

**REGULAR MEETING**  
Seaside Groundwater Basin Watermaster  
*November 4, 2009*

**MINUTES**

**I. CALL TO ORDER**

Chairman Rubio called the meeting to order at 2:00 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  
City of Del Rey Oaks – Mayor Jerry Edelen  
California American Water (“CAW”) – Director Craig Anthony  
City of Sand City – Mayor David Pendergrass  
Monterey Peninsula Water Management District (“MPWMD”) – Director Judi Lehman, Secretary  
Laguna Seca Subarea Landowner – Director Bob Costa  
City of Monterey – Councilmember Libby Downey, Alternate

Absent:

Monterey County/Monterey County Water Resources Agency (“MCWRA”) – Supervisor David Potter

**III. APPROVAL OF MINUTES**

**It was moved by Director Bruno, seconded by Mayor Edelen, and carried, with Councilmember Downey abstaining due to nonattendance at that meeting, to approve the minutes of the Watermaster Regular Meeting of October 7, 2009.**

**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 during October 2009 totaling \$95,986.91.
- B. Consider current year Financial Reports – Through October 31, 2009.

**Moved by Mayor Pendergrass, seconded by Director Lehman, and unanimously carried, to approve the consent calendar as presented.**

**VII. ORAL PRESENTATION – None.**

**VIII. OLD BUSINESS**

**A. COMMITTEE REPORTS**

**1. TECHNICAL ADVISORY COMMITTEE (“TAC”)**

- a) Technical Program Manager, Robert Jaques, indicated that the executive summary for the Seawater Intrusion Analysis Report performed annually by Watermaster was

included in the packet submitted to the board; the full report was available on the Watermaster website at <http://www.seasidebasinwatermaster.org>. He stated the TAC had approved the report after minor edits. Mr. Jaques introduced Derrick Williams, Hydrometrics LLC, who reviewed the major points of the report, noting that, as in past periods, no seawater intrusion had been observed. In response to Director Lehman, Mr. Jaques stated that the reduced cost in performing induction logging semiannually instead of quarterly would be highlighted in the 2010 Request for Services contract entered into with MPWMD, service provider, to be brought to the Board at the December meeting. Mr. Williams assured Director Anthony that the sentence on page 20 of the report stating that induction logging *could be* reduced from semiannually to quarterly would be reworded to *recommend* that the logging be reduced to semiannually – the Board concurred and the report was deemed received by Chair Rubio. Councilmember Downey stated that she had not reviewed the report and so had no comment in the matter.

- b) CEO Evans reviewed the submitted transmittal regarding the Memorandum of Understanding (MOU) between Seaside Groundwater Basin Watermaster and the City of Seaside. Russ McGlothlin, City of Seaside, stated that the amount of credit provided for in the MOU is calculated from the in-lieu achieved by the City of Seaside during any given year multiplied by the unit cost of replenishment assessment established for that particular year. He stated that the City was currently working out the program details with Marina Coast Water District (“MCWD”). Director Bruno stated his concern that the offset of the City of Seaside replenishment assessment might encourage the City to use more MCWD water to receive a larger credit. Mr. McGlothlin stated that the City’s alternative production water right of 540 acre-feet per year is the inherent cap on the annual replenishment credit that Watermaster would allow. Mr. McGlothlin viewed the proposed project as effectively a pilot project for the delivery of recycled water as would take place with the proposed Regional Urban Augmentation Project. The term of the MOU is five years, during which time substantial changes may occur surrounding the issue of water on the Peninsula, and allowing the City time to get the program operational to achieve at least 200 acre-feet of in-lieu replenishment per year. The program, as originally planned by the City, could conceivably be used to offset the court mandated 10% reduction in pumping from the Basin effective in 2009.

**Moved by Director Bruno, seconded by Director Costa, and unanimously carried, to approve the Memorandum of Understanding (MOU) between Seaside Groundwater Basin Watermaster and the City of Seaside allowing a monetary credit against the City’s replenishment assessment balance owed to Watermaster for the City providing in-lieu replenishment water to the Basin from its proposed golf course irrigation program.**

## **IX. NEW BUSINESS**

### **A. COMMITTEE REPORTS**

#### **1. TECHNICAL ADVISORY COMMITTEE**

- a) Mr. Jaques introduced Derrick Williams of Hydrometrics whose firm was contracted by Watermaster to develop the report of Seaside Groundwater Basin

Modeling and Protective Water Levels. Mr. Jaques provided page “40a,” the page to be inserted after page 40 containing the second page of a table that was inadvertently omitted. Mr. Williams gave a slide presentation and highlights of the report. The TAC would be using the information from the report to develop achievable management strategies and provide guidance on the best course for replenishing the basin, hopefully in parallel with the parties involved in the Coastal Water Project selected alternative project, and to bring recommendations to the board. Director Anthony noted that management and permitting for basin storage was in his opinion the ultimate priority for Watermaster and felt management would most likely be needed long after the physical solution was achieved. Chair Rubio stated that storage, management, and compliance with Judge Randall’s order in the most cost-effective manner were all Watermaster priorities. Director Bruno stated his interest in and belief that southern coastal sub-basin groundwater movement should be monitored to make a strong case to the Judge to allow use as opposed to letting the supply drain to the ocean. Mr. Williams stated that factors are in place to look into the southern coastal sub-basin over the next year. Mr. George Riley, Citizens for Public Water, addressed the board inquiring whether issuing credits to parties in lieu of payment of replenishment assessments would impact the ability of Watermaster to address future expenses for supplemental water projects. Chair Rubio responded that the replenishment assessments were intended to pay for water to be provided to the basin when it became available, not necessarily to pay for projects to create the water. The report was deemed received by Chair Rubio.

- B. CEO Evans reported on the submitted draft Annual Report to Court for Water Year ending September 30, 2009, to be filed in final form on or before November 15, 2009. The TAC had reviewed the preliminary draft document at its October 14<sup>th</sup> meeting. Mr. McGlothlin provided a red-line version of the document to the board via email yesterday and addressed the board regarding the changes proposed. Typographical errors would be pointed out to Watermaster staff. Dave Sweigert, counsel for DBO Development, stated he had no objections to the proposed changes however pointed out that the document in Attachment 2 had been subsequently revised and the revised document should be included in the attachment as well.

**Moved by Director Lehman, seconded by Mayor Pendergrass, and unanimously carried, to accept the recommended changes and additions proposed in the submitted red-line version of the report, and to include additionally the revised declaration document in Attachment 2.**

**Moved by Director Lehman, seconded by Director Costa, and unanimously carried, to approve the Watermaster Annual Report for Water Year 2009 due to be filed with the court on or before November 15, 2009.**

- X. INFORMATIONAL REPORTS (No Action Required)
  - A. Timeline Schedule of Milestone Dates (Critical date monitoring)
  - B. Technical Advisory Committee (“TAC”) minutes of October 14, 2009.
  - C. Water Production Report for Fourth Quarter of Water Year 2009 (July 1, 2009 through September 30, 2009 and for the entire Water Year 2008-2009.

- D. Annual Assessments Invoiced for FY 2010; Administration; Monitoring and Management - Operations and Capital Funds.

**XI. DIRECTORS' REPORTS**

Director Lehman stated she was officially "termed out" for further service on the Watermaster Board on behalf of the Water Management District and thanked all for the opportunity to participate.

Director Bruno noted that in response to Security National Guaranty ("SNG"), a party to the Adjudication, requesting to utilize its adjudicated water rights for a proposed project by pumping through CAW's existing infrastructure, MPWMD had chosen to fight SNG's request. Judge Randall subsequently ruled that the Adjudication prevailed and the rights of water use by SNG were to be honored. MPWMD responded by choosing to appeal Judge Randall's decision; resulting in the 4" stack of court documents that Director Bruno displayed. Even more documents were available on a CD containing the entire set of court documents to date. Director Bruno felt the actions of MPWMD were an affront to adjudicated rights.

Director Anthony reported that the Cease and Desist Order had been adopted by the State Water Resources Control Board, resulting in the amount CAW could pump from the Carmel River being reduced to 10,429 acre-feet. CAW reduced its pumping from the Basin in the last Water Year due to mechanical issues with its wells; in the coming year, CAW is expected to use its full allotment of water available to it for both sub-areas. The ASR project will not contribute any net gain in CAW's Carmel River water allotment. CAW this week filed with the PUC a request for a moratorium for all new connections for the entire area that the Watermaster is responsible for (excluding Sand City) including Ryan Ranch, Bishop and Hidden Hills. CAW subsequently appealed the SWRCB ruling to the court. Mayor Pendergrass stated that Sand City residents would also feel the pressure of rationing along with all other areas, even though exempted from the moratorium and contributing to the Carmel River flow by its water entitlement project being operational. He encouraged all to work together and be reasonable on issues to get through difficult times ahead. Mr. Darby Fuerst, MPWMD General Manager, stated the District had petitioned the court to set aside the CDO, and also requested a stay; this afternoon the Monterey County Superior Court ordered the SWRCB to stay operation of the CDO until after resolution of the proceedings regarding the District law suit, and most likely the CAW law suit also.

**XII. EXECUTIVE OFFICER COMMENTS**

The Annual Report was scheduled to be filed with the court by Friday, November 13<sup>th</sup>. The next TAC meeting was scheduled for Thursday, November 19, 2009 at 1:30 p.m. in the meeting room of the Water Management District; the agenda for the next Watermaster regular board meeting needs to be posted by November 25<sup>th</sup> due to the holiday schedule.

- XIII. NEXT MEETING DATE – Regular Meeting to be held on Wednesday, December 2, 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 3:28 p.m.**