MARINA COAST WATER DISTRICT'S RESPONSES AND COMMENTS TO MONTEREY COUNTY CIVIL GRAND JURY'S FINAL REPORT

A. INTRODUCTION

Before Marina Coast Water District (MCWD) provides its responses and comments to the specific Civil Grand Jury findings and recommendations, MCWD will first address certain key SGMA requirements, which are incorrectly characterized or assumed in the Civil Grand Jury's Final Report.

1. **Purpose and Intent of SGMA**. Local public agencies are to develop and implement groundwater sustainability plans (GS Plans) through the formation of groundwater sustainability agencies (GSAs) for each California Department of Water Resources (DWR) designated subbasin. The State through the State Water Resources Control Board (SWRCB) is given a State regulatory backstop if the local public agencies fail to form GSAs or fail to adopt compliant GS Plans within specified deadlines.

2. **The Basic Building Block of SGMA is the Official DWR-Designated Subbasins – "Subbasins are the windows through which DWR views SGMA."**

The SGMA defines "basin" as subbasin or basin. Water Code Section 10721(b). So everywhere the SGMA talks about "basin," you need to first think "subbasin" and not the larger basin. Early on after SGMA's enactment, DWR staff had to explain that in a multi-subbasin groundwater basin, such as the San Joaquin Valley, SGMA GSA and GS Plan requirements apply to each subbasin and not to the San Joaquin Valley Groundwater Basin as a whole. As Paul Gosselin, Butte County's Director of Water & Resource Conservation and the person responsible for implementing SGMA within Butte County, has stated, "subbasins are the windows through which DWR views SGMA."

Under SGMA, each subbasin is required to have a GSA or GSAs and a GS Plan or coordinated GS Plans. There is absolutely no legal requirement in SGMA that mandates that the entire Salinas Valley Groundwater Basin (SVGB) have only one GSA and only one GS Plan.

If you go to DWR's Table of GSA Notifications Received by DWR at http://www.water.ca.gov/groundwater/sgm/gsa_table.cfm, you will see the following examples of counties filing separate GSA notifications for each subbasin within the county:

- Butte County filed 4 separate GSA notification for the 4 different subbasins within the county.
- Colusa County filed 8 separate GSA notifications for the 8 different subbasins within the county.
- Imperial County filed 15 separate GSA notifications for the 15 different subbasins within the county.
- Tehama County Flood Control and Water Conservation District filed 11 separate GSA notifications for the 11 different subbasins within the county.

Consequences of Failing to Form a GSA by June 30, 2017. Failing to form a GSA for within a subbasin by June 30, 2017, would result in the SWRCB requiring an annual groundwater extraction report for each well (which pump for other than solely domestic purposes more than two acre-feet per year) within that subbasin and imposing fees and charges to cover the SWRCB's costs.

Voluntary Inter-Subbasin Agreements versus Mandatory Intra-Subbasin Coordination Agreements. Pursuant to SGMA, DWR adopted emergency regulations on GS Plans, which may be found at http://www.water.ca.gov/groundwater/sgm/pdfs/GSP_Emergency_Regulations.pdf, Remember that "basin" also means subbasin. Sections 357 and 357.2 govern voluntary inter-subbasin agreements. Agreements between adjoining subbasins are encouraged but the regulations make very clear that such inter-subbasin agreements are voluntary. In contrast, where there are multiple GSAs within a single subbasin and at least two of the GSAs intend to prepare their own GS Plan, a written coordination agreement for the multiple GS Plans is mandatory. Section 357.4 specifies the required elements of an intra-subbasin coordination agreement.

2.1. **The DWR-designated Subbasins within the Salinas Valley Groundwater Basin (SVGB)**

In Bulletin 118 (1980), the California Department of Water Resources officially designated the following subbasins of the SVGB:

Number	Name	Area (acres)	DWR Ranking	GS Plan must be adopted by January 31
3-4	Salinas Valley Groundwater Basin			
3-4-01	180/400 Foot Aquifer (Critically Overdrafted)	84,400	High	**2020**
3-4-02	East Side Aquifer	57,500	High	2022
3-4-04	Forebay Aquifer	94,100	Medium	2022
3-4-05	Upper Valley Aquifer	98,200	Medium	2022
3-4-06	Paso Robles (Critically Overdrafted)	597,000	High	**2020**
3-4-08	Seaside	25,900	Medium	2022
3-4-09	Langley	15,400	Medium	2022
3-4-10	Corral De Tierra	15,400	Medium	2022

The SVGB officially consists of eight subbasins, including the Paso Robles Subbasin, a majority of which subbasin is located within San Luis Obispo County. Figure 2 on page 10 of the Final Report shows the above the DWR-designated subbasins.[1]

[1] On page 17 of the Final Report is a discussion of the separate Carmel Valley Basin. MPWMD is the exclusive GSA for this basin so should be consulted on the groundwater conditions within that basin. MCWD would just note that Cal-Am is under a cease and desist order by the SWRCB, which has jurisdiction over Cal-Am's wells because Cal-Am is illegally diverting the underflow of the Carmel River, not groundwater.

2.2. **The 180/400 Foot Aquifer and Paso Robles Subbasins are designated by the State of California as Critically Overdrafted Basins; Consequences for Those Subbasins Failing to Adopt a Compliant GS Plan by January 31, 2020**

In January 2016, the 180/400 Foot Aquifer and Paso Robles Subbasins were designated by the State of California as Critically Overdrafted Basins. While the Final Report on page 17 identifies these two Critically Overdrafted Basins, it fails to disclose the special SGMA requirements imposed because of that designation. That designation forces the GSA or GSAs formed for the 180/400 Foot Aquifer Subbasin and the Paso Robles Subbasin to adopt a compliant GS Plan for each subbasin by January 31, 2020, instead of by January 31, 2022, which is the deadline for the other six SVGB subbasins. See Water Code Section 10720.7(a)(1) and (2).

On page 13 of the Final Report is the statement that "GSPs must be adopted for high and medium priority basins not currently in overdraft" by January 31, 2022. A high-priority subbasin can be in overdraft, but did not meet the criteria to be designated as a "Critically Overdrafted Basin." For example, as listed in the table in Section 2.1, the East Side Aquifer Subbasin is a high priority subbasin, which MCWD understands is in overdraft as illustrated by the subbasin's significant pumping depression, but was not designated as a "Critically Overdrafted Basin."

Failure to adopt a compliant GS Plan for those two subbasins by January 31, 2020, would trigger adverse action by the SWRCB, which could then adopt its own interim GS Plan for the 180/400 Foot Aquifer and Paso Robles Subbasins, require annual groundwater extraction reporting for each well (which pump for other than solely domestic purposes more than two acre-feet per year), and impose fees and charges to cover the SWRCB's costs.

The CBI proposal to form one GSA and adopt one GS Plan for all eight subbasins, including the two Critically Overdrafted Subbasins, assumes that a single GS Plan must be adopted by January 31, 2020, for the entire SVGB, even though six of those subbasins have an additional two years to develop their respective GS Plans. Given the inordinate length of time already taken for the CBI process and the complexity of developing compliant GS Plans, it is unrealistic to assume that a compliant GS Plan for all eight subbasin could be prepared by January 31, 2020. If the SWRCB agrees with the CBI assumption that the January 31, 2020 deadline would then apply to all eight subbasins, failure to produce a compliant GS Plan by that deadline would subject all eight subbasins to development by the SWRCB of an interim GS Plan, annual groundwater extraction reporting, and payment of SWRCB fees and charges. The CBI process has not explained why that is not a realistic consequence of its one-GS Plan scheme and how development of the GS Plan would be funded and by whom.

2.3. **Monterey County is Only Presumed to be a GSA If No Other Local Agency or Agencies Have Filed to be a GSA within Their Respective Service Areas**

The following bullet points are taken verbatim, with emphasis added, from the DWR SGMA discussion on the "County's Role in GSA Formation" found at http://www.water.ca.gov/groundwater/sgm/gsa.cfm:

- In the event that there is ***an area within a high- or medium-priority basin that is not within the management area of a GSA***, the county within which that unmanaged area lies will be presumed to be the GSA for that area. *(Water Code § 10724(a))*
- A county shall provide notification to DWR of its intent to manage the unmanaged area pursuant to Water Code §10723.8 unless the county notifies DWR in writing that it will not be the GSA for the area. *(Water Code § 10724(b))*
- ***An "unmanaged area" as used in Water Code §10724(a) is an area of a basin that has not yet had (or will not have) a local agency file a GSA formation notice with DWR***.
- ***Water Code §10724 does not give the county exclusive authority to be the GSA in a basin if other local agencies have also declared their intent to manage groundwater, but have not yet resolved their service area overlap***.

2.4. **The "Ultimate Goal" of the Consensus Building Institute Process Does <u>Not</u> Conform Legally with SGMA**

On page 24 of the Final Report is the following statement: "The ultimate goal of this [Consensus Building Institute (CBI)] effort is the development and implementation of a [single] Salinas Groundwater Basin Sustainability Agency (SGBSA), which will then have the responsibility of creating and implementing a [single] GWMP for the entire [Salinas Valley] basin."

SGMA requires that at least one GSA be formed for each of the eight subbasin within the SVGB by June 30, 2017, or be subject to being placed on probation by the SWRCB. Groundwater extractions within a subbasin that either has been designated as a probationary subbasin or lies outside of a GSA-managed area must be reported annually to the SWRCB.

An additional impediment to the CBI proposal is that the majority of the Paso Robles Subbasin is within San Luis Obispo County, and not Monterey County, so a mandatory intra-subbasin cooperative agreement is required between at least the two counties if no other local agency files to become the GSA for the Paso Robles Subbasin. In addition, DWR has denied Monterey County's request to split the Paso Robles Subbasin along county lines.

3. **<u>MCWD's Water Service Areas Are Located Primarily within the Seaside and Corral de Tierra Subbasins with a portion within the 180/400 Foot Aquifer Subbasin</u>**.

Figure 3 on page 21 of the Final Report shows the basin boundary modification filed with DWR by MPWMD. MCWD supported that request. The following describes MCWD's Central Marina and Ord Community service areas in relationship to the Seaside, Corral de Tierra, and 180/400 Foot Aquifer Subbasins:

- Small northern portions of the Central Marina and Ord Community service areas as well as most of MCWD's Armstrong Ranch Sphere of Influence and the entire CEMEX property are located within the designated Critically Overdrafted 180/400 Foot Aquifer Subbasin.

- The rest of the Central Marina service area is located within the Seaside Subbasin.

- The rest of the Ord Community service area is located within (1) a major portion of the Adjudicated Seaside Groundwater Basin, (2) that portion of the Seaside Subbasin north of the Adjudicated Basin, and (3) a major portion of the Corral de Tierra Subbasin.

- MCWD's production wells are located just south of the northern boundary of the Seaside Subbasin and, consequently, draw groundwater from aquifers within both the Seaside and 180/400 Foot Aquifer Subbasins.

4. **MCWD's Groundwater Rights.**

The Final Report on pages 5 to 10 generally discuss groundwater rights. Absent an expensive groundwater adjudication as was done for a portion of the Seaside Subbasin, a pumper can only make a general determination of his or her groundwater rights. Generally, in an overdrafted groundwater basin the overlying agricultural groundwater pumpers are going to have pumping priority over urban pumpers, except to the extent that the urban pumpers have gained groundwater rights against the overlying pumpers by prescription and except to the extent that the urban pumpers have been granted groundwater allocation rights by MCWRA. MCWRA's allocation of groundwater rights pursuant to the MCWRA Agency Act was not discussed in the Final Report.

a. Rights under the MCWRA Annexation Agreements for Marina Area Lands and Ord. Under the 1993 and 1996 Annexation Agreements, MCWRA "allocated groundwater pumping rights" in the amount of 3,020 AFY to MCWD and the amount of 6,600 AFY to the Army for Fort Ord.

b. MCWD's Existing Allocated Groundwater Rights equal 7,891 AFY. In October 2001, the United States quitclaimed the water infrastructure on the former Fort Ord and the Army's groundwater allocation, through FORA, to MCWD, retaining 1,729 AFY for use in the Presidio of Monterey Annex (military housing and facilities within the Ord Community) and the Bureau of Land Management, i.e., a net 4,871 AFY of the Army's allocation was transferred to MCWD. Therefore, MCWD has a total of 7,891 AFY of allocated groundwater rights to serve its Central Marina and Ord Community service areas.

c. Under Section 8.1 of the Marina Area Lands Annexation Agreement and Section 4.g of the 1993 Fort Ord Annexation Agreement, MCWRA has agreed to backstop those groundwater allocations in the event that the actual available groundwater is not physically or legally available (e.g., because of a SVGB adjudication).

d. Page 7 of the Final Report alleges that the dispute over whether Cal-Am has any legal right to pump groundwater from the SVGB as product water for its proposed desalination plant has been resolved by a negotiated agreement among the parties; MCWD was not one of those parties. Cal-Am itself admits that it is pumping SVGB groundwater, which may be used for beneficial purposes. In fact, Cal-Am cannot legally obtain overlying or appropriate groundwater rights for its proposed desalination plant in an overdrafted basin and which has been further classified as Critically Overdrafted Basin. Cal-Am's ongoing test well pumping by discharging groundwater into the Bay is in violation of the MCWRA Agency Act's prohibition of exporting groundwater out of the SVGB. The dispute continues and is now in part the subject to a lawsuit filed by the Ratepayers Association of the Monterey Peninsula.

5. **MCWD's Has Filed Two Separate GSA Formation Notifications with DWR for Its Service Areas**

After publishing the required public notice, the MCWD Board of Directors held a public hearing on September 6, 2016, to receive public comments on whether MCWD should form one or two GSAs within MCWD's existing service areas as described in Section 3 above. No one from the public made comments at the hearing. Later during the same Board meeting, the Board voted unanimously to adopt Resolution 2016-54, Election to Become the Exclusive Groundwater Sustainability Agency Within Portions of Two Subbasins. A copy of the adopted resolution is attached as Attachment A. As explained in Section 2 above and, because as of September 6, 2016, the Seaside Area Subbasin and the Corral de Tierra Subbasin were two separate subbasins, separate GSAs were required to be formed for those portions of MCWD's service areas within each subbasin. MCWD reserves the right to form a third GSA for its service areas within the 180/400 Foot Aquifer Subbasin.

Pursuant to Resolution No. 2016-54, MCWD staff filed the attached GSA formation notifications with DWR. See Attachments B and C.

6. **MCWD's Reasons for Forming GSAs for Its Service Areas**

MCWD was founded in 1960 and has been effectively managing its groundwater supply for many years. MCWD has demonstrated its environmental stewardship and its water leadership in the region through the development and implementation of its Urban Water Management Plan (UWMP); water conservation programs; water facility master planning; implementing the Regional Urban Water Augmentation Plan (RUWAP); securing 1,427 acre-feet per year of advanced treated water for the Ord Community; entering into an agreement with the MRWPCA to design, finance, construct, own, and operate the Pure Water Monterey Project transmission pipeline; and entering into the MCWD-FORA-MRWPCA study agreement to identify new water

source(s) to provide 973 acre-feet of additional potable water required under the Fort Ord Base Reuse Plan. Implementation of SGMA will require that the GS Plan be consistent and complimentary with these efforts and that comprehensively, all of those efforts work to achieve groundwater sustainability, optimize water use efficiency, and maximize water supply reliability while minimizing risk. All the while, MCWD is committed to a track record of keeping costs as low as possible for its customers. In addition, it would be imprudent for the MCWD Board of Directors to allow MCWD's service areas to be subject to a January 31, 2020 GS Plan deadline under the CBI scheme when both the Seaside Subbasin and the Corral de Tierra Subbasin have a January 31, 2022 deadline.

B. MCWD'S RESPONSES TO THE FINAL REPORT'S FINDINGS

MCWD commends the Civil Grand Jury for investigating groundwater issues and SGMA implementation within Monterey County. However, key assumptions upon which the Final Report is based do not legally conform with SGMA. What SGMA actually requires is reflected above and in the following MCWD's responses:

F1. Monterey County is critically dependent on groundwater for both its agricultural and urban water demands.

MCWD's Response: The District agrees with the finding.

F2. Groundwater is critically important to Monterey County's economy.

MCWD's Response: The District agrees with the finding.

F3. Several groundwater basin aquifers in Monterey County are now in overdraft.

MCWD's Response: The District agrees with the finding assuming that "groundwater basin aquifers" refers to the DWR-designated subbasins within Monterey County.

F4. Overdrafting has resulted in seawater intrusion into the 180 and 400 foot aquifers in the northern Salinas Valley Basin.

MCWD's Response: The District disagrees partially. MCWRA's "Historic Seawater Intrusion" Maps for the 180 Foot Aquifer and 400 Foot Aquifer on pages 29 and 30 of the Final Report do <u>not</u> accurately reflect the seawater intrusion as it currently exists within at least a portion of the 180/400 Foot Aquifer Subbasin south of the Salinas River.

Curtis J. Hopkins, Principal Hydrogeologist, Hopkins Groundwater Consultants, Inc., is MCWD's hydrogeological consultant. Mr. Hopkins prepared Attachment D, Technical Memorandum dated May 26, 2016, subject: North Marina Area Groundwater Data and Conditions. His

report is included in MCWD's Urban Water Management Plan located on the District's Website at http://www.mcwd.org/engineering_docs.php.

Mr. Hopkins analyzed the water quality data developed as part of Cal-Am's test slant well project. The North Marina Area is that portion of the 180/400 Foot Aquifer Subbasin situated south of the Salinas River. The following are some of the important findings from pages 7 and 12 of his analysis:

> **The significance of these data is that they indicate beneficial conditions have developed (or have always existed) in the North Marina Area of the 180-400 Foot Aquifer Subbasin and may be contrary to information published by the Monterey County Water Resources Agency (MCWRA). The recent investigation that is being conducted in and around the North Marina Area as part of the MPWSP has discovered an occurrence of freshwater within the shallow Dune Sand Aquifer and the underlying 180-Foot Aquifer within the area delineated as seawater intruded by the MCWRA. As previously shown, water level data from wells in the shallow dune sand aquifer appear to show protective water levels that are sufficiently above sea level to prevent seawater intrusion in the shallower sediments. This condition, combined with the lack of pumping in the 180-Foot Aquifer in the North Marina Area, appears to have slowed seawater intrusion in this portion of the coastline.**
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> *** * ***
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> **These data suggest a change of groundwater conditions in this coastal section of the aquifer or alternatively, they may reveal the groundwater conditions that existed in an area largely lacking historical data. While the freshwater in this area contains salts and nutrients that are derived from overlying land uses that include agriculture, landfill, and wastewater treatment plant and composting facilities, the chemical character is not sodium chloride, which is indicative of seawater intrusion.**
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> *** * ***
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> **These data indicate a unique condition exists in the North Marina Subarea south of the Salinas River that provides a significant degree of protection against seawater intrusion in the shallower aquifers under the present and recent past hydrologic conditions.**

As Mr. Hopkins explained, Cal-Am's proposed MPWSP source water pumping on the CEMEX property would adversely impact the existing groundwater conditions in the vicinity of the CEMEX property and would destroy that existing groundwater protective condition against seawater intrusion.

F5. Seawater intrusion results in localized salt-contaminated groundwater that is unsuitable for both urban and agricultural uses.

MCWD's Response: See also the District's response to F4 above. The District disagrees partially. Seawater intrusion can result in localized groundwater that is unsuitable for urban and agricultural uses if it exceeds certain levels of concentration. The current basis used by MCWRA to denote the seawater intrusion front is a chloride concentration of 500 mg/l, which is the upper limit of the California Water Department of Public Health Secondary Drinking Water standard, *as a measure of impairment of drinking water.* However, groundwater with a water quality above 500 mg/l may still be used for non-potable urban and agricultural uses. More importantly, the existing Water Quality Control Plan for the Central Coastal Basin incorporates the State Water Resources Control Board's Resolution No. 88-63, Adoption of Policy Entitled "Sources of Drinking Water," mandates that a standard of 3,000 mg/L of total dissolved solids (5,000 uS/cm, electrical conductivity), and not 500 mg/L, be used instead. In addition, as Mr. Hopkins pointed out in response to F4 above, salt-contaminated groundwater must be tested to determine whether it is sodium chloride-based seawater or salts and nutrients that are derived from overlying land uses.

F6. If no Groundwater Sustainability Agency (GSA) is formed by June 30, 2017 for the Salinas Valley Basin, the County of Monterey could then choose to become the GSA for that basin.

MCWD's Response: The District disagrees wholly because the finding is based upon an incorrect assumption. As discussed in Section 2 above, if a GSA is not formed for a portion of any SVGB subbasin, and not the SVGB as a whole, by June 30, 2017, then Monterey County is presumed to be the GSA for those "white areas" as that term is used by DWR to denote areas within a subbasin not within the boundaries of any formed GSA. However, Monterey County cannot be the GSA for any lands within a subbasin for which a local agency or combination of local agencies have already elected to become the GSA.

F7. If the County of Monterey chose to become the GSA for the Salinas Valley Basin that choice would prevent the State Water Resources Control Board (SWRCB) from intervening in the local Groundwater Sustainability Plan (GSP) planning process except for overseeing and insuring GSP compliance.

MCWD's Response: The District disagrees partially. Any qualified local agency may elect to be the GSA for the portion of any subbasin or subbasins within the local agency's service area. Such an election would prevent Monterey County from choosing to become the GSA for that portion of the SVGB. The SWRCB may still intervene if the County as GSA does not submit a compliant GSP for the 180/400 Foot Aquifer Subbasin and the Paso Robles

Subbasin by January 31, 2020, and for portions of all other SVGB subbasins for which Monterey County is the GSA by January 31, 2022.

F8. Prior to the Sustainable Groundwater Management Act (SGMA), local groundwater management plans lacked sufficient enforcement authority to fully manage groundwater sustainability.

MCWD's Response: The District disagrees partially. While MCWD has not done an extensive review of MCWRA's enforcement authority under the MCWRA Agency Act, Monterey County has inherent police powers as a county to regulate groundwater and to develop and enforce groundwater management plans, but Monterey County has not chosen to exercise all of those police powers. See *Baldwin v. County of Tehama (1994), 31 Cal.App.4th 166.*

Additionally, as a County Water District, the California Water Code provides MCWD with the inherent authority to charge fees/rates to cover groundwater management expenses, to construct projects for groundwater extraction/injection, to establish regulations for water use and water conservation, and other powers and duties not described here. Prior to SGMA, much of this enforcement authority existed, and remains in place with the implementation of SGMA.

F9. SGMA confers on GSAs stronger enforcement authority than had existed under previous groundwater management enactments or local plans.

MCWD's Response: Also see MCWD's Response to F8 above. The District disagrees partially if the finding includes Monterey County. SGMA does confer on non-county GSAs stronger and clearer enforcement authority than they had under previous groundwater management enactments or local plans.

F10. The non-adjudicated Salinas Valley Marina Area and the Salinas Valley Corral De Tierra Area should be included under the authority of the Salinas Valley Basin GSA and part of the GSA's Groundwater Management Plan (GMP).

MCWD's Response: The District wholly disagrees. The finding incorrectly assumes that SGMA requires one GSA and one GS Plan for the entire SVGB. As explained in Section 2 above, SGMA requires that <u>each SVGB subbasin</u> must have at least one GSA and is required to have at least one GS Plan or a combination of coordinated GS Plans. Inter-subbasin agreements are encouraged but are voluntary, not mandatory. As explained above, MCWD has elected to form a GSA for those portions of its service areas within the Seaside Subbasin and a separate GSA for its service area within the Corral de Tierra Subbasin, which are outside of the Adjudicated Seaside Subbasin.

F11. Consensus Builders, Inc. has been retained by the City of Salinas, on behalf of itself and others, in an attempt to integrate competing Salinas Valley groundwater interest's in order to arrive at a consensus GSA before June 30, 2017.

MCWD's Response: The District agrees with the finding; however, as discussed in Section 2.4 above, CBI's ultimate goal of a single GSA and a single GS Plan for the entire SVGB does not legally comply with SGMA. Unless and until CBI understands and corrects its mistaken assumption, then those local agencies relying upon the CBI process could very well fail to form GSAs for their respective subbasins by June 30, 2017, and then be subject to regulation by the SWRCB.

F12. Many local individuals and entities have for several years been vitally interested in preserving, enhancing, and sustaining both groundwater and surface water availability in the Monterey Peninsula-Salinas Valley areas.

MCWD's Response: The District agrees with the finding.

F13. As a result of past efforts, there are several existing and planned projects that could logically be included in any GSPs adopted within the Monterey Peninsula-Salinas Valley areas, since each such project impacts groundwater sustainability.

MCWD's Response: The District partially disagrees with this finding. A GS Plan should include direct and in-lieu groundwater recharge projects as part of a GS Plan for an overdrafted subbasin. While Monterey County in conjunction with others have implemented CSIP and the Salinas Valley Water Project, it is now failing to comply with its own proposed deadlines to put Salinas River water under SWRCB-issued Permit 11043 to recharge groundwater. Those deadlines were included in the SWRCB order extending the time to put the 135,000 acre-feet of water per year under Permit 11043 to beneficial use. Permit 11043 was originally applied for by Monterey County in 1949 and the permit originally authorized a diversion of 168,538 acre-feet per year. In addition, Monterey County owns Permit 21089 for 27,900 acre-feet per year, which was granted by the SWRCB as a result of the additional storage in Nacimiento Reservoir recognized after it was built due to more accurate surveying methods. While a cost-effective Interlake Tunnel Project deserves strong consideration, other less costly storm water capture/groundwater recharge projects, which could directly benefit the Critically Overdraft 180/400 Foot Aquifer Subbasin have not been studied.

F14. Some of the existing and planned projects for logical inclusion in a local GSP include:

a. The Salinas Valley Reclamation Plant (SVRP) and the Castroville Seawater Intrusion Project (CSIP) Distribution System.
b. The Pure Water Monterey Groundwater Replenishment Project.

c. The Soledad Water Recycling / Reclamation Project.
d. The Salinas Valley Water Project.
e. The Seaside Aquifer Storage & Recovery Project.
f. The California Statewide Groundwater Elevation Monitoring Program.
g. The Groundwater Extractions Monitoring System.
h. The Salinas River Arundo Removal Project.
i. The Interlake Tunnel Project.
j. The Cal-Am Monterey Peninsula Water Supply Project.
k. The DeepWater Desal Desalination/Data Center Project I.
l. The Marina Coast Water District Desalination Project
m. The People's Moss Landing Water Desalination Project
n. The Sand City Water Supply Project
o. Urban Water Conservation
p. Agricultural Water Conservation

MCWD's Response: The District partially disagrees with this finding. Having a long list of potential projects in a GS Plan proves nothing and does nothing. The most cost-effective and water efficient projects need to be studied, environmentally reviewed, and actually funded and built. Monterey County has more than sufficient Salinas River surface water rights for cost-effective and water-efficient storm water capture and other direct or in-lieu groundwater recharge projects utilizing high river flows in wetter water years.

F15. As with other legislation that impacts those with divergent interests, legal maneuvering and delaying tactics can, in the case of SGMA, cause the loss of local controls over groundwater planning and management.

MCWD's Response: The District partially disagrees with this finding. Maneuvering and tactics to usurp a local water district's responsibilities within its own service areas and subbasin will "cause the loss of local control over groundwater planning and management." "Legal maneuvering and delay tactics" is a red herring in the CBI process to promote the idea of a single GSA for the entire SVGB. Each of the eight subbasins within the SVGB is unique. SGMA recognizes that by focusing on each subbasin. Multiple GSAs or GS Plans for every SVGB subbasin is expressly authorized by SGMA. MCWD strongly supports voluntary regional coordination but local control is paramount. Local control is lost through an octopus-like centralized GSA.

F16. As with other legislation that impacts those with divergent interests, legal maneuvering and delaying tactics can, in the case of SGMA, cause already critical groundwater conditions in Monterey County to get much worse, to the detriment of all concerned.

MCWD's Response: The District disagrees with this finding. See MCWD's

response to F15 above. Forcing local agencies to adopt CBI's "one size fits all" approach, which does not legally conform with SGMA, is a real detriment to all concerned.

C. MCWD'S COMMENTS ON FINAL REPORT'S RECOMMENDATIONS

R1. That every public and private entity interested in the formation of a GSA and the adoption of a GSP for the Salinas Valley Basin pledge to consider the groundwater needs of every other interested party with an open mind and a commitment to fairness.

MCWD Comment: Again this recommendation assumes that SGMA requires the formation of one GSA and the adoption of one GS Plan for the entire SVGB. That is not the law, therefore, this recommendation will not be implemented because it is not warranted and is not reasonable. The CBI Collaborative has not itself shown to have "an open mind and commitment to fairness" when a participant disagrees with CBI's "ultimate goal." A more reasonable pledge would be to work through the inevitable disagreements in a civil manner, to try to understand before being understood, to communicate with respect and honestly, and to be quick, accurate, and timely with facts, data, documents, legal opinions, technical analysis, and other tools.

R2. That if the June 30, 2017 deadline for forming one or more GSAs for the Salinas Valley Basin is not met by other interested parties, the County of Monterey agree to become the GSA for that basin in order to prevent state intervention in local groundwater planning.

MCWD Comment: This is the first time in the findings and recommendations that the Final Report recognizes that more than one GSA may be formed for different portions of the SVGB. As explained in Section 2.3 above, Monterey County is only presumed to be the GSA for any portion of a subbasin that is not within the boundaries of a formed GSA. Therefore, this recommendation requires further analysis.

R3. That the County of Monterey actively participate in the currently ongoing effort by Consensus Builders, Inc. to help achieve the formation of one or more GSAs for the Salinas Valley Basin before the June 30, 2017 deadline.

MCWD Comment: This recommendation has been implemented. The County has been actively involved in all of the CBI meetings although the County has opposed the formation of more than one GSA for any portion of the SVGB.

R4. That the County of Monterey remain mindful of the possibility that it may become the GSA for the Salinas Valley Basin and, with that in mind, take all steps as far in advance of the June 30, 2017 deadline as necessary for it to assume that role prior to that deadline.

MCWD Comment: This recommendation requires further analysis. The County has been actively involved in all of the CBI meetings and has used its influence to advance it scheme of a single GSA and single GS Plan for the entire SVGB. However, the County has chosen to ignore MCWD pronouncements at those same meetings of the need for local control and that MCWD would likely form its own GSA for its service areas and the County has apparently failed to so inform the Civil Grand Jury.

The County has yet to make definitive proposals as to how funding for the operation of the GSA, preparation of the GS Plan for each subbasin, etc., is to be obtained. Recall that in March 2016, 77.83% of the voters within the San Luis Obispo County portion of the Paso Robles Subbasin voted against a special parcel tax to be levied to fund a local groundwater management district, with a two-thirds majority required for passage.

R5. That the County of Monterey remain mindful of the possibility that it may become the GSA for the Salinas Valley Basin and, with that in mind, begin immediately to consider GSP optional components.

MCWD Comment: Again this recommendation incorrectly assumes that the County will be the single GSA for the entire SVGB and will prepare a single GS Plan. Since the assumption of a single GSA/single GS Plan for the entire SVGB does not legally conform with SGMA, MCWD recommends that the County do further analysis.

Attachments:

A	MCWD Board Resolution No. 2016-54
B	MCWD GSA formation notification to DWR for the Marina Area of the Seaside Area Subbasin
C	MCWD GSA formation notification to DWR for the Ord Area of the Corral de Tierra Subbasin
D	Curtis Hopkins' Technical Memorandum dated May 26, 2016, subject: North Marina Area Groundwater Data and Conditions

[End of MCWD Comments]