

REGULAR MEETING
Seaside Groundwater Basin Watermaster
February 6, 2008

MINUTES

I. CALL TO ORDER

Chairman Rubio called the meeting to order at 2:06 p.m. in the Monterey Regional Water Pollution Control Agency Boardroom at 5 Harris Court, Building D, Monterey.

II. ROLL CALL

City of Seaside – Mayor Ralph Rubio, Chairman
Laguna Seca Subarea Landowner – (Alternate) Gary Cursio
Monterey Peninsula Water Management District – Director Judi Lehman, Secretary
California American Water – Director Tom Bunosky
City of Monterey – (Alternate) Les Turnbeaugh
City of Sand City – Mayor David Pendergrass
City of Del Rey Oaks – Mayor Joseph Russell, Treasurer
Coastal Subarea Landowner – Director Paul Bruno, Vice Chairman
Monterey County/Monterey County Water Resources Agency – (Alternate) Curtis Weeks

Absent: None

III. APPROVAL OF MINUTES

Moved by Mayor Pendergrass, seconded by Mayor Russell, and unanimously carried, to approve the Watermaster Special Meeting minutes of January 16, 2008.

IV. REVIEW OF AGENDA

There were no changes to the agenda.

V. PUBLIC PARTICIPATION/ORAL COMMUNICATIONS

There were no questions or comments from the public.

VI. CONSENT CALENDAR

- A. Approval of Summary for Payments made in January 2008 \$253,928.33
- B. Current Year Financial Reports – Through January 31, 2008

Moved by Director Weeks, seconded by Director Turnbeaugh, and unanimously carried, to approve the payment of bills and the current fiscal year financial reports.

VII. ORAL PRESENTATION – None scheduled.

VIII. OLD BUSINESS

A. COMMITTEE REPORTS

1. BUDGET AND FINANCE COMMITTEE

- a) 2008/09 Administrative Fund Budget Revision
- b) 2008/09 Replenishment Fund Budget Revision

CEO Evans stated the submitted Administrative Fund Budget revision was due to the Board entering into a new contract with the CEO on December 5, 2007 whereby compensation would be a flat hourly rate effective January 1, 2008, versus the previous reimbursed-based contract. The proposed Replenishment Fund Budget revisions were due to actual overproduction amounts not being known when the original budget was adopted in October 2007. Projected 2008 budgeted amounts are based on actual overproduction quantities for Water Year 2006/07 and the 2008 Flow-weighted Replacement Cost per Acre Foot of \$2,485. Director Bunosky stated that California American Water (CAW) planned to submit a request for credit, possibly for the entire amount of the CAW replenishment assessment levied by Watermaster to date, some time prior to the next Watermaster Board meeting.

Moved by Director Turnbeaugh, seconded by Director Bunosky, and unanimously carried, to adopt the revised 2008/09 Administrative Fund Budgets and the revised 2008/09 Replenishment Fund Budgets as presented.

2. TECHNICAL ADVISORY COMMITTEE (TAC)

- a) Update on status of the response to the Court Minute Order received November 26, 2007
 - 1. Final Specific Action Plan for approval
 - 2. Contract for Data Collection Services with MPWMD

CEO Evans stated that staff had contacted legal counsel (Russ McGlothlin, City of Seaside; Sandra Dunne and Nick Jacobs, CAW) to coordinate legal input, formatting and submission of the final Plan to court by February 28, 2008. Robert Jacques, Watermaster Technical Program Manager, responded to an inquiry by Director Bruno, stating that the clarification as to what sections in the Court Decision note the requirement that well owners produce data on well level and quality was provided in the background material submitted to the Board at its January 16, 2008 meeting. TAC had yet to include in the Plan the responses not yet received to the well data notice letters sent to well owners. Chair Rubio clarified that the Plan was essentially complete and approved by the Board at the January 16, 2008 meeting; there have been no subsequent substantive changes and no action needs to be taken by the Board

- b) Basin Monitoring and Management Plan (BMMP) 2008 Construction Contract

Mr. Jaques stated that the amount of storage in the Basin as well as the operating yield would be determined as a component of Task 1 of the proposed Scope of Work. Director Turnbeaugh urged Watermaster to keep current on *all* issues currently affecting the drawdown of the Seaside Basin. In that regard, Chair Rubio stated that Seaside City Council in the past hosted a presentation by various entities on issues affecting the Basin; much has changed since that conference and it would be timely to arrange another.

Moved by Director Bunosky, seconded by Director Turnbeaugh, and unanimously carried, to approve the submitted contract between Hydrometrics and Watermaster to perform certain tasks in 2008 contained within the Watermaster Monitoring and Management Plan.

IX. NEW BUSINESS

A. State Water Resources Control Board (SWRCB) Cease and Desist Order (CDO) to CAW

CEO Evans provided a copy of correspondence dated February 4, 2008 from Diepenbrock Harrison in response to the SWRCB CDO. Attorney David Laredo addressed the Board stating that this item was placed on the agenda for discussion at the request of the Chair. Mr. Laredo requested the Board consider what form of appearance, if any, it would make in anticipation of a public hearing on the matter. He stated that the MPWMD Board had authorized its staff and counsel to prepare documents for full-party participation. Chair Rubio inquired if the CDO impacted Watermaster and its authority. Mr. Laredo stated that SWRCB has no jurisdiction over Watermaster, only over Carmel River diversion. Such authority may indirectly impact Watermaster depending on any conditions set by SWRCB to allow CAW to continue diversion over legal limits to meet public safety and health requirements. Chair Rubio requested the benefit of combined City of Seaside, CAW, and MPWMD legal counsel and suggested they meet in special session with the Board to discuss and make decisions in the matter. Attorney Don Freeman stated that, since Watermaster is a creation of the Court, it might be prudent to get direction from the Court on how to proceed. He suggested the Board give direction to combined counsel to proceed with preparation of documents to engage full-party participation by the Board subject to direction from the Court; the Board may choose interested party participation as the issue progresses, but it would be difficult to elevate to full-party participation if it is initially an interested party. Mayor Pendergrass supported full-party status for the Board as SWCRB actions appear to directly impact Watermaster by encouraging CAW to draw from the Basin instead of from the Carmel River: Over-pumping of the Basin by CAW is a direct result of the CDO. Director Bunosky noted that the Watermaster adjudication already has a court order for scheduled reduction and that fact should be brought to the attention of SWRCB to object to the CAW CDO containing additional reduction requirements.

Moved by Director Weeks, seconded by Director Turnbeaugh, and unanimously carried, to request counsel to contact the Court for its perception of Watermaster's role and to make notification of the intention of the Board to initially take the position of full-party in potential proceedings, and to request both City of Seaside and MPWMD counsels to begin preparation of documents to proceed as full-party in the matter.

B. Declaration of No Artificial Replenishment Water Available for Water Year 2008

Mayor Pendergrass commented that during the adjudication proceedings MRWPCA worked hard to convince the Court to acknowledge replenishment sources. The Court may look negatively at slow action by Watermaster in sponsoring projects such as the proposed MRPCA Groundwater Recharge Project (GRP) and the CAW/MPWMD Aquifer Storage and Recovery (ASR) Project. Director Bunosky clarified that the ASR Project is to address the one-for-one replacement of Carmel River Water and cannot be counted on for Basin replenishment. Director Bruno, member of the Budget/Finance Committee, made it clear that the Committee's definite desire is to move forward with a thorough analysis of the GWRP and any delay is not due to lack of motivation to proceed expeditiously.

Moved by Director Weeks, seconded by Director Bruno, and unanimously carried, to declare no artificial replenishment water available for Water Year 2008.

X. INFORMATIONAL REPORTS

A. Status Report on MRWPCA request for Watermaster Financing of GWRP

B. Timeline schedule of Milestone dates (Critical date monitoring)

C. Report of Groundwater Production for Quarter Ended 12/31/07

There were no questions or comments.

XI. DIRECTOR'S REPORTS

Director Turnbeaugh will be gone March 4 – 8, 2008 and will not be able to attend the March 5th Watermaster Board meeting.

XII. EXECUTIVE OFFICER COMMENTS

Next TAC meeting is scheduled for Wednesday, February 13 at Seaside City Hall.

Next Budget/Finance Committee meeting is scheduled for Wednesday, February 20 at 2:00 p.m. at Seaside City Hall.

Staff will be working with legal counsel to submit the response to the Minute Order by February 25, 2008.

XIII. NEXT MEETING DATE – MARCH 5, 2008 at the Monterey Regional Water Pollution Control Agency (MRWPCA) Board meeting room at 5 Harris Court, Building "D" on Ryan Ranch in Monterey at 2:00 P.M.

XIV. There being no further business, Chairman Rubio adjourned the meeting at 2:58 p.m.