

MONTEREY COUNTY

WATER RESOURCES AGENCY



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CURTIS V. WEEKS
GENERAL MANAGER

STREET ADDRESS
893 BLANCO CIRCLE
SALINAS, CA 93901-4455

December 6, 2007

Recipient:
Address:
APN:

This letter is to inform you of the proposed water delivery charges for the Castroville Seawater Intrusion Project area to fund the operations and maintenance of the Salinas River Diversion Facility. A public hearing on the proposed water delivery charge will be held at the Monterey County Board of Supervisors meeting on January 29, 2008, at 10:30 a.m. at the Supervisors' Chambers, 168 W. Alisal Steet, Salinas. Owners of each parcel are entitled to protest the proposed charge at this hearing. If owners of a majority of parcels submit written protests against the proposed charge, it will not be implemented. In order to be counted, all written protests must include each parcel number with respect to which the protest is being made. Please see the enclosed Protest Form.

Protests must be received at the address below by January 29, 2008, or submitted to the Clerk of the Board of Supervisors at the Public Hearing. Protests received after that time will not be counted. Protests must be delivered to:

**If Mailed: Monterey County Registrar of Voters
Post Office Box 4428
Salinas, CA 93912-9970**

**If Delivered: Monterey County Registrar of Voters
1370 B South Main Street
Salinas, CA 93901**

If you mail your protest, please be certain it is deposited in the mail at least seven (7) days prior to the Protest Hearing, to ensure timely receipt.

While this notice was mailed to each property owner of record, California law provides that tenants directly responsible for payment of the proposed charges for water delivered to any parcel are entitled to submit a written protest with respect to such parcel(s).

Implementing the proposed charge will allow funding for operations and maintenance of the Salinas River Diversion Facility, with the result that increased water deliveries will be provided and seawater intrusion will continue to be addressed. The estimated water delivery charge for the operations and maintenance of the Salinas River Diversion Facility in an average water use year, and for labor, electricity and material costs applicable for the 2008-2009 fiscal year, is estimated to be \$1.26 million divided by the average annual Zone 2B water use of 18,942 AF, or \$66.23/AF increased annually for inflation in accordance with

the Consumer Price Index for the first five years, after which the need for and amount of any automatic annual adjustments will be revisited by the Monterey County Water Resources Agency.

Failure to implement the proposed charge will delay funding of the Salinas River Diversion Facility and an alternative funding mechanism will need to be developed before the Salinas Valley Water Project can fully address the seawater intrusion problems impacting portions of the groundwater basin.

If you have questions, please call Christopher Keehn with the Monterey County Water Resources Agency at (831) 755-4860. The complete Engineer's Report for this water delivery charge is available for review at the Monterey County Water Resources Agency offices at 893 Blanco Circle, Salinas, CA 93901 and on their website at:

http://www.mcwra.co.monterey.ca.us/SVWP/Final_Engr_Rpt_NOV07.pdf

Thank you,

The Monterey County Water Resources Agency

Attachments: Project Summary
Official Written Protest

SALINAS RIVER DIVERSION FACILITY

PROJECT SUMMARY

AND EXPLANATION OF WATER DELIVERY CHARGES

Groundwater is the primary source of water in the Salinas Valley. Groundwater demands and extraction have historically exceeded groundwater recharge, resulting in an overdraft condition being exhibited in certain areas of the Salinas River Basin. This historic basin overdraft has resulted in declining groundwater levels and seawater intrusion into the Salinas Valley groundwater aquifer. To stop seawater intrusion and produce a hydrologically balanced basin, the Monterey County Water Resources Agency (MCWRA) is implementing the recommended project components described in the Salinas Valley Water Project (SVWP) Final Environmental Impact Report/Environmental Impact Statement (EIR/EIS) (2002), the Salinas Valley Water Project Summary Report (2002), and the Salinas Valley Water Project EIR Addendum (Addendum) (2007).

The SVWP will allow MCWRA to meet its water supply goals for the Salinas Valley. The combined goals of the SVWP are:

- Halting seawater intrusion;
- Continuing conservation of winter flows for recharge of the Salinas Valley basin through summer releases;
- Providing flood protection;
- Improving long-term hydrologic balance between recharge and withdrawal; and
- Providing a sufficient water supply to meet water needs through the year 2030.

As described in the January, 2003, Engineer's Report for the overall SVWP, O&M costs for the Salinas River Diversion Facility (SRDF) are to be recovered through water delivery charges that are to be paid by the recipients of the delivered water. The water delivery charges were not included in the Zone 2C assessment or related Prop. 218 proceeding.

Proposed Project

The proposed project, for the purposes of this water delivery charge, is operation and maintenance of the SRDF. Only the operations and maintenance costs for the SRDF are included in the proposed water delivery charges.

The SRDF portion of the Salinas Valley Water Project includes in-stream storage of water released from the two reservoirs and diversion of that water through a screened intake at the diversion facility (located approximately two miles upstream of Highway 1 near Moro Cojo Ranch at the approximate location of the Salinas River crossing of the CSIP distribution pipeline). After being impounded in the river channel by an inflatable dam, the water will be pumped to the Salinas Valley Reclamation Project where it will be filtered and disinfected prior to being blended with recycled water produced at the Salinas Valley Reclamation Project. The blended recycled and Salinas River water will then flow into the distribution piping for conveyance to the customers within the Castroville Seawater Intrusion Project (CSIP) service area. In addition to these water conveyance and treatment facilities, the diversion facility will also incorporate a fish screen on the intake structure to the pumping system and a fish bypass facility to allow fish to move around the diversion facility.

The proposed operation and maintenance of the SRDF would involve labor, materials, utilities, outside consultants, training, equipment procurement and other related costs for the:

1. Operation and maintenance of the inflatable dam
2. Operation and maintenance of the fish screen and fish bypass facilities

3. Operation and maintenance of the diversion intake and pumping facilities
4. Operation and maintenance of the filtration and disinfection facilities
5. Operation and maintenance of the flow monitoring and control facilities

Water deliveries from the SRDF will be delivered to agricultural water users through the existing CSIP pipeline system. This system currently distributes a blend of recycled water and local groundwater to approximately 12,043 acres of irrigated agricultural land surrounding the City of Castroville (Zone 2B). Each water user in the CSIP system has a delivery turnout with control and isolation valves and meters that allow the user to regulate flow of delivered water and allow metering of the total water use at each site.

Benefits of Proposed Project

Operation and maintenance of the SRDF will provide the benefits of increased availability of water and greater reliability of the water supply.

- **Availability of Water:** Operation and maintenance of the SRDF will provide direct delivery of Salinas River water to Zone 2B agricultural water users. The implementation of the SRDF will increase the overall water supply to the CSIP system and will reduce groundwater pumping to that required to meet peak demand and dry year water conditions. The delivery of surface water from the SRDF and the corresponding reduction in groundwater use reduces the total demand on the groundwater system and will correspondingly reduce seawater intrusion into the groundwater basin.
- **Reliability of Water Supply:** Operation and maintenance of the SRDF provides a reliable water supply by blending Salinas River water with recycled water made available through the Salinas Valley Reclamation Project. By delivering Salinas River water for blending with recycled water, the reliability of supply is increased over the existing supply which is a combination of recycled water and pumped groundwater. This increase in reliability is derived from two elements:
 - Addition of Salinas River water as a new water source improves water supply reliability by providing an additional supply to meet the agricultural water demands.
 - Reduction in groundwater use decreases impacts from seawater intrusion in this area. The reduced level of seawater intrusion will result in enhanced reliability of the groundwater to augment the combined surface water and recycled water supplies.

Project Operations and Maintenance Costs

The total estimated annual operation and maintenance cost for the SRDF is \$1.26 million based on water use from an average year.

This cost is estimated for an average water use year based on labor, electricity and materials costs for the 2008-2009 fiscal year, the projected first year of operations, and is anticipated to change annually with variations in water use, electricity costs, labor costs and material costs. The actual annual operation and maintenance cost for the SRDF will be determined on an annual basis and will be used as the basis for adjusting water delivery charges, if appropriate.

Apportionment of Assessment

The water delivery charges will be determined by dividing the total costs for the Project by the total number of acre feet of water delivered. The result will be a uniform per-unit charge for delivered water; therefore, each customer's water delivery charges will vary in direct proportion to the amount delivered, and the cost will thus be directly proportional to the benefit received. Actual water deliveries to the CSIP system have varied between 16,663 AFY to 21,982 AFY between FY 1999-2000 and FY 2006-2007. The average water use between FY 1999-2000 and FY 2006-2007, was 18,942 AFY.

Charges for water delivered through the SRDF are therefore based on the total combined quantity of water delivered through the meters located at each turnout. The estimated cost of delivered water is therefore the estimated annual cost of the operations and maintenance of the SRDF divided by the total combined amount of water delivered to each turnout as represented by the meter readings at each turnout.

The water delivery charge for the operations and maintenance of the SRDF in an average water use year, and for labor, electricity and material costs applicable for the 2008-2009 fiscal year, is therefore \$1.26 million divided by the average annual water use of 18,942 AF, or \$66.23/AF.

With the implementation of the SRDF, the use of the supplemental wells will be reduced, with their use being limited to providing water in those years, and portions of years, when the diversion through the SRDF plus the available recycled water is less than the irrigation water requirements within the project service area. The primary costs for the operation of the wells are electrical costs and annual maintenance costs, which will be significantly reduced through the operation of the SRDF. This reduced level of operation and maintenance costs for the groundwater wells will result in a reduction in the existing Zone 2B delivery charge.

**Salinas River Diversion Facility Operations and Maintenance
Water Delivery Charge**

Official Written Protest

Instructions for completing written protest:

If you choose to protest the imposition of the proposed water delivery charge, so indicate by signing this form on the line designated below and listing the number of each parcel to which your protest pertains. You must SIGN the Declaration of Authority. If you wrongly mark, tear or deface this protest/ballot, call the Monterey County Water Resources Agency at (831) 755-4860, Monday through Friday between the hours of 8 a.m. and 5 p.m. for instructions.

Official Protest and Declaration of Authority

I hereby protest the implementation of the proposed water delivery charge for the Salinas River Diversion Facility. I declare under penalty of perjury that I am an owner and/or tenant authorized to protest on behalf of the parcel(s) indicated below and/or I am authorized to act on behalf of any owner that is not a natural person (such as a corporate landowner, trust or estate).

Dated on _____,
at _____ County, California

Signature _____

Parcel Number(s) _____

All protests must be received on or before the Public Hearing on January 29, 2008, at 10:30 a.m. in the Board of Supervisors' Chambers located at 168 W. Alisal Street, Salinas, CA 93901.

Please mail protests at least seven (7) days prior to the Protest Hearing to ensure they arrive before the meeting begins. Protests can also be hand-delivered to the Clerk of the Board of Supervisors at the Public Hearing.