

Salinas Valley Water Coalition



P.O. Drawer 2670 • Greenfield, CA 93927
(831) 674-3783 • FAX (831) 674-3835

December, 2002

Salinas Valley Water Project

WHAT IS THE SALINAS VALLEY WATER PROJECT?

The Salinas Valley Water Project (SVWP) includes:

1. Operation and maintenance of the Nacimiento and San Antonio reservoirs,
2. Modification of the spillway at Nacimiento Dam, and
3. Installation of the Salinas River Surface Diversion Facilities.

The Monterey County Water Resources Agency (MCWRA) would implement the project to meet the water supply goals of the Salinas Valley, which include:

- ◆ 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.

MCWRA has prepared an Engineer's Report to document an assessment methodology developed by MCWRA for a special assessment that could fund the proposed project. This report is available at the Agency's office or at the Salinas Valley Water Coalition's website:

www.salinasvalleywatercoalition.org

WHAT DOES IT DO FOR YOU?

- ◆ It will restructure the manner in which Zone 2 and 2A assessments are currently applied so that future assessments will be proportional to benefit.
- ◆ It will restructure the existing Zone 2 and 2A to form one new Zone for the operation and maintenance of both reservoirs --- this is based on the fact that the reservoirs are operated as a system, and therefore should be considered as one system.
- ◆ It identifies and recognizes that the lands within the Salinas Valley benefit differently from the operations of the existing of reservoirs and it recognizes that the lands will benefit differently from the proposed 'new' Salinas Valley Water Project, and therefore, should be assessed only proportionate to benefits received.

The proposal is consistent with the requirements of Proposition 218. Proposition 218 was adopted by the voters of California and amended the California Constitution as of July 1, 1997. Proposition 218 states that "no assessment shall be imposed on any parcel which exceeds the reasonable cost of the proportional special benefit conferred on that parcel. Only special benefits are assessable, and an agency shall separate the general benefits from the special benefits conferred on a parcel. Parcels within a district that are owned or used by any agency, the State of

California or the United States shall not be exempt from assessment unless the agency can demonstrate by clear and convincing evidence that those publicly owned parcel in fact receive no special benefit.”

The Salinas Valley Water Coalition, its Board of Directors and its Members have worked very hard these past five years in an effort to change the manner in which Zone 2 and 2A waterstandby and availability charges are assessed. As you know, all lands within Zones 2 and 2A are assessed the same amount --- this is from one end of the Valley to the other. The ‘new’ zone changes all of this!

COST ALLOCATION COMMITTEE

Representatives of the Salinas Valley Water Coalition have participated in the various MCWRA activities pertaining to the issues surrounding Zones 2/2A as well as the development and implementation of the Salinas Valley Water Project. This has included participation in the Settlement Committee established by Judge Silver, the Ad-Hoc Assessment Committee and the Cost Allocation Committee, all in an effort to evaluate and better understand the Agency and its administrative and operational systems, and to develop a new and proportional form of assessment(s) to replace the Agency’s existing Zone 2 and 2A water standby charges.

The Cost Allocation Committee made the following recommendation to the MCWRA Board of Directors -----we are anticipating that the Board of Directors will adopt this recommendation at its December 19th meeting and forward it to the Board of Supervisors for their consideration and approval. The recommendation consists of:

1. A new zone – Zone 2C will be created. The assessments for this Zone will include 1) the operation and

maintenance of the two existing reservoirs – Zones 2/2a—along with 2) the assessments for the Spillway Modification and 3) the assessments for the Diversion Structure and, 4) an assessment for administration. There will be one zone with four separate new assessments as detailed below. (please note that the current waterstandby charges for Zones 2 and 2A will cease to exist once this new zone and assessments are approved by the voters)

2. Zones 2/2a will remain solely for the collection of ad-valorem taxes currently in place –these are NOT to be confused with the water standby and availability charges which will cease to exist. The distribution of costs according to benefit – and the recognition of a difference in benefits among lands from one end of the valley to the other end are what we have worked many many years toward. As you know all lands within the Salinas Valley have historically been charged the same for the operation of the reservoirs. While the benefits have not been uniform, the charges have. Zone 2C changes all of this and lands will now be assessed according to benefit received as required per Prop. 218.

Zone 2C costs will be distributed according to the following ratio of benefits conferred to lands for the operation of the reservoirs. The zone ratios are:

Pressure Area: 5.7 Eastside: 3.1
Forebay: 2.7 Upper Valley: 2.6
Extended Upper Valley [these area areas surrounding the reservoirs]
Below: 2.9 Above San Antonio: 2.7
Arroyo Seco: 1

3. Costs for the proposed Spillway Modification component of the Salinas

Valley Water Project [SVWP] will be distributed according to the Benefit Matrix for the Spillway Modifications. The zone ratios are:

Pressure Area: 6.3 Eastside: 4.8
Forebay: 2.5 Upper Valley: 2.3
Extended Upper Valley
Below: 2.8 Above San Antonio: 4.0
Arroyo Seco: 1

4. Costs for the proposed rubber dam component of the SVWP will be distributed according to the Benefit Matrix for the Diversion Structure. The zone ratios are:

Pressure Area: 1.2 Eastside: 1.0

ALL capital costs associated with this component will be paid solely by the Pressure and Eastside areas. The operation and maintenance costs for the Diversion Structure and the pumping station will be paid by those receiving delivered water (currently Zone 2B).

5. Administration: In addition to the above assessments, the committee has proposed a separate assessment to costs associated with the maintenance of the zone boundary and litigation costs. This will be a uniform assessment on all lands within Zone 2C of \$0.97 per irrigated acre. There will be a cap on the total amount of dollars that can be collected and held in reserve --- this is to prevent the Agency from building a 'war chest'. This is discussed further below.

6. The Agency has prepared a draft resolution to be adopted by the Board of Directors and the Board of Supervisors. This Resolution addresses many of our outstanding issues. It is proposed that this Resolution will be adopted along with the cost allocation recommendations

from the CAC. The following summarizes the Resolution:

a) Reiterates the three guiding principles adopted by the CAC: (1) consolidate zones 2 and 2a, (2) facilities shall be paid for in proportion to the benefits received, and (3) proposed or future projects shall be paid for in proportion to additional benefits received.

b) Modifies existing CSIP/SVRP Resolution to state: “Once all debt.....has been retired, 2Y and 2Z Assessments shall be eliminated ad all operation and maintenance requirements for the CSIP/SVRP shall be supported through Zone 2B Assessments and Water Delivery Charges.” HURRAY!!!! This means the \$4.00 and \$8.00 (plus CPI increase) will go away once all debt has been paid for these projects.

c) Once the Revenue Bonds used for construction of the Nacimientto hydroelectric Plant are paid in full, all revenue, including the County's 20% share, shall be retained by the Agency. Once this begins, surplus revenue up to \$200,000 per year shall be assigned to the CSIP/SVRP --- with the balance of the revenue to be assigned to the Capital Asset Management Plan for the Agency's two reservoirs.

Representatives from one end of the Valley to the other, each with differing opinions and interests, have worked together to develop the recommendation before the MCWRA. The SVWC believes we each have given “something” up, but also believe that the end produce is worth supporting. In this work, each has expended considerable time and resources engaging consultants and working with Agency staff to develop useful, factual, information supported by scientific data. We

believe the recommendation, the matrix and the 'draft' resolution supports the findings, are equitable and reflect understandable and proportional cost-benefit analysis. We encourage your support.

The Monterey County Board of Supervisors will hold a public hearing on the Salinas Valley Water Project January 14, 2003. Your ballot will be mailed to you around January 20, 2003.

Does this sound too confusing to you? Do you have questions? Do you want to hear more? Please join the Coalition for its annual Membership meeting January 28th and have your questions answered. The Agency will be making a presentation on the Salinas Valley Water Project and will also answer your questions about the Project as well as any about your ballot. **WATCH FOR YOUR NOTICE WITH MORE INFORMATION – COMING TO YOUR DOORSTEP THE FIRST OF JANUARY!**

COMING UP NEXT?

Monterey County Board of Supervisors will have a new member as of January 7, 2003 --- someone familiar to many many of us ---Mr. Butch Lindley. He will be the new District 3 Supervisor. We welcome 'Butch' to the Board of Supervisors and look forward to working with him. We have been waiting a long time!

As Butch comes into office, Supervisor Lou Calcagno leaves District 3 to take the seat of Supervisor for District 2. We thank Supervisor Calcagno for his representation of District 3 and his support on those issues near and dear to us.

MONTEREY COUNTY GENERAL PLAN

The rewrite of the draft General Plan Update is scheduled to be released for comment sometime the first part of the new year. The Coalition is monitoring the GPU because of serious concerns regarding the water policies being presented within the GPU. We will keep you informed and ask for your continued support as we move through this new year.

WISHING EVERYONE A HAPPY HOLIDAY AND THE BEST OF THE NEW YEAR!

*Published by Salinas Valley Water Coalition
Nancy Isakson Government Affairs Consultant
Phone 624-2377 * Fax 624-2799
Email nisakson@mbay.net*