STATE OF CALIFORNIA REGIONAL WATER QUALITY CONTROL BOARD CENTRAL COAST REGION

SUPPLEMENTAL SHEET FOR REGULAR MEETING OF MAY 12-13, 2014 Prepared on April 28, 2014

ITEM NUMBER: 12

SUBJECT: Executive Officer's Report

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KEY INFORMATION: Status of Pure Water Monterey Project and Related Permits

Pure Water Monterey

Central Coast Water Board staff continues to track progress on plans and approvals for the <u>Pure Water Monterey</u> recycled water project. The project website states, "Pure Water Monterey will provide a clean, safe and sustainable source of water for Monterey County. It emphasizes advanced water recycling technology, replenishment of the groundwater supply and protection of the environment. Pure Water Monterey provides both purified potable water for domestic use, as well as a supply for irrigating one of the state's most fertile agricultural areas in the <u>Salinas Valley</u>. The project will be the first of its kind to utilize not just wastewater, but stormwater, food industry processing water, and impaired surface waters of the State. It is an environmentally sustainable solution for our area's water supply problem."

Central Coast Water Board staff has met several times with representatives from the Monterey County Water Resources Agency (MCWRA) and the Monterey Regional Water Pollution Control Agency (MRWPCA) on Pure Water Monterey, most recently on April 29, 2016 with MRWPCA in San Luis Obispo, to provide strategic/schedule guidance for forthcoming permitting and funding work, as well as to hear updates on engineering design status for the project. These meetings have demonstrated that the project planning and permitting is very complex and advancing on schedule and the agencies are working to resolve outstanding legal agreements, permitting and engineering design issues.

In November 2015, the State Water Resources Control Board made pending water rights permits available for public review and comment or protest. On February 16, 2016, the California Department of Fish and Wildlife and the National Marine Fisheries Service filed protests. The bases of the protests are as follows:

Surface flow would be reduced, thereby threatening the steelhead population and aquatic habitat. The South-Central California Coast Steelhead Distinct Population Segment is a State Species of Special Concern, listed as threatened under the

Federal Endangered Species Act (FESA); the Salinas River Lagoon is designated by FESA as critical habitat for the federally endangered tide water goby; the Salinas River watershed is also designated by FESA as critical habitat for the federally threatened and State Species of Special Concern California red-legged frog. Furthermore, water from the Blanco Drain that discharges to the Salinas River, acts to dilute or change the water quality in the Salinas River, and travels downstream to the Salinas River Lagoon which supports fish and wildlife.

MCWRA responded to the protests in a memo on March 16, 2016 and indicated that the diversion of all the flow from Blanco Drain will improve water quality in the Salinas River Lagoon because Blanco Drain water is more saline than the River or Lagoon. Therefore, MCWRA staff contends, removing Blanco Drain discharge to the Salinas River should protect the Salinas River Lagoon water from harmful salinity increases.

In response to a request from MCWRA staff, Central Coast Water Board staff, Karen Worcester and Lisa Horowitz McCann, reviewed all the water quality data and available flow data for the Blanco Drain and the Salinas River Lagoon. Central Coast Water Board staff assessed that the salinity change in the Salinas River Lagoon with or without maintaining Blanco Drain flow to the Salinas River has a negligible impact on fish. The salinity in the Salinas River Lagoon is influenced by rainfall runoff - mostly coming off of agricultural fields, tile drain discharges, sea water seeping into the lagoon through the dunes at the mouth of the lagoon and river, and/or waves overtopping the dunes carrying saline seawater into the lagoon. Fish species actually and potentially in the lagoon are adaptable to (tide water goby) or are in the process of smolting to become adapted to (steelhead) higher salinity, so can tolerate the range of salinity that has been measured in the lagoon. Central Coast Water Board staff concurs with NMFS and CDFW that flow into the lagoon to maintain adequate depth and volume of water to support fish habitat is more critical to fish protection than the water quality conditions. Furthermore, implementation of the Agricultural Order and other existing water guality regulations, continue to improve water quality conditions in Blanco Drain in the Lower Salinas River Watershed, even if slowly over time.

On April 21, 2016, Central Coast Water Board staff participated in a phone meeting with CDFW, NMFS, MCWRA and MRWPCA, and State Water Resources Control Board Water Rights Permitting staff to discuss the protests, the responses to the protests from MCWRA and MRWPCA, and Central Coast Water Board staff's assessment as described above. The agencies jointly reviewed the data and information and evaluated the anticipated impacts to fish and fish habitat if all of the Blanco Drain water is diverted away from the Salinas River. The discussion focused mostly on the flows needed to maintain water surface elevations at an appropriate level to support fish and for what period of time. The agencies did not reach a conclusion or agree on the appropriate amount or timing of Blanco Drain diversion from the Salinas River so the protests remain outstanding and an obstacle for State Water Resources Control Board to issue a permit. However, this group continues to meet and focus their discussions on the relevant habitat conditions needed and options for operation of the Pure Water Monterey project regarding Blanco Drain flows and Salinas River Lagoon Management. As of April 28, 2016, based on email communications, the outstanding issue was:

If six cubic feet per second of flow is diverted from Blanco Drain, can MCWRA manage the lagoon water surface elevation at 4.4 feet from spring to early fall?

MCWRA and MRWPCA will continue to work with NMFS to resolve this issue. Once these agencies arrive at a viable solution to maintain and monitor the water surface elevations or other critical indicators of fish habitat, the State Water Resources Control Board will likely permit the water diversion from Blanco Drain. Management of the Salinas River Lagoon may require a permit from the Central Coast Water Board in the form of Waste Discharge Requirements and/or Water Quality Certification pursuant to Section 401 of the Clean Water Act. Securing the Water Rights Permits will advance the project and move the agencies forward so they can focus on securing the other Water Rights, Waste Discharge Requirements, and/or National Pollutant Discharge Elimination System Permits still needed for the Pure Water Monterey Project.