

SPECIAL MEETING
Seaside Groundwater Basin Watermaster
January 21, 2009

MINUTES

I. CALL TO ORDER

Chairman Rubio called the meeting to order at 2:04 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
Coastal Subarea Landowner – Director Paul Bruno, Vice Chair
Monterey Peninsula Water Management District (“MPWMD”) – Director Judi Lehman, Secretary
City of Del Rey Oaks – Mayor Joseph Russell, Treasurer
Laguna Seca Subarea Landowner – Director Bob Costa
California American Water (“CAW”) – Director Craig Anthony
City of Monterey – Councilmember Frank Sollecito
City of Sand City – Mayor David Pendergrass
Monterey County/Monterey County Water Resources Agency (“MCWRA”) – Supervisor David Potter

Absent: None

III. APPROVAL OF MINUTES

Moved by Director Bruno, seconded by Mayor Russell, and carried, to approve the minutes of the Regular Board meeting held December 3, 2008. Supervisor Potter, Councilmember Sollecito, Director Costa, and Director Anthony all abstained due to not having attended the December 3rd meeting.

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. Consider Approval of Summary for Payments Made in December, 2008 totaling \$137,099.57
- B. Consider Year-End Financial Reports – Through December 31, 2008
- C. Consider Approval of MPWMD RS No. 2009-03 for Database Hosting Work

Moved by Mayor Pendergrass, seconded by Councilmember Sollecito, and unanimously carried, to approve the consent calendar as presented.

VII. ORAL PRESENTATION – None.

VIII. OLD BUSINESS

- A. The board received a presentation by Derrick Williams of HydroMetrics, LLC on the Seawater Intrusion Response Plan (“SIRP”) recently approved in final form by the

Watermaster Technical Advisory Committee (“TAC”). Mr. Williams emphasized that the SIRP did not dictate what basin management practices to use if seawater intrusion did occur, but left that, and subsequently the cost, to the discretion of the Board acting within the parameters of the Basin Management Action Plan (“BMAP”) referenced in the SIRP. Attorney Lloyd Lowery representing the Hidden Hills Rate Payers inquired whether Watermaster had any information currently to enable a determination whether basin groundwater gradients in the inland areas were sufficient to protect against seawater intrusion to which Mr. Williams responded that based on the information available from last year the gradient was determined to be insufficient to protect against the opportunity for seawater intrusion at the coast.

Moved by Supervisor Potter, seconded by Director Costa, and unanimously carried, to approve the Watermaster Seawater Intrusion Response Plan as presented as adequate for circulation.

IX. NEW BUSINESS

- A. CEO Evans presented the draft Declaration regarding the Unavailability of Artificial Replenishment Water for Water Year 2009 listing producers’ production limits inclusive of the 10% reduction called for as of January 1, 2009 in the Decision. Mayor Pendergrass took exception to the determination that no artificial replenishment water was available in the ensuing year stating that the City of Sand City had worked diligently to bring its desalination plant on-line projected for March 2009 and that the operation would produce 300 acre-feet of water for replenishment. Robert Jaques, Watermaster Technical Program Manager, stated that it was unknown what arrangements had been made between Sand City and CAW and whether CAW would be using any water produced from the plant to offset Carmel River production or Seaside Basin production. Chair Rubio stated his understanding that water produced from the plant would allow Sand City to not have to pump its annual 94 acre-foot allocation and would provide water for alternative uses beyond that up to the 300 acre-feet anticipated to be produced. Director Anthony stated that water produced from the Sand City plant would be used in Sand City and Seaside; CAW is currently in the process of putting in 5 pressure relief valves that will reduce the high pressures in Sand City and the lower portion of Seaside, important so CAW can operate the ASR system with MPWMD in the most efficient way. One third of Seaside and the Sand City area will be within the pressure reduction area so the water produced by the desalination plant cannot get out of Sand City or that portion of Seaside so the water will be used there. CAW manages the main system in a dynamic way – no wells have been on in Seaside since the beginning of the year and not scheduled to be on for several more months. The amount of water available to use in Seaside will be reduced by approximately 355 acre-feet. Mr. Anthony stated that his guiding goal is to stay under Watermaster limits and the limits of 95-10 and Sand City produced water would stay in the Sand City-Seaside area. He was unaware of any requirement to declare that this is CAW’s intent. Every acre foot that the Sand City desalination plant supplies from a practical stand point is frankly an acre-foot that will not have to be sent in from the Carmel Valley. He was not sure of the ultimate acre-feet to be provided by the Sand City desalination plant. The plant is probably within a month or two of entering its 8-week trial; no signals had been received from the Department of Public Health on how long the permitting process would take. CAW and Sand City want the project on-line as quickly as possible. Chair Rubio stated that the Sand City plant aspect should be considered in the declaration of availability of water. Director Potter stated he felt the Sand City project would be coming on line in 2009 and language in the declaration should reflect that. Chair Rubio stated that the availability of water and whether Watermaster will purchase it or come into possession of it is at issue.

Lloyd Lowery, representing the Hidden Hills Ratepayers, stated he and his clients applaud Sand City for the aggressive and effective action taken to secure the additional water supply. He requested Watermaster consider carefully the fourth item under the Decision in determining whether a reduction of 10% would be required, that being if groundwater levels in the Santa Margarita and Paso Robles aquifers are at sufficient levels to ensure a positive off-shore gradient to prevent seawater intrusion. He believes, based on information put forth by Hydrometrics, consultants to Watermaster, that gradients are sufficient to prevent seawater intrusion at least for the next three years. He requested that the fourth condition be used in determining artificial replenishment water availability.

David Laredo, MPWMD, suggested staff make findings on each of the four items relating to determination of groundwater availability using the language of the Decision when possible.

Director Bruno stated that the issue of the positive gradient in the Laguna Seca corridor is complex in that the situation in that area is not necessarily an indication of conditions of the basin overall. Mr. Jaques stated that it was determined at TAC meetings in the past that until modeling of groundwater is done more extensively it is hard to determine groundwater conditions and flow. Groundwater modeling is budgeted for and is scheduled to proceed in the current fiscal year. Mayor Russell felt there is nothing prohibiting dealing with the basin in portions. Chair Rubio stated that the Judge's intentions would be helpful to know in this matter.

Moved by Director Potter, seconded by Director Sollecito, and unanimously carried to continue the item to the March 4, 2009 Board meeting to afford staff and the TAC an opportunity to find that the Watermaster declares in 2009 that artificial replenishment water is available and to provide the associated facts and findings, considering each of the four items in the Decision in determining any 10% reduction in production and using the language of the Decision when possible in developing any recommendation.

- B. Moved by Councilmember Sollecito, seconded by Mayor Pendergrass, and unanimously carried, to approve the Report to the Court, as recommended by the TAC Committee, to answer the Court's questions posed at the December 12, 2008 court hearing on the Watermaster Annual 2008 Report to the Court.**
- C. Supervisor Potter abstained from the discussion and action on Professional Services Agreement and Request for Services (RFS) with Denise Duffy and Associates to perform CEQA work on the Seawater Intrusion Response Plan and the Basin Management Action Plan as his son does work for Denise Duffy and Associates; he also excused himself from the rest of the meeting. Mr. Jaques stated that if the initial CEQA compliance work indicates that additional work would be required in order to adopt either the SIRP or the BMAP, then subsequent RFS(s) would need to be issued to authorize the performance of the additional work.

It was moved by Director Anthony, seconded by Director Costa, and unanimously carried, to authorize Staff to execute the Professional Services Agreement and Request for Services No. 2009-01 with Denise Duffy and Associates for \$19,753 to perform the initial California Environmental Quality Act compliance work on the Basin Management Action Plan and the Seawater Intrusion Response Plan.

- D. Mr. Jaques stated that there are two parts to RFS 2009-02 with Hydrometrics LLC, the first being the scope of work to determine protective groundwater levels to keep seawater from reaching production wells. The second scope of work would develop the complex groundwater flow model and use it to run “what if” scenarios for recharge impact, and for anticipating the best strategy for redistribution of pumping in the event of seawater intrusion. Director Anthony felt that groundwater modeling would be the most significant Watermaster accomplishment for the year. The cost for groundwater modeling is budgeted for and funded in the current fiscal year.

It was moved by Director Bruno, seconded by Director Lehman, and unanimously carried, to authorize Staff to execute the Request for Services No. 2009-02 with Hydrometrics LLC for a not-to-exceed cost of \$286,240 to perform groundwater modeling and to determine protective water levels.

X. INFORMATIONAL REPORTS (No Action Required)

- A. Timeline Schedule of Milestone Dates (Critical date monitoring)
- B. Technical Advisory Committee (“TAC”) minutes of December 10, 2008
- C. Court approval of request by Watermaster to allow APA to SPA in perpetuity
- D. Assessments invoiced for FY 2009
- E. California Public Utilities Commission to release Draft Environmental Impact Report for Cal-Am Coastal Water Project (CWP) on January 30, 2009 – The TAC is prepared to provide the Board a technical review of the document within the review period specified upon release.

XI. DIRECTORS’ REPORTS

Director Bruno stated he would be unable to attend the MPWMD meeting scheduled for next week and had sent correspondence in support of MPWMD granting an application to amend Cal-Am’s distribution permit to serve the Monterey Bay Shores Ecoresort. Watermaster at its October 23, 2008 meeting approved a letter of support for Cal-Am pumping water from sites elsewhere and delivering it to the Ecoresort site and found it in compliance with the Basin Adjudication and innovative in achieving the goal of protecting the Basin from seawater intrusion. Director Bruno encouraged Directors to attend the meeting in support of MPWMD granting the distribution permit.

XII. EXECUTIVE OFFICER COMMENTS

CEO Evans reported a schedule of public presentations of the PUC Draft EIR for the CWP can be found at <http://www.cwp-eir.com/ceqa.html>. Chair Rubio requested staff to send out an email notice of meetings to directors.

The next Watermaster TAC meeting is scheduled for Wednesday, February 11th at 1:30pm at the Seaside City Hall portable building conference room. Mr. Jaques noted that the Draft Basin Management Action Plan distributed before the meeting would be presented at the February 4th meeting for finalization by the Board.

XIII. NEXT MEETING DATE – Regular Meeting to be held on February 4, 2009 , 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 3:23 p.m.