

AGENDA ITEM NO. 5-B

MONTEREY PENINSULA REGIONAL PARK DISTRICT BOARD REPORT

DATE: October 7, 2026
TO: Board of Directors
FROM: Jake Smith, Planning & Conservation Program Manager
REVIEWED BY: Eric Morgan, General Manager *E. S. Morgan*
SUBJECT: Rancho Cañada Floodplain Restoration Project Monthly Progress Report

SUMMARY

This report provides an update on construction progress for the Rancho Cañada Floodplain Restoration Project. Phase 2 of the project began on April 20, 2026. This report outlines work completed since late August 2026 and construction activities planned through late October 2026. This report also describes an unforeseen construction cost resulting from a bid quantity discrepancy and the grant funding response to it, and provides an update on grant advance payment terms and Project cash flow. A related item on this agenda, Item 7-A, Review and Approval of Request to Temporarily Use District Reserves for Rancho Cañada Floodplain Project, presents the District's financial position on the Project and requests authorization to use District reserves as a temporary contingency source of Project cash flow due to a lag in grant receivables.

FISCAL IMPACT

N/A. Fiscal action related to Project cash flow is presented under Item 7-A.

FUNDING SOURCE

N/A

REPORT

Project Background

The Rancho Cañada Floodplain Restoration Project is restoring approximately one mile of the Carmel River by reconnecting it to its historic floodplain. This multi-year project is transforming a former golf course into thriving river, wetland, and upland habitat that will:

- Support native wildlife, including threatened steelhead trout
- Help reduce flood risk by allowing the river to spread more naturally during high flows
- Create future opportunities for public recreation and outdoor learning.

The project is being completed in three phases over three years. Construction of Phase 2 began on April 20, 2026.

MONTHLY CONSTRUCTION ACTIVITIES UPDATE

Work Completed (Reporting Period Late August– Late September 2026)

- Construction continued throughout the reporting period, with biologists, archaeologists, and cultural resource monitors on site during active work.
- Hazy conditions and a Red Flag Warning associated with the Timber Fire were noted in late August. Air quality and site conditions have since improved.
- Both former golf course bridges were removed. Bridge 1 was removed in late August and Bridge 2 in early September. Before each removal, crews dried out the work area and safely relocated wildlife. The rock that had been placed around the old bridges to protect them from erosion was saved and reused elsewhere in the project area.
- Crews continued building the new river channel features that create habitat. This work involves placing large boulders, river rock, and gravel to form riffles, pools, and stable banks, and required many truckloads of imported rock. Each work area was dried out and cleared of wildlife before work began.
- Work continued in the easternmost channel area, known as IC-6, where crews shaped the channel, set boulders, placed soil and gravel, and installed the salvaged rock along the bank. Bank protection work in this area was paused in mid-September while the design was revised, as described under Construction Contract Status below.
- Concrete work on the two supports for the new pedestrian bridge neared completion on both riverbanks, including the foundations, walls, and side walls, with independent testing of the compacted soil behind them.
- Crews continued shaping the large upland mounds and moving soil generated by the channel work to upland areas of the site.
- Planting continued across the floodplain, along with willow pole planting in the IC-6 area, hand watering of new plants, and installation of the irrigation system. Three nursery plant deliveries arrived during the period, with more in late September.
- Vegetation removal for next year's Phase 3 work was completed near the Alcove area. Bat surveys were completed for trees in these areas before any clearing.
- New aggregate access road was installed to replace an access road that was removed, connecting the Santa Lucia Conservancy headquarters and outdoor education area to MPRPD's headquarters parking lot.
- Staff and the contractor met with the seeding subcontractor to prepare for upcoming native seeding before erosion control is implemented.

Upcoming Work (Late September – Late October 2026)

- Complete the remaining bank protection work in the IC-6 area under the revised design.
- Receive the new prefabricated pedestrian bridge, expected October 12, and set it in place on its new supports.
- Finish the last concrete pour, backfill, and related work at the bridge supports.
- Begin installing irrigation lines.
- Begin native seeding, expected to start October 12 and continue into late October.
- Continue planting, willow pole installation, and irrigation work.
- Continue building new utility road and trail segments as site conditions allow.
- Complete well pump, electrical, tank, and plumbing work at the former driving range, pending equipment delivery.
- Begin stabilizing the site and wrapping up in-river work ahead of October 31 deadline for in-river work window and the start of the rainy season.



Photo 1: Grant funding representatives from the National Fish and Wildlife Foundation and the State Coastal Conservancy receiving a tour of the project area on 9/25/26.



Photos 2 & 3: Thousands of native plants being delivered by MPRPD's plant propagation contractor to the temporary on-site plant nursery while they await installation.



Photos 4 & 5: Demolition of Bridge #2 over the mainstem of the Carmel River.



Photos 6 & 7: Installation of the IC channel widening, bank armoring, and willow pole cuttings.



Photos 8. Looking upstream at a temporary structure to support installation of the new bridge.



Photos 9. Concrete truck pouring the final concrete lift of the bridge abutment.



Photo 10. Fabrication of the new 265-foot-long clear span steel truss bridge in Loveland, Colorado.



Photo 11: Rough grading of a new operations access road and public trail connection across the lowered floodplain.



Photo 12: California red-legged frog captured and relocated away from the bridge demolition area.

CONSTRUCTION CONTRACT STATUS

Project costs continue to be monitored closely as the Phase 2 construction season concludes. Staff and the construction management team will report on the final Phase 2 contract position once outstanding items are closed out and any outstanding change orders are negotiated. Should a contract amendment become necessary, staff will return to the Board with a recommendation.

UNFORSEEN COSTS: JOINT PLANTED RIP RAP QUANTITY

During this reporting period, the project team identified a discrepancy between the quantity of joint planted riprap (bid item IC-6) carried in the bid item list and the quantity shown on the project plans. The bid quantity was substantially lower than the design requires. The riprap was always a component of the designed Project and was shown in full on the plans, so the work itself is neither new nor an expansion of scope. Because the bid item table understated the quantity, however, bids for the Project came in artificially low relative to work actually required, and the cost of building this element as designed was not visible in the contract amount the Board authorized. A portion of the work had been constructed before the discrepancy was identified, and completing the remainder

as originally designed would have carried a significant cost that the Project's budget did not account for.

Staff, the design engineer, and the construction management team developed a revised bank treatment for the remaining reach that reduces the cost of the work while maintaining the design intent and bank stability. The revision was reviewed by the Project's technical advisory engineers, who raised no concerns, and has been provided to both grant agencies. The current estimated cost of completing this element, above what the bid item list carried, is \$250,000 to \$600,000. The design review also identified an opportunity to extend bank protection, where the new trail approaches Bridge 1. That segment is currently unarmored, and staff are evaluating this work as a discrete additional element to provide further protection during this winter, separate from the correction described above, and have included it in the funding discussion with SCC.

The State Coastal Conservancy (SCC) has stated it will provide additional grant funding to cover this cost and has indicated that further grant funding for the project may be available with additional substantiation. Staff are planning to meet with Conservancy grant staff this fall to present a rolled-up picture of Project status, remaining work, and how additional grant funding would be used, once construction costs for this season are better known and the Project's overall financial position is clearer. The purpose of that discussion is to confirm that funding is aligned with the work required to deliver a complete and successful project.

GRANT ADVANCE AND PROJECT CASH FLOW

The Project is funded by state grant awards from SCC and the Wildlife Conservation Board (WCB). Last month staff reported that WCB had issued revised advance funding guidance that changes the amount and timing of grant advances and reimbursements, and that staff were preparing a revised cash flow projection that may require MRPPD utilize a portion of its General Fund reserves to maintain adequate project cashflow. Three developments since the last report improve the Project's grant cash flow position:

1. SCC has agreed that the District may use its existing SCC advance balance as a revolving fund. The District pays contractor invoices from that balance, bills those costs to WCB, and replenishes the fund as WCB reimbursement is received.
2. WCB has indicated it will process advance requests serially, meaning the District may submit and WCB may process a subsequent advance before the prior advance is fully expended, provided the District demonstrates that funds are being spent and that the need is imminent.
3. Updated cost projections from the contractor give staff a clearer picture of monthly billing throughout the remainder of the construction season, and costs are lower than originally forecasted by the contractor in March.

Taken together, staff currently expect that it is more likely than not that Project cash flow needs can be sustained through grant funds during the coming months without drawing on District General Fund reserves.

The Project is nonetheless entering its highest cash flow demand period. Grant advances and reimbursements are processed on state timelines that do not align with the Project's monthly construction billing, and a delayed advance or reimbursement would leave the District temporarily fronting Project costs. Interrupted cash flow is a qualified use of the District's General Fund reserve under Board Policy 3004. For that reason, under Item 7-A, staff request Board authorization to use District reserves of up to \$3,250,000 for Project cash flow purposes if required. That amount corresponds to a single WCB advance increment, which is the exposure the District would carry if one advance were delayed. Any reserve funds used would be replenished from SCC or WCB grant advances and reimbursements for the same Project costs, as described in Item 7-A.

Based on the developments described above, staff do not currently anticipate needing to use this authorization, and any use would be reported to the Board.

ATTACHMENT(S)

None.