

**SEASIDE GROUNDWATER BASIN WATERMASTER (Watermaster)
REGULAR MEETING MINUTES**

Via Zoom Teleconference
December 2, 2020

I. CALL TO ORDER – The meeting was called to order at 2:04 p.m.

II. ROLL CALL

City of Seaside – Mayor Ian Oglesby
Coastal Subarea Landowner – Director Paul Bruno – Chair
Laguna Seca Subarea Landowner – Director Wesley Leith
City of Sand City – Mayor Mary Ann Carbone
City of Del Rey Oaks – Council Member John Gaglioti
California American Water (CAW) – Director Christopher Cook
City of Monterey – Council Member Dan Albert – Vice Chair
Monterey Peninsula Water Management District (MPWMD) – Director George Riley
Monterey County/Monterey County Water Resources Agency – Supervisor Mary Adams

Absent: None

Others Present

Robert Jaques, Watermaster Technical Program Manager (TPM)
Laura Paxton, Watermaster Administrative Officer (AO)
Georgina King, Senior Hydrogeologist, Montgomery & Associates
Sarah Hardgrave, Policy Analyst, Office of Supervisor Adams
David Stoldt, General Manager, MPWMD
Alvin Edwards, MPWMD
Jonathan Lear, Water Resources Manager, MPWMD
Maureen Hamilton, Water Resources Engineer, MPWMD
Tim O’Halloran, Engineering Manager, CAW
Catherine Stedman, CAW
Aiko Yamakawa, Attorney, CAW
Ken Rutherford, Resident, Del Rey Oaks

III. PUBLIC COMMUNICATIONS: None

IV. REVIEW OF AGENDA: AO Paxton noted that the title of item VIII.A. of the posted agenda was inadvertently shortened and should include “...and Increasing the Monitoring Frequency of Monitoring Wells FO-9 and FO-10.”

Vice Chair Albert presided while Chair Bruno dealt with technical difficulties.

It was moved by Director Riley and seconded by Supervisor Adams to approve the agenda with the noted change. Council Member Albert – Aye; Mayor Carbone – Aye; Supervisor Adams – Aye; Director Riley – Aye; Director Leith – Aye; Mayor Oglesby. Motion carried.

V. APPROVAL OF MINUTES

Director Riley called out the TPM report regarding the discussion of projected impacts to groundwater levels resulting from the Monterey Peninsula Water Supply Project or the Pure Water Monterey Expansion Project as reported under item D in the minutes. Director Riley noted, and TPM Jaques concurred, that pay back of 700 acre-feet (AF) over 25 years to the Basin would be in jeopardy if the CAW desalination plant *or the Pure Water Monterey Expansion Project* was not built.

It was moved by Supervisor Adams and seconded by Council Member Albert to approve the minutes of the Regular Board meeting held September 2, 2020 with the addition of “or the Pure Water Monterey Expansion Project” to the TPM report and the minutes. Director Cook – Aye; Council Member Albert – Aye; Mayor Carbone – Aye; Supervisor Adams – Aye; Director Riley – Aye; Director Bruno – Aye; Director Leith – Aye; Mayor Oglesby – Aye. Motion carried.

VI. CONSENT CALENDAR

- A. Consider Approving the Board and TAC schedule of meetings for 2021
Chair Bruno stated he would be absent for the March 3, 2021 meeting if held.
- B. Consider Approving Summary of Payments made August 2020 through October 2020 totaling **\$33,315.50**
- C. Consider Approving Fiscal Year 2020 Financial Reports through October 31, 2020
- D. Receive Report on Virus Removal in Pure Water Monterey Advanced Water Treatment Plant

It was moved by Supervisor Adams and seconded by Mayor Carbone to approve the consent calendar as presented. Director Cook – Aye; Council Member Albert – Aye; Mayor Carbone – Aye; Supervisor Adams – Aye; Director Riley – Aye; Director Bruno – Aye; Director Leith – Aye; Mayor Oglesby – Aye. Motion carried.

ORAL PRESENTATION: Georgina King, Montgomery & Associates presented the 2020 Seawater Intrusion Analysis Report (SIAR). In Water Year 2020 for the first time, what may be a precursor to seawater intrusion was detected in two monitoring wells experiencing increasing chloride concentrations. One of these is north of and outside of the Seaside Basin (monitoring well FO-10 Shallow), and the other is just inside the northern boundary of the Seaside Basin in the Northern Coastal Subarea (monitoring well FO-9 Shallow). Sampling was repeated at FO-10 and again results showed an increase in chloride concentrations of 48 mg/L, to 90 mg/L. This is the largest increase in the Basin to date. Chloride concentration trends were stable for the other monitoring wells. Since the Sentinel Wells have not detected an increase in salinity, the impact to the FO-9 Shallow and FO10-Shallow monitoring wells may be coming from the north out of the Monterey Subbasin where there is already seawater intrusion, rather than directly inland from the coastline of the Seaside Basin. Groundwater levels remain below protective elevations in all deep target monitoring wells.

Supervisor Adams inquired whether seawater intrusion would jeopardize the Pure Water Monterey or Aquifer Storage and Recovery Projects. Mr. Lear responded that the increased chloride concentrations have been detected in the shallow aquifer and the projects draw from the deep aquifer so it is not likely that the projects would be impacted.

Director Riley inquired whether the rate of seawater intrusion could be calculated, and what intrusion level would trigger an alert. Ms. King stated that the alert system is now activated beginning with the data being analyzed in the SIAR. Determining the rate of seawater intrusion can be calculated by collecting further data and performing further analysis. Seawater intrusion can occur very quickly. Response would be to follow the directives of the Seawater Intrusion Response Plan (SIRP 2/2009) with reduced pumping and/or recharging with supplemental water supply, and increased sampling schedules. The SIRP established chloride threshold values of 67 mg/L for FO-9 and 94 mg/L for FO-10 as trigger points; FO-10 sampled at 90 mg/L.

Director Cook inquired of how much is known of the flow gradient of the potential intrusion precursor. Ms. King would need to analyze more data to further discern flow direction. The only known well between FO-9/10 and the production wells is the Bayonet Blackhorse Golf Course (Coe) well. Production, level and quality is reported for this well. TPM Jaques has asked Marina Coast Water District MCWD to collaborate with Watermaster during development of its GSA to install or monitor existing wells in Fort Ord to the benefit of MCWD data collection and for Watermaster to better understand the Basin. Installation of the Watermaster sentinel well 10 years ago cost approximately \$250,000.

Director Cook anticipated that the ASR 3 and PWM projects and Ryan Ranch/Bishop intertie would help redistribute production from the Coastal Wells. He requested a quarterly update on well condition be provided to the board. Mr. Lear noted that when the City of Seaside golf courses ceased irrigating with MCWD water and began production from its wells, a lowering of groundwater levels and an increase in chloride were detected. City of Seaside is arranging to again use MCWD supply for irrigation and produce the stored groundwater from its municipal wells; Mayor Oglesby would provide more information on timing.

TPM Jaques responded to Council Member Albert, stating that there is no Watermaster jurisdiction over the area east of the Laguna Seca Subarea (LSSA). Any leverage is through TPM involvement with the Monterey Subbasin Coral de Tierra area under the Salinas Valley Basin Groundwater Sustainability Agency (SVBGSA). TPM Jaques and Ms. King have advised the agency of declining LSSA groundwater levels due to pumping in their area. It is hopeful that sustainable management criteria being developed for the SVBGSA Monterey Subbasin plan such as reduced pumping, use of recycled water, etc. will help to alleviate the LSSA problem, else a challenge would need to be made to the Department of Water Resources that oversees sustainability agencies. Supervisor Adams advised the board that Sarah Hardgrave on her staff is overseeing the subcommittee of the SVBGSA looking at the area east of LSSA if anyone has questions.

VII. NEW BUSINESS:

- A.** Consider Approving the Seawater Intrusion Analysis Report for 2020 and Increasing the Monitoring Frequency of Monitoring Wells FO-9 and FO-10. The Executive Summary is included in the Board agenda packet. The complete SIAR is posted on the Watermaster website at <http://www.seasidebasinwatermaster.org>. Director Cook requested the City of Seaside timeline for the MCWD irrigation water / production redirection program be included in the motion of approval of the report. Mayor Oglesby asked that it not be included in the motion to which Director Cook concurred.

It was moved by Director Cook and seconded by Mayor Carbone to approve the 2020 Seawater Intrusion Analysis Report; increasing the monitoring frequency of monitoring wells FO-9 and FO-10; approving a budget transfer from the Monitoring and Management Program contingency line item not to exceed \$4,000 to cover the costs of additional monitoring; directing the TAC to give quarterly or more frequent updates to the board on increased monitoring results; and directing staff to obtain a quote for installation of a shallow monitoring well between FO-10 and the -28 groundwater depression as described in the report. Director Cook – Aye; Council Member Albert – Aye; Mayor Carbone – Aye; Supervisor Adams – Aye; Director Riley – Aye; Director Bruno – Aye; Director Leith – Aye; Mayor Oglesby – Aye. Motion carried.

- B.** Discussion/Consider Adopting for Water Year 2021 a Declaration regarding the Unavailability of Artificial Replenishment Water (Water Year 2021 Production Allocations and Basin Storage Allocations attached)

Moved by Director Riley and seconded by Mayor Oglesby to adopt for Water Year 2021 a Declaration of Unavailability of Artificial Replenishment Water. Director Cook – Aye; Council Member Albert – Aye; Mayor Carbone – Aye; Supervisor Adams – Aye; Director Riley – Aye; Director Bruno – Aye; Director Leith – Aye; Mayor Oglesby – Aye. Motion Carried

- C.** Discussion/Consider Approving the Watermaster Annual Report for Water Year 2020. The body of the Draft 2020 Annual Report is included in the Board agenda packet. The complete draft version is posted on the Watermaster website at <http://www.seasidebasinwatermaster.org>. The report will be filed with the court by January 15, 2021. Watermaster obligations and perpetuity were discussed. Chair Bruno and Director Riley thanked staff and TAC for the report.

Moved by Director Riley and seconded by Council Member Albert to approve the Watermaster 2020 Annual Report to the Court with minor edits as described by staff. Director Cook – Aye; Council Member Albert – Aye; Mayor Carbone – Aye; Supervisor Adams – Aye; Director Riley – Aye; Director Bruno – Aye; Director Leith – Aye; Mayor Oglesby – Aye. Motion Carried

- D.** Consider Approving the Professional Service Contract with Baker Manock & Jensen PC Attorneys at Law to provide legal services to Watermaster. AO Paxton gave item highlights. The term of the contract is that either party can terminate at any time.

Moved by Council Member Albert and seconded by Mayor Carbone to approve the Professional Service Contract with Request for Service 20-01 with Baker Manock & Jensen PC Attorneys at Law to provide Watermaster legal services. Director Cook – Aye; Council Member Albert – Aye; Mayor Carbone – Aye; Supervisor Adams – Aye; Director Riley – Aye; Director Bruno – Aye; Director Leith – Aye; Mayor Oglesby – Aye. Motion carried.

Director Gaglioti joined the meeting at 3:36 pm

- IX. OLD BUSINESS:** Direct Staff regarding obtaining additional water to recharge the Basin in order to raise groundwater levels. Mr. Jaques reviewed the item transmittal. Director Riley felt protection of the Basin against seawater intrusion by procuring water to be injected (“banked”) and not transacted is an expensive process with no known financing method. Director Gaglioti felt financing was the least challenging of all Basin issues and finding water resources to support the population of the Peninsula the greatest. He stated there is a crisis in this 44,000-acre-foot (AF) over-drafted Basin, with up to 1,500AF/year needed to meet adjudication requirements of protective groundwater elevations, and even more to make the Basin whole.

David Stoldt made clear the Pure Water Monterey (PWM) Expansion Project sizing, like the Monterey Peninsula Water Supply Project desalination plant, also assumed Basin recharge of 700AF/year for 25 years (in MPWMD opinion any new project brought on line would need to meet the 700AF/year/25 years set-aside). This would result in 20,000AF being recharged to the Basin by the PWM expansion after 29 years, plus 17,500AF after 25 years by CAW in-lieu recharge, totaling 37,500AF achieved by the 30th year of recharge.

Director Riley emphasized Watermaster’s responsibility for finding funds to procure alternative water supplies. He asked the board at some point to rethink the calculations in the Replenishment Assessment Fund. Supervisor Adams expressed support of a more affordable regional alternative that by all indications would be desalination. Director Bruno surmised there will be State funding to protect endangered basins in like manner as funding for protection of endangered species. Director Cook pointed out that with inflation, the longer a supplemental supply is forestalled the more it will cost down the road. Moreover, although the requirements of the CDO would be met by an operational water supply project, protective groundwater levels and other supply challenges would still need to be addressed.

Council Member Albert stated that finding supplemental water supply is not within the authority of Watermaster but is for other jurisdictions to address. He asked for clarification on what staff is asking for direction on, whether it was for the board to make a recommendation to other jurisdictions on how to proceed. Mr. Jaques recommended the board direct him to pursue the bulleted items in his report to get a sense of what projects may have extra production capacity to generate supplemental supply, and whether the cost would be incremental or full unit.

Mr. Stoldt stated that paying incremental costs for production of desalinated water leaves the fixed financing and labor costs to the original CAW rate payers; he urged Watermaster to carefully consider paying full unit cost. Regarding Watermaster managing the Basin more forcefully – water injected and extracted – he reminded that the adjudication granted the District the authority to store water in the Basin for the benefit of the District separate from a Watermaster Storage and Recovery Agreement. The District has heretofore chosen to work with Watermaster’s agreement however has the right to store and recover water without an agreement.

Supervisor Adams felt additional board discussion was needed in a broader sense of long-term water supply, one step at a time, first with consensus on what it is the board is working toward putting forth. Mayor Oglesby noted the Court gave Watermaster the authority to develop a plan of injection and extraction that would prevent seawater intrusion, and the plan is what needs to be put forth. Director Cook felt the subject boils down to two key items: the need for the board to come to agreement on what the actual Natural Safe Yield (NSY) of the Basin is, and what the actual water supply needs are forecasted into the future. Council Member Albert stated the board needs to first establish what constitutes a healthy basin – completely full, just full enough to avoid seawater intrusion, etc. Council Member Gaglioti felt there *was* consensus that the Basin is not healthy and that preventive and protective measures should be taken. He inquired whether Watermaster has the authority to institute a production curtailment to protect the basin or whether that would require further legal proceeding. Mr. Jaques responded that Watermaster could reduce the NSY of the Basin and continue to ramp down production to achieve the lower figure. He suggested directing counsel to draft a legal opinion on what Watermaster can impose to protect the Basin.

Supervisor Adams requested Mr. Jaques work collaboratively with GSAs on mutual regional solutions to address seawater intrusion in the Marina and Ord Community, the 180/400 Foot Aquifer Subbasin, as well as to prevent intrusion in the Seaside Basin.

The board directed staff to research all of the bulleted items in the transmittal provided and report back at a subsequent board meeting. Mayor Oglesby supported researching all of the items if it culminated in a plan. Chair Bruno responded that the research would provide information on what proposed supplemental water supply projects are realistic for including in the development of a plan; Mayor Oglesby was satisfied.

X. INFORMATIONAL REPORTS:

- A. Technical Advisory Committee (TAC) minutes from August 12, 2020 meeting and November 18, 2020 meeting (draft version)
- B. Budget and Finance Committee draft minutes from November 5, 2020 meeting
- C. Watermaster report of production of the Seaside Basin through Water Year 2020 (October 1, 2019 – September 30, 2020)
- D. Replenishment Fund Assessment calculations and 2020 Standard Producer Assessments

XI. DIRECTOR'S REPORTS: None

XII. STAFF COMMENTS: AO Paxton introduced new legal counsel, Christopher Campbell, Baker Manock & Jensen. Staff currently had no significant agenda items to present at the January 6, 2021 board meeting and the board concurred that the meeting be canceled.

XIII. NEXT MEETING DATE: The next meeting of the Watermaster board is scheduled for Wednesday, February 3, 2021.

XIV. There being no further business, Chair Bruno adjourned the meeting at 4:25 p.m.