

WATER SUPPLY PLANNING COMMITTEE

ITEM: ACTION ITEM

2. CONSIDER DEVELOPMENT OF RECOMMENDATION TO THE BOARD RE CITY OF MONTEREY APPLICATION FOR LOCAL PROJECT GRANT FUNDING

Meeting Date:	November 2, 2015	Budgeted:	Yes; Insufficient
From:	David J. Stoldt General Manager	Program/ Line Item No.:	1-10-1 N/A
Prepared By:	Larry Hampson	Cost Estimate:	Not to exceed \$85,000

General Counsel Approval: N/A

Committee Recommendation:

CEQA Compliance: N/A

SUMMARY: At its October 8th meeting, the Committee requested more information as to how the City of Monterey's application for \$85,000 in local project grant funds might satisfy both local matching moneys and data needs for a regional Stormwater Resource Plan. The City has amended its application (attached) to remove the task to evaluate installation of sewage reclamation stations. The proposed work to examine the feasibility of Peninsula-wide water recovery and reclamation of dry and wet weather flows is consistent with recently passed state legislation (Senate Bill 985) that requires regions to develop a Stormwater Resource Plan (SRP) that focuses on capture of water for beneficial uses. One of the requirements of a SRP is to

“Identify and prioritize stormwater and dry weather runoff capture projects for implementation in a quantitative manner, using a metrics-based and integrated evaluation and analysis of multiple benefits to maximize water supply, water quality, flood management, environmental, and other community benefits within the watershed.”

The State, with Proposition 1 bond funds, will assist regions with the development of an SRP through the Storm Water Grant Program, which will provide up to \$500,000 in planning grants with a 50% local match (of the total project cost). The Monterey Regional Storm Water Management Program (MRSWMP) group is considering applying to the Prop. 1 program for a grant of approximately \$200,000. If the District were to grant \$85,000 to the City of Monterey and the City matched the funds with \$85,000, the combined amount of \$170,000 could be used as part of the local match requirement for a Prop 1 Storm Water Program planning grant. It should be noted that a SRP is required for any stormwater-related project to receive Prop. 1 implementation grant funds. This would include such projects as the Pure Water Monterey Project, the Carmel River Floodplain Restoration Project, and projects to divert stormwater away from Areas of Special Biological Significance.

In order to recommend an award to the City of Monterey of grant funds, the Committee must decide whether to increase the budget for the Local Project Grant program, as all funds budgeted for this program in FY 2015-16 have already been awarded and the Board previously authorized a mid-year budget increase of \$86,900 to fund the Pebble Beach Company and City of Seaside proposals.

The staff recommendation follows.

RECOMMENDATION: The Water Supply Planning Committee should consider a recommendation to the Board at its November 16, 2015 for a mid-year budget increase and grant approval of \$85,000 to the City of Monterey. Further, the grant should be conditioned to shift funds from Task D and apply them to Task E.

DISCUSSION:

- A new statewide requirement for receiving funding from Prop. 1 for stormwater-related projects is that a Stormwater Resource Plan must be developed and incorporated into the adopted Integrated Regional Water Management (IRWM) Plan for the region. The City of Monterey application would result in useful information that would be incorporated into a SRP.
- The City is providing a dollar-to-dollar match.
- Further, the City states it “lacks funding to complete the CEQA process.” We believe that the water rights application will depend on a completed CEQA. Therefore we believe that funding for Task D (obtaining water rights) should be applied to Task E (preparation of environmental documents) and recommend making this change as a condition of a grant.
- A SRP for the Monterey Peninsula would cover the entire IRWM boundary which includes the Carmel River watershed, the six Monterey Peninsula cities and unincorporated areas in Pebble Beach and the Highway 68 corridor.
- Prop. 1 Storm Water Grant applications will be due in early January 2016.

EXHIBITS

[2-A](#) Revised City of Monterey Local Water Project Grant Application