

**SEASIDE GROUNDWATER BASIN WATERMASTER
REGULAR MEETING MINUTES**

Wednesday, September 1, 2021 – 2:00pm Virtual Meeting

I. CALL TO ORDER – The meeting was called to order at 2:02pm

II. ROLL CALL

Coastal Subarea Landowner – Director Paul Bruno

City of Seaside – Mayor Ian Oglesby

California American Water – Director Christopher Cook

City of Sand City – Mayor Mary Ann Carbone

Monterey Peninsula Water Management District (MPWMD) – Director George Riley

Laguna Seca Subarea Landowner – Director Wesley Leith

City of Monterey – Council Member Dan Albert

City of Del Rey Oaks – Council Member John Gaglioti

Monterey County/Monterey County Water Resources Agency – Supervisor Mary Adams, District 5
& Supervisor Wendy Askew, District 4

Absent: None

Others Present

Robert Jaques, Watermaster Technical Program Manager (TPM)

Laura Paxton, Watermaster Administrative Officer (AO)

Christopher Campbell, Watermaster Legal Counsel

Sarah Hardgrave, Policy Analyst, Office of Supervisor Adams / Chair, Monterey Subbasin Committee

Yuri Anderson, Chief of Staff, Office of Supervisor Askew

Alvin Edwards, Chair, MPWMD

Maureen Hamilton, Senior Water Resources Engineer, MPWMD

Vibeke Norgaard, Legal Counsel, City of Sand City

Ian Crooks, VP of Engineering, California American Water (CAW)

Tim O'Halloran, Engineering Manager, CAW

Catherine Stedman, Manager of External Affairs, CAW

Aiko Yamakawa, Attorney, CAW

Mike McCullough, Director of External Affairs, Monterey One Water (M1W)

Alison Imamura, Associate Engineer, M1W

Susan Schiavone

Jim Johnson, Reporter, Monterey County Herald

III. PUBLIC COMMUNICATIONS. Supervisor Adams announced she would be leaving the meeting at 3:00pm and Supervisor Askew would represent the County/MCWRA in her stead.

IV. REVIEW OF AGENDA: At Director Bruno's request, the board concurred to add a closed session to the end of this meeting regarding item 8.c.1. staff compensation.

V. MINUTES: It was moved by Council Member Albert and seconded by Mayor Carbone to approve the minutes of the Regular Board meeting held May 5, 2021. 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; Council Member Gaglioti – Abstain.

VI. ORAL PRESENTATION – Progress on development of the Monterey Subbasin Groundwater Sustainability Plan (GSP) – Sarah Hardgrave, Chair, Monterey Subbasin Planning Committee and District 5 Chief of Staff, and Robert Jaques, Watermaster Technical Program Manager and Monterey Subbasin Planning Committee member.

Sarah Hardgrave presented slides and gave an overview of GSP development for the Monterey Subbasin and other subbasins of the Salinas Valley Basin Groundwater Sustainability Agency (SVBGSA) per the Sustainable Groundwater Management Act (SGMA). She noted the critical priority status of the 180/400' Subbasin of the Salinas Valley Basin, contiguous with the medium-priority Monterey Subbasin which in turn is contiguous with the north and east boundaries of the SGMA-exempt Seaside Basin. The Monterey Subbasin borders the Seaside Basin along both the Marina Ord and Corral de Tierra (CDT) areas. The Monterey Subbasin GSP is being developed in collaboration with the Marina Coast Water District and the SVBGSA, and with Seaside Basin Watermaster as SGMA requires GSPs to be developed in collaboration with adjacent adjudicated basins. Marina Coast Water District formed its own Groundwater Sustainability Agency (GSA) for the Marina Ord Area that does not include CDT. The focus of Ms. Hardgrave and Mr. Jaques on the Monterey Subbasin Planning Committee is the CDT area. There has been a decline since 2000 in groundwater levels there of 27 feet. The boundary specified in the Decision where Seaside Basin/CDT meet is not hydrologically based and is a continuing sustainability challenge. Current pumping in the CDT area is 2,700 AF per year with sustainable yield estimated at 1,700 AF per year. GSPs propose regional management actions and regional projects to rectify over pumping and benefit multiple subbasins along with water supply projects for Marina Ord and CDT areas. (Details are available upon request to Ms. Hardgrave.) GSPs are due to the Department of Water Resources by January 2022 with public review commencing in September 2021.

Mr. Jaques presented slides and apprised the Board of his involvement with development of the GSP for the CDT subarea of the Monterey Subbasin. A 2007 report found many CDT area wells were screened in the same aquifers as Laguna Seca Subarea (LSSA) wells, with pumping concentrated in the Highway 68 area. Since 1999, 90% of wells were found to be declining 2 feet per year leading to groundwater elevations below well screens in some locations and imminent in others. Currently, to a small degree, water flows from LSSA into CDT with more expected as overdraft continues. The 2014 Watermaster modeling found that the LSSA cannot achieve stabilized groundwater levels without pumping reductions in the CDT subarea that currently pumps approximately twice as much as the LSSA. Per SGMA, a sustainability plan cannot impede achievement of sustainability goals or adversely affect the ability of an adjacent basin to implement a groundwater sustainability plan. LSSA pumping was reduced by approximately 20% when The Club at Pasadera began recycling wastewater for irrigation use, and when CAW constructed an intertie to deliver water from its main system. Mr. Jaques on behalf of Watermaster has provided the following committee input and more: requested monitoring wells along the Seaside Basin boundaries with Monterey and CDT subbasins be included in GSA monitoring networks; made clear that undesirable effects in bounding basins will create undesirable effects in the LSSA—existing levels in CDT are already adversely impacting LSSA levels and need to be raised, not just kept from declining further; requested that each mitigation project proposed be subject to evaluation of adverse impact to the LSSA and cost/benefit analysis for water cost-per-acre-foot feasibility; and that the GSP clearly state that pumping reductions in CDT *WILL* be necessary and unavoidable.

Councilmember Gaglioti inquired whether GSA funding could be used to rectify any adverse effects of the CDT subbasin GSP upon the Seaside Basin. Ms. Hardgrave noted GSP funding will be a very robust process of project/management action review for feasibility, cost/benefit, and priority; adjacent basin

impact/mitigation would be taken into account. Director Cook stated the impact of CDT pumping on LSSA is not clearly understood; he supported Mr. Jaques keeping the Watermaster board apprised of developments with the CDT GSP and its funding.

Director Riley sought clarification whether the laws of SGMA force a solution with timelines to basin degradation while the laws of the Adjudication omit forcing a solution. Mr. Campbell stated that the court requires much the same that SGMA does; Watermaster has similar goals to SGMA but can use its own discretion in how to reach those goals.

VII. CONSENT CALENDAR

- A. Consider Approving Summary of Payments made April through July 2021 totaling **\$56,059.90**
- B. Consider Approving Fiscal Year 2021 Financial Reports through July 31, 2021
- C. Consider Approving new Master Agreement with Monterey Peninsula Water Management District

Moved by Council Member Gaglioti and seconded by Director Cook to approve the consent calendar as presented. Director Cook – Aye; Council Member Gaglioti; Council Member Albert – Aye; Mayor Carbone – Aye; Mayor Oglesby – Aye; Supervisor Adams – Aye; Director Riley – Aye; Director Bruno – Aye; Director Leith – Aye.

VIII. NEW BUSINESS

- A. Consider Approving Budget Transfer to Cover Costs for Montgomery & Associates to Perform Flow Direction/Flow Velocity Modeling and for Updated Replenishment Water Modeling

Ms. Paxton gave highlights of the proposed budget transfer.

Moved by Mayor Carbone and seconded by Supervisor Askew to approve the budget transfer as presented. Director Cook – Aye; Council Member Gaglioti – Aye; Council Member Albert – Aye; Mayor Carbone – Aye; Mayor Oglesby – Aye; Supervisor Askew – Aye; Director Riley – Aye; Director Bruno – Aye; Director Leith – Aye.

- B. Consider approving two Montgomery & Associates amendments to RFS No. 2021-01 for Flow Direction/Flow Velocity Mapping and Replenishment Water Modeling

Mr. Jaques gave highlights of the board transmittal. The replenishment water needed to achieve protective elevations in Watermaster coastal protective elevation wells is beyond the 700 acre-foot per year to be left unpumped by CAW in repayment of overproduction under the Decision. Mr. Ian Crooks inquired as to the 700-acre-foot payback or replenishment implementation timeline that would be used in the study. Consultants should complete the work in approximately 2 months.

Moved by Council Member Gaglioti and seconded by Council Member Albert to approve RFS No. 2021-01 Amendment No. 1 for \$19,290 with Montgomery & Associates for Flow Direction/Flow Velocity Mapping and RFS No. 2021-01 Amendment No. 2 for \$37,510 with Montgomery & Associates for Replenishment Water Modeling. Director Cook – Aye; Council Member Gaglioti – Aye; Council Member Albert – Aye; Mayor Carbone – Aye; Mayor Oglesby – Aye; Supervisor Askew – Aye; Director Riley – Aye; Director Bruno – Aye; Director Leith – Aye.

C. Consider Approving Fiscal Year 2022 Annual Budgets

1. Proposed Fiscal Year 2022 (January–December) Administrative Budget

Ms. Paxton gave highlights of the proposed 2022 Administrative Fund budget.

2. Proposed Fiscal Year 2022 (January–December) Monitoring and Management Program (M&MP); and M&MP Fund-Operations and M&MP Fund-Capital Budgets

Mr. Jaques gave highlights on the proposed 2022 Monitoring and Management Work Plan and Operations Fund Budget.

3. Proposed 2022 Replenishment Assessment Fund Budget – No Action Required

Director Riley encouraged a discussion into funding mechanisms for replenishment water. President Bruno stated he would call an ad hoc meeting to discuss the subject.

Moved by Mayor Oglesby and seconded by Director Riley to approve Fiscal Year 2022 Annual Administrative, Operations, and Capital Budgets as presented. Director Cook – Aye; Council Member Gaglioti – Aye; Council Member Albert – Aye; Mayor Carbone – Aye; Mayor Oglesby – Aye; Supervisor Askew – Aye; Director Riley – Aye

(Per the Decision, landowner representatives do not participate in budget approval voting.)

D. Consider Approving Professional Service Contracts for Fiscal Year 2022

Mr. Jaques gave highlights from his transmittal.

Moved by Council Member Albert and seconded by Supervisor Askew to approve Fiscal Year 2022 Service Contracts:

- 1. Two Contracts with Montgomery & Associates, Inc. for providing ongoing and as-requested general hydrogeologic consulting services; and to prepare the Seawater Intrusion Analysis Report (SIAR) for 2022**
- 2. Two Contracts with Martin Feeney to provide on-call/as-requested hydrogeologic consulting services; and to perform 2022 Sentinel Wells induction logging**
- 3. One Contract with Todd Groundwater to provide on-call/as-needed hydrogeologic consulting services in 2022**
- 4. One Contract with MPWMD to perform monitoring and other 2022 M&MP work**

Director Cook – Aye; Council Member Gaglioti – Aye; Council Member Albert – Aye; Mayor Carbone – Aye; Mayor Oglesby – Aye; Supervisor Askew – Aye; Director Riley – Aye; Director Bruno – Aye; Director Leith – Aye.

E. Consider Approving the Proposed 2022 Replenishment Assessment Unit Costs for Natural Safe Yield and Operation Yield Overproduction

Ms. Paxton gave highlights from the transmittal. Director Riley encouraged a more robust discussion on the unit cost calculation method, questioning the use of costs of two projects weighted and

blended into one, and the use of stand-alone costs for two other projects. Director Cook did not foresee, although not definitively, CAW overproducing and incurring an assessment this water year or the next. From that standpoint, he did not expect manipulating project costs to calculate a higher unit cost would establish a viable replenishment water purchase mechanism. Director Riley felt the replenishment fund is management data that, in its current format, is not entirely accurate and does not convey the entire picture. He felt the biggest challenge is not obtaining water, but getting funds to pay for water, and requested Watermaster consider the funding side of replenishment more seriously. Mayor Oglesby requested Director Riley's concerns be addressed by an item on the next board meeting agenda.

Moved by Council Member Gaglioti and seconded by Council Member Albert to approve the 2022 Replenishment Assessment unit cost as presented. Director Cook – Aye; Council Member Gaglioti – Aye; Council Member Albert – Aye; Mayor Carbone – Aye; Mayor Oglesby – Aye; Supervisor Askew – Aye; Director Riley – Aye; Director Bruno – Aye; Director Leith – Aye.

F. Discussion of public awareness on the need for Seaside Basin replenishment water

Ms. Paxton gave highlights from her transmittal that suggested ways Watermaster could inform the generally unaware public agencies and citizens about the risk to, and needs of, the Seaside Basin. Directors Bruno, Gaglioti, and Albert expressed strong support of Watermaster raising public awareness of the danger of seawater intrusion into the critically over drafted Basin and endangering all water supply projects as they rely on Basin storage to operate. Director Bruno expressed concern that sizing of water supply projects does not take into account the needs of the Basin—awareness should be raised beyond the supply and demand focus. Director Gaglioti stated the Watermaster TAC understands the dire condition of the Basin however it is now a matter of board policy to make the public aware. The Board needs to force the issue of holding producers and users to account for not only water used under the Decision, but also historic depletion that has contributed to the critical over draft.

Director Riley felt public presentation should be undertaken cautiously and include a planned solution containing a financial component. Director Albert felt the public needed to be educated as to what Watermaster does and what the plight of the Basin is, not necessarily offer a plan or solution. He stressed the board needed to be in complete agreement on the message presented. Director Carbone expressed her support. Supervisor Askew suggested that after deeper sustainability planning with SGMA “partners” Watermaster present the public the situation and a plan moving forward, with a balance needed between technical information and public and political will, being careful to choose the best messenger and the correct tone. Mayor Oglesby supported non-political outreach now and not wait to have a solution or plan in place. For the board to stand behind the presentation, Director Cook looked forward to replenishment modeling providing a firm acre-foot per year amount needed for Basin sustainability. Director Riley recommended forming a committee of board members to set presentation parameters and objectives. Directors are to email Chair Bruno with interest in serving.

IX. OLD BUSINESS

A. Consider Sustainable Yield (SY) as an alternative to Natural Safe Yield

Mr. Jaques gave highlights of his transmittal requesting the board determine if pursuit would be justified without a source for replenishment water being secured, taking into account the expense and complexity of changing to SY and that with either approach the Basin would still be at risk of seawater intrusion.

Director Gaglioti agreed that technically the SY approach is far superior to NSY and that Watermaster should move toward using that metric however producers would be required to limit production even more. There was general board consensus to wait to adopt the SY approach.

X. INFORMATIONAL REPORTS (No Action Required)

- A. Minutes from TAC meetings held May 12, June 9, and July 14, 2021
- B. Watermaster Report of Production of the Seaside third quarter Water Year 2021 (April 1, 2021 – June 30, 2021)
- C. Letter to MIW, CAW, and MPWMD and Memo regarding replenishment supply meeting
- D. Update on Security National Guaranty Well
- E. Correspondence from Watermaster chair to MCWD and MPWMD on the importance of maintaining a Paso Robles shallow aquifer monitoring well at the FO-09 site and seeking three-party funding of a replacement well
- F. LAFCO correspondence regarding Certificate of Filing for MPWMD’s Application

XI. DIRECTOR’S REPORTS

Director Bruno emphasized the need for Watermaster to act in unity to address Basin issues that have been left unresolved for decades.

XII. STAFF COMMENTS

Mr. Jaques suggested pursuing response from MPWMD to the correspondence from Watermaster chair seeking cooperative funding for replacing the FO-09 well. Director Riley stated that MPWMD is committed to destroying well FO-09 and is still discussing a replacement well.

XIII. NEXT REGULAR MEETING DATE

- A. Consider setting the next regular meeting date for **October 6, 2021- 2:00 P.M.**

XIV. ADJOURNMENT – Chair Bruno convened closed session at 4:21 pm to discuss Administrative Officer compensation.

Chair Bruno reconvened open session at 4:29 pm and reported out:

It was moved by Council Member Albert, seconded by Supervisor Askew, and unanimously carried to approve an increase in Administrative Officer compensation from \$100 to \$110 per hour effective January 1, 2022.

There being no further business, Chair Bruno adjourned the meeting at 4:30pm.