.

The State CEQA Guidelines identify two basic methods for establishing the cumulative environment in which the project is to be considered: either a list of past, present, and reasonably anticipated future projects; or the use of adopted projections from a general plan or other regional planning document. For the purposes of this EIR/EIS, a list of projects is used. Also, it is acknowledged that substantial growth is projected in the region, as discussed in Chapter 7. General impacts associated with regional growth are addressed in Chapter 7. Additionally, impacts to agricultural uses from regional growth are addressed below.

6.1 Projects Contributing to Potential Cumulative Impacts

Existing, past, and reasonably anticipated future projects that may have a cumulative effect on the resources in the project area are presented in this section. These include the diversion of Nacimiento Reservoir water by San Luis Obispo County, the MCWRA Salinas River channel Region 404 permit for vegetation control and sandbar removal, and the Salinas Reservoir Expansion Project (in San Luis Obispo County) on the Upper Salinas River. These projects and their relationships to the SVWP are described below. See Chapter 7 for a discussion of general regional growth.

SAN LUIS OBISPO DIVERSION OF NACIMIENTO RESERVOIR WATER

In 1959, the San Luis Obispo County Flood Control and Water Conservation District (SLOFCWCD) entered into an agreement with the MCWRA (which was then the Monterey County Flood Control and Water Conservation District) to appropriate to SLOFCWCD 17,500 acre-feet of water per year from Nacimiento Reservoir. The proposed Nacimiento Water Project represents a San Luis Obispo County project that includes the physical improvements necessary to implement this agreement. Specifically, the proposed Nacimiento Water Project includes the conveyance of 16,200 acre-feet of water annually south from Nacimiento Reservoir to 18 water purveyors in San Luis Obispo County. The Nacimiento Water Project would allow San Luis Obispo County to reduce its dependency on ground water supplies. This project and the proposed SVWP both use water from Nacimiento Reservoir. The SVWP has been designed to reflect and not interfere with San Luis Obispo's 17,500 AFY contractual entitlement.

The County of San Luis Obispo prepared and circulated a Draft EIR for its project in August 1997.[1] The County is currently evaluating changes to the project, primarily related to the alignment of delivery pipelines. Once changes to the project are made, a revised Draft EIR will be circulated (Rollman, pers. comm., 2001).

[1] For additional information, refer directly to the Nacimiento Water Project Draft EIR (ED 92-271/SCH# 95051022) available for review at the County of San Luis Obispo (County Government Center, Room 310, San Luis Obispo).

removal. The program includes provisions for the replanting of existing banks and levees with approved materials and controls the types and extent of materials to be removed, in order to control erosion. Where private landowners wish to implement bank protection along the river, a Streambed Alteration Agreement from CDFG would be required. The implementation of biotechnical stabilization is CDFG's preferred approach to bank stabilization. In addition, the SVWP (as described in Section 5.2) is not anticipated to cause additional erosion or siltation with proper implementation of erosion control practices required by the County of Monterey and through NPDES construction permitting requirements. For these reasons, no cumulative erosion impacts are expected with SVWP implementation.

Hydrology & Flooding

In 1959, an agreement was entered into by the Counties of San Luis Obispo and Monterey to provide San Luis Obispo with 17,500 acre-feet per year (AFY) of water from Nacimiento Reservoir. Although San Luis Obispo County has not historically used all of this water, the MCWRA has always recognized this pre-existing entitlement as a fundamental assumption for the SVWP. Specifically, the Salinas Valley Integrated Ground and Surface Water Model (SVIGSM) assumes that the total allotment will be diverted for use by San Luis Obispo County. For this reason, the analyses contained in Chapter 5 of this EIR/EIS considers the cumulative effects of possible diversion of San Luis Obispo's 17,500 AFY of Nacimiento Reservoir water.

The MCWRA's Regional 404 Permit for vegetation and sandbar removal is intended to remove obstructions from the Salinas River in the areas affected by the proposed action and alternatives. As a result, potential restrictions to river flows would be removed, which would potentially improve flood conditions. This would not contribute to cumulative flooding impacts, and instead could improve cumulative flood flows.

Water Quality & Public Health

Diversion of Nacimiento Reservoir water by San Luis Obispo has been assumed in the water quality and public health analysis presented in Section 5.4, so cumulative effects of this project in combination with the SVWP have been considered. Neither the Salinas Reservoir Expansion Project nor the vegetation and sand bar removal program would adversely affect water quality or public health.

The proposed subsurface storage of recycled water under Alternative B (as an alternative to surface storage of recycled water at Merritt Lake) would adversely increase nitrate levels (and total dissolved solids) in the area where injection occurs. However, as discussed in Section 5.4 (Water Quality and Public Health), the area of increased nitrates would be contained to an 825-acre area (with a 300-acre buffer added to total 1,125 acres). This area would be redesignated in the Central Coast Water Quality Control Plan as non-potable, and potable water would be delivered via pipeline to the limited potable users in that area. By virtue of this redesignation, potable water supplies would not be adversely affected in the future.

Terrestrial Biology

As described in Section 5.5 of this EIR/EIS, Alternatives A and B could result in additional significant impacts to wetlands, which would be considered cumulatively significant when combined with other projects in the region. However, measures to mitigate impacts to jurisdictional Waters of the U.S., including wetlands, will be developed and implemented for these alternatives. These specific measures are detailed in Section 5.5. The acreage affected would be replaced or rehabilitated on a "no-net-loss" basis in