



**Marin Municipal Water District
Board of Directors**

ITEM No.: 9

MEETING DATE:

August 19, 2009

SUBJECT: Marin Municipal Water District Desalination Project

SUBMITTED BY: Paul Helliker
General Manager

RECOMMENDED ACTION:

1. Approve Resolution No. 7925, A Resolution of the Board of Directors of the Marin Municipal Water District approving the Marin Municipal Water District Desalination Project
2. Direct staff to file the Notice of Determination in accordance with the California Environmental Quality Act and the Guidelines for Implementation of the California Environmental Quality Act
3. Approve an augmentation to the FY 2009-10 budget, in the amount of \$400,000

SUMMARY:

The Board has, for the past 20 years, evaluated a range of water supply options or portfolios to address the current and growing water supply deficit. That deficit is currently 3,300 acre feet per year (AFY) and is projected to grow to 6,700 AFY by the year 2025 due to growth projected by the Association of Bay Area Governments and as planned for by the Marin Countywide Plan and the general plans of the cities and towns within MMWD's service area.

On February 11, 2009, the Board of Directors selected a water supply portfolio that incorporates a maximum of diversity with regard to near-term and future supplies. That portfolio consists of:

1. The Water Conservation program described in the District's most recent Water Conservation Master Plan, as well as the filing of applications for Federal Economic Stimulus funds to assist in the more rapid implementation of the program;
2. Coordination and cooperation with the North Marin Water District (NMWD) to assure that any pipeline disturbed by the Caltrans Sonoma Narrows project is replaced with a pipeline capable of delivering both Agencies' full Sonoma County Water Agency water allocation without use of the existing Kastania pump station;
3. Implementation, as soon as possible, of projects to eliminate constraints on the use of the District's reservoir system;

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4. Implementation of a recycled water system expansion pipeline to Peacock Gap golf course, including preparation of a final design for the project to support a request for Federal Economic Stimulus funds for this project; and
5. Approving the Marin Municipal Water District Desalination Project and subsequently directing staff to file a Notice of Determination for a 5 million gallon per day (MGD) desalination project (Opportunity C-2) identified as the proposed project in the Final Environmental Impact Report (FEIR) certified by the Board on February 4, 2009, including a statement of overriding considerations, and further directing staff to proceed with securing permits for the various facilities required to implement the proposed project.

Portfolio items 1 (water conservation) and 2 (coordination with NMWD regarding future plans for the Sonoma-Marín Pipeline) of the portfolio do not, at this time, require evaluation under provisions of the California Environmental Quality Act (CEQA), but may at some future time as specific projects or programs evolve. Portfolio items 3 (reservoir operations) and 4 (expansion of the recycled water system) will require preliminary design followed by environmental review prior to the Board taking specific action to implement either project.

Portfolio item 5, the 5 MGD desalination project, expandable to 15 MGD, has been evaluated in accordance with CEQA, and the Final EIR was certified on February 4, 2009. The Board directed staff to include the proposed desalination project in the water supply portfolio on February 11, 2009. To begin pursuing that direction, staff is requesting that the Board formally approve the desalination project as described in the certified Final EIR for the Marin Municipal Water District Desalination Project by adopting Resolution No. 7925. Adopting Resolution No. 7925 will serve as the District's formal statement to carry out or approve the project in accordance with CEQA Guidelines Section 15094. Following Board approval of the project, staff will prepare and file a Notice of Determination with the Marin County Clerk within 5 working days of the Board's action, in accordance with Section 15094 of the CEQA Guidelines.

The 2010-2011 fiscal year budget contains no funding for the desalination project. Additionally, no staff has been assigned to the desalination project beyond the current efforts leading to project approval. Staff is requesting authorization by the Board for a budget augmentation in the amount of \$400,000, to fund the next steps in the process of implementing a desalination project.

Project Approval and Notice of Determination:

The Guidelines for Implementation of the California Environmental Quality Act (CEQA Guidelines) defines project approval in Section 15352 as follows:

(a) "Approval" means the decision by a public agency which commits the agency to a definite course of action in regard to a project intended to be carried out by any person. The exact date of approval of any project is a matter determined by each public agency according to its rules, regulations, and ordinances. Legislative action in regard to a project often constitutes approval.

Section 15094 of the CEQA Guidelines state:

The lead agency shall file a notice of determination within five working days after deciding to carry out or approve the project.

Project approval and filing a Notice of Determination is typically a prerequisite to initiating permitting processes with regional, state, and federal agencies. Therefore, prior to initiating the permitting process, it is appropriate for the Board to consider whether to approve the proposed project, whether to adopt findings and a statement of overriding considerations pursuant to CEQA, and whether to direct staff to issue the Notice of Determination.

Resolution of Approval:

Resolution 7925 outlines and includes the findings of facts (Exhibit A), statement of overriding considerations (Exhibit B), and the mitigation monitoring and reporting program (Exhibit C) in accordance with the CEQA Guidelines. It also directs staff to issue the Notice of Determination, which completes the CEQA project review and approval process.

Budget Augmentation

The next step in the process of implementing a desalination project is to initiate the permitting process. We anticipate that we will need assistance in this effort from outside experts, for at least the following tasks:

- Preliminary design of the pier renovation for the intake structure
- Magnusson Fisheries Act analysis
- Intake credit study

To initiate these actions, staff estimates that the FY 2009-10 budget will need to be augmented in the amount of \$400,000.

ATTACHMENTS:

- A. Resolution No. 7925 – A Resolution of the Board of Directors of the Marin Municipal Water District Approving the Marin Municipal Water District Desalination Project
- B. Findings of Fact (Exhibit A)
- C. Statement of Overriding Considerations (Exhibit B)
- D. Mitigation Monitoring and Reporting Program (Exhibit C)