

RESOLUTION NO. 2017-121

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MARINA AUTHORIZING
THE PARTICIPATION IN PROFESSIONALLY FACILITATED MEDIATION REGARDING
CONFLICTS WITH THE PROPOSED MONTEREY PENINSULA WATER SUPPLY
PROJECT AND TO FUND UP TO \$7,000 FOR MARINA'S SHARE OF THE MEDIATION
COST

Whereas, The City of Marina has serious concerns regarding the water supply project proposed by California American Water (CalAm) to be located in the City of Marina on the Central Coast where CEMEX is presently located; and

Whereas, The City of Marina has been involved with various other participants to discuss the parties' various interests and settlement concepts in an effort to resolve issues concerning the Monterey Peninsula Water Supply Project (MPWSP); and

Whereas, Recently, the Monterey Peninsula Water Authority's Special Counsel proposed hiring a professional mediator, Marci DuPraw, to assist in the process of resolving issues. Ms. DuPraw has extensive experience managing and settling multi-party, natural resource conflicts and has experience in working with Groundwater Sustainability Agencies. It is anticipated that the following agencies will be participants: City of Marina, Monterey One Water, Marina Coast Water District, CalAm, MCWRA, MPWMD, and MPRWA; and

Whereas, In addition to the seven parties listed above, there are other interveners that will most likely participate including: Citizens for Just Water, Surfriders, Save our Shores, Public Trust Alliance, Planning and Conservation League, Coalition of Peninsula Businesses, Landwatch, Sierra Club, Farm Bureau, Salinas Valley Water Coalition, Office of Rate Payer Advocates, Public Water Now and Water Plus; and

Whereas, It is important that the City of Marina continues to have a voice in the ongoing settlement discussions and staff believes that there is progress being made towards supporting the non-desalination alternatives.

NOW, THEREFORE IT BE RESOLVED, that the Marina City Council does hereby:

1. authorize the participation in Professionally Facilitated Mediation regarding conflicts with the proposed Monterey Peninsula Water Supply Project and to fund up to \$7,000 for Marina's share of the mediation cost.
2. Authorize the City Manager to execute any agreements; and
3. Authorize the Finance Director to make accounting and budgetary entries

PASSED AND ADOPTED by the City Council of the City of Marina at a regular meeting duly held on the 19th day of December 2017 by the following vote:

AYES, COUNCIL MEMBERS: Amadeo, Morton, Brown, Delgado

NOES, COUNCIL MEMBERS: None

ABSTAIN, COUNCIL MEMBERS: None

ABSENT COUNCIL MEMBERS: O'Connell

Bruce C. Delgado, Mayor

ATTEST:

Anita Sharp, Deputy City Clerk

Honorable Mayor and Members
of the Marina City Council

City Council Meeting
of December 19, 2017

**CITY COUNCIL CONSIDER ADOPTING RESOLUTION NO. 2017-,
AUTHORIZING THE PARTICIPATION IN PROFESSIONALLY
FACILITATED MEDIATION REGARDING CONFLICTS WITH THE
PROPOSED MONTEREY PENINSULA WATER SUPPLY PROJECT AND
TO FUND UP TO \$7,000 FOR MARINA'S SHARE OF THE MEDIATION
COST**

REQUEST:

It is requested that the City Council consider:

1. Adopting Resolution No. 2017-, authorizing the participation in professionally facilitated mediation regarding conflicts with the proposed Monterey Peninsula Water Supply Project and to fund up to \$7,000 for Marina's share of the mediation cost.

BACKGROUND:

The City of Marina has serious concerns regarding the water supply project proposed by California American Water (CalAm) to be located in the City of Marina on the Central Coast where CEMEX is presently located. CalAm's Monterey Peninsula Water Supply Project proposes drilling slant wells to draw seawater into a new desalination plant. The current proposed Project is the latest in a sequence of proposals by CalAm to develop a desalination plant and associated facilities to supply water to areas that it serves on the Monterey Peninsula. As these proposals have evolved over time and have now focused on the large Project located in Marina, the City has become increasingly concerned about the potentially significant and irreversible impacts of the Project on Marina's water supply, water quality, sensitive coastal environment and citizens.

The concerns the City of Marina has for the project include:

- The Project poses a threat to Marina's water supply. Recent studies by water experts from Stanford University and confirmed by hydrogeologist prove that a significant amount of the source water would actually come from fresh groundwater in aquifers under the City of Marina – not seawater. Groundwater pumping will increase seawater intrusion – contaminating and possibly significantly harming Marina's fresh drinking water supply.
- The City of Marina obtains 100% of its potable water from the Salinas Valley Groundwater Basin. The Project will jeopardize Marina's current groundwater supply and its ability to meet future water demands.
- The Project has no groundwater rights, and will extract groundwater from an already critically overdrafted Salinas Valley Groundwater Basin.
- The Project is in direct conflict with the state's Sustainable Groundwater Management Act, which requires regional coordination and responsible planning to restore groundwater resources.

- The Project is massive in scale with inflated water demand, far exceeding any realistic or responsible demand projections. The Project exceeds the water supply needs of the region and will discourage conservation and responsible resource management.
- The Project conflicts with Marina's plan to project its coastline, is in conflict with the City of Marina's General Plan, Local Coastal Plan, and is inconsistent with Marina's local community values.
- The Project poses significant environmental risks to the coastal ecosystem.
- The Project has no benefit to the City of Marina, 100% of the water serves jurisdictions outside of the City of Marina, yet it severely impacts Marina resources.
- The Project relies on unproven slant well drilling technology that is risky and unproven. This type of drilling has not been feasible elsewhere, and has been rejected in other project areas due to impact on the groundwater supply.
- The Project ignores less costly, and more environmentally acceptable alternatives. Better solutions exist.

The City of Marina has been involved with various other participants to discuss the parties' various interests and settlement concepts in an effort to resolve issues concerning the Monterey Peninsula Water Supply Project (MPWSP). At these meetings there have been discussions regarding two alternate non-desalination water supply proposals that would, along with the potential expansion of Pure Water Monterey, be sufficient to provide the Peninsula with the water it needs for the next 10 years without the MPWSP desalination plant. These alternatives could also be implemented in a manner that meets the milestones in the State Water Resources Control Board Amended Cease and Desist Order imposed on Cal Am for the extraction of water on the Carmel River and would also allow time to explore options for water supply beyond 10 years, if additional supply is still needed, in a way that doesn't impact the City of Marina's groundwater supply.

Recently, the Monterey Peninsula Water Authority's Special Counsel proposed hiring a professional mediator, Marci DuPraw, to assist in the process of resolving issues. Ms. DuPraw has extensive experience managing and settling multi-party, natural resource conflicts and has experience in working with Groundwater Sustainability Agencies. Procedurally, the MPWMD would manage the contract with Ms. DuPraw and enter into a reimbursement agreement with the various parties. It is anticipated that the following agencies will be participants: City of Marina, Monterey One Water, Marina Coast Water District, CalAm, MCWRA, MPWMD, and MPRWA.

In addition to the seven parties listed above, there are other interveners that will most likely participate including: Citizens for Just Water, Surfriders, Save our Shores, Public Trust Alliance, Planning and Conservation League, Coalition of Peninsula Businesses, Landwatch, Sierra Club, Farm Bureau, Salinas Valley Water Coalition, Office of Rate Payer Advocates, Public Water Now and Water Plus.

ANALYSIS:

It is important that the City of Marina continues to have a voice in the ongoing settlement discussions and staff believes that there is progress being made towards supporting the non-desalination alternatives. Therefore, staff is supportive of the professionally facilitated mediation process. However, unless the mediation process includes the need to move the MPWSP intake wells to a location that does not pull source water from the Marina's groundwater, there is serious concern of the value to engage or continue in the mediation process. It is currently unclear if the intent of the mediation is to press forward with the currently proposed project, or if it will take seriously the groundwater impacts and focus on mediating a solution for alternative intake locations

and alternative non-desalination projects in a manner that also mitigates the water supply risks to the Peninsula. It is also unclear if the mediation process will delay decisions on the non-desalination alternatives already presented by the Marina Coast Water District.

If the Council authorizes participation, staff requests Council direction on how to proceed should the mediation process no longer include the necessity of moving the location of the intake wells and/or if the mediation process hinders progress on the non-desalination alternatives currently proposed by the MCWD.

FISCAL IMPACT:

The total budget of the mediation process is estimated to be \$49,000. It is proposed that the agencies split the cost with a not to exceed cap of \$7,000 per agency. It requested that the Council authorize the expenditure of \$7,000 from unallocated General Fund balance.

CONCLUSION:

This request is submitted for City Council consideration and possible action.

Respectfully submitted,

Layne P. Long
City Manager
City of Marina