

REGULAR MEETING
Seaside Groundwater Basin Watermaster
May 2, 2012

I. CALL TO ORDER

Chairman Bruno called the meeting to order at 2:05 p.m.

II. ROLL CALL

Coastal Subarea Landowner – Director Paul Bruno, Chair
California American Water (“CAW”) – Director Eric Sabolsice
City of Seaside – Mayor Felix Bachofner
Laguna Seca Subarea Landowner – Director Bob Costa
City of Monterey – Mayor Charles “Chuck” Della Sala
City of Sand City – Mayor David Pendergrass
Monterey County/Monterey County Water Resources Agency (“MCWRA”) – Supervisor Dave Potter

Absent:

City of Del Rey Oaks – Mayor Jerry Edelen
Monterey Peninsula Water Management District (“MPWMD”) – Director Bob Brower

III. APPROVAL OF MINUTES

Moved by Supervisor Potter, seconded by Mayor Bachofner, and unanimously carried to approve the two sets of minutes (2010-11 Boart Term and 2012-13 Board Term) of the Watermaster regular meetings, both held February 1, 2012.

IV. REVIEW OF AGENDA

CEO Evans noted that a revised water production report was provided that replaced page 41 of the agenda packet.

V. PUBLIC PARTICIPATION/ORAL COMMUNICATIONS

There were no public communications.

VI. CONSENT CALENDAR

- A. Consider approval of Summary for Payments made from January 1, 2012 through April 30, 2012 totaling \$27,650.00
- B. Consider approving fiscal year financial reports through April 30, 2012.

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

VII. ORAL PRESENTATION: None scheduled.

VIII. OLD BUSINESS: None

IX. NEW BUSINESS

A. COMMITTEE REPORTS

1. TECHNICAL ADVISORY COMMITTEE (TAC)

- a) Discuss potentially making a request to the Court seeking a Temporary Suspension of Triennial Pumping Reductions (“TSTPR”), rolling back the 10% reduction

imposed fall 2011 and seeking to defer the reduction slated for the fall of 2014. Technical Program Manager, Bob Jaques gave highlights of his submitted staff report. It had been recommended by the TAC at its last meeting that the Board direct legal counsel to communicate with the Court to determine the Court's willingness to consider a TSTPR if subsequent groundwater modeling indicated that doing so would have negligible adverse impacts on the Seaside Groundwater Basin. Director Sabolsice felt there would be value in conducting groundwater modeling and gaining more data on the Basin, even if a request was not communicated to the judge. Moreover, modeling results could dissuade the TAC from seeking to approach the Court for a TSTPR if results showed a major impact on groundwater levels without the pumping reductions. Mr. Jaques understood from Hydrometrics that actual pumping data would be used in the proposed model, as opposed to the entire pumping allocations allotted to each producer that had been the data used in past modeling. It was hoped that the net of what had been allocated and the lesser amount of what had actually been pumped could be considered by the judge as at least partially offsetting the mandated 10% triennial reductions so that the requested TSTPR would be seen as having minimal Basin impact.

Director Sabolsice stated that CAW supported the TSTPR to minimize Watermaster fees for overproduction from the Basin that would be passed on to customers while dealing with restrictions imposed by the State Cease and Desist Order on the Carmel River calling for drastically reduced pumping limits by 2016. CAW's water debt to the Basin would not change if a TSTPR were allowed. Mr. Sabolsice preferred to model the impacts of the TSTPR prior to deciding whether to move forward with a request to the Court. It was estimated that the amount of time needed to conduct the groundwater modeling would be a few months or less once Hydrometrics was instructed to do so. Director Sabolsice was strongly in favor of being proactive in conducting the modeling and deciding on the request for a TSTPR sooner instead of later on when a crisis could result due to time constraints related to completing technical work and back-and-forth communications with the Court.

Don Freeman, legal counsel, felt the board might want to consider conducting modeling now and combine those results with the scenario that developed as limitations on Carmel River production increased, and present the two factors to the judge perhaps in the Watermaster Annual Report to Court due December 15th to minimize legal costs and most effectively address interested parties that would weigh in on the subject.

There was no public comment on this item.

Moved by Mayor Pendergrass and seconded by Director Sabolsice to conduct groundwater modeling prior to approaching the Court with a request for a Temporary Suspension of Triennial Pumping Reductions. *Mayor Pendergrass subsequently withdrew this initial motion.*

CEO Evans stated the estimated \$31,000 groundwater modeling expense would be paid from the Monitoring and Management – Operations Fund. That fund included a line item contingency amount of \$39,584 and he suggested using that funding source for the

modeling. Director Bruno inquired whether there were any Operations Fund budget expenditures savings that Mr. Jaques anticipated for the year. Mr. Jaques knew of \$25,000 in savings so far and thought there were probably more budget expenditures relating to the now-defunct Regional Project that could be re-designated by the board. Mayor Bachofner requested that staff reports include a Fiscal Impact section in the future.

CEO Evans pointed out that due to excess funds from previous years being rolled over into the current year, the Monitoring and Management – Operations Fund had a \$40,450 reserve amount available, in addition to the \$39,584 contingency, that the board could consider designating to cover the modeling expense. Chair Bruno directed that the Budget and Finance Committee review the budget and make a recommendation on funding the modeling. Mr. Jaques anticipated that if the modeling was completed by the August 1st Watermaster board meeting, then the matter could be finalized in time for inclusion in the 2012 Annual Report to Court.

A substitute motion was made by Supervisor Potter, seconded by Mayor Dela Salla, and unanimously carried, to continue the item to the next regular meeting and have staff present an adjusted Monitoring and Management – Operations Fund Budget to allow for the \$31,000 in groundwater modeling expense without exhausting the currently budgeted contingency amount.

X. INFORMATIONAL REPORTS (No Action Required)

- A. Timeline Schedule of Milestone Dates (Critical date monitoring)
- B. TAC minutes from January 11, March 14, and April 11 2012 meetings.
- C. Water Production Report for the first quarter of Water Year 2012 (October 1 through December 31, 2011) and for the second quarter of Water Year 2012 (January 1, 2012 through March 31, 2012).

XI. DIRECTORS' REPORTS

Chair Bruno sought the pleasure of the board regarding the new regional project as proposed by CAW and MPWMD whether to speak in favor of the project or take a neutral position. If the board wished to be a party to the project application submitted to the California Public Utilities Commission (“CPUC”) April 23rd, it would need to file as such before the deadline of May 23rd to be able to address the CPUC. Mayor Pendergrass inquired whether the board might potentially become enmeshed in legal issues that arose regarding the project as a party to the application. Mr. Freeman stated that the board as a party to the project could be as active or as inactive as it desired. The approximate cost for an attorney to draft the filing would be \$1,000. Director Sabolsice stated that the project was not sited over the Basin and he was not sure that adding Watermaster to the project would be of any benefit. Chair Bruno announced he would take all comments under advisement in his decision whether or not to convene a special meeting of the board to take action to file as a party to the project.

Mayor Bachofner introduced to the board John Dunne, new City Manager for the City of Seaside.

XII. EXECUTIVE OFFICER COMMENTS

The next TAC meeting was scheduled for Wednesday, May 9, 2012 at 1:30 p.m. in the MRWPCA conference room.

- XIII. NEXT MEETING DATE – It was agreed that the next meeting would be a Regular Meeting held on Wednesday, June 6, 2012, 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 Bruno adjourned the meeting at 2:58 p.m.