

REGULAR MEETING
Seaside Groundwater Basin Watermaster
May 6, 2009

I. CALL TO ORDER

Chairman Rubio called the meeting to order at 2:01 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 – Mayor Charles “Chuck” Della Sala
City of Sand City – Mayor David Pendergrass
Monterey County/Monterey County Water Resources Agency (“MCWRA”) – Curtis Weeks (Alternate)

Absent: None

III. APPROVAL OF MINUTES

It was moved by Director Weeks, seconded by Director Bruno, and unanimously carried to approve the minutes of the Watermaster Regular Meeting of March 18, 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 in April 2009 totaling \$87,493.81
- B.** Consider current year Financial Reports – Through April 30, 2009
CEO Evans submitted a corrected version of the Monitoring and Management – Operations Fund with corrections made for errors detected by the Watermaster Treasurer, Mayor Russell, in the bottom line total calculations.

Moved by Mayor Russell, seconded by Director Anthony, and unanimously carried, to approve the consent calendar as presented.

VII. ORAL PRESENTATION

There were no oral presentations scheduled.

VIII. OLD BUSINESS

A. COMMITTEE REPORTS

1. BUDGET AND FINANCE COMMITTEE

- a) The Board received and reviewed the submitted memorandum regarding the Watermaster Budget and Finance Committee meeting of April 27, 2009 and Subcommittee meeting of April 29, 2009. Committee Chair, Ray Corpuz addressed the board stating that the Committee considered the proposed in-lieu replenishment project proposed by the City of Seaside and made no determination, but is further considering the project and associated pricing basis and funding sources. The Committee further considered the option of retaining independent legal counsel to assist Watermaster staff when consultation on particular issues with legal counsels associated with member parties could be perceived as a conflict of interest and recommended not to pursue retention at this time however recommended reconsideration if and when a particular issue arose that warranted it.

Moved by Director Weeks, seconded by Mayor Pendergrass, and unanimously carried, to approve the Watermaster Budget and Finance Committee defer determination on pricing and funding of the proposed in-lieu replenishment project to the June 3, 2009 board meeting, and to not authorize retention of independent legal counsel at this time.

2. TECHNICAL ADVISORY COMMITTEE

- a) The Board received and reviewed the submitted TAC report on further information regarding reducing the operating yield of the Seaside Groundwater Basin. Technical Program Manager, Robert Jaques was not present; CEO Evans reviewed the report and attachments provided. Joe Oliver, Monterey Peninsula Water Management District hydrologist responded to questions from the Board, stating that, in the opinion of the TAC, criteria D had not been met as there were not protective water levels to prevent seawater intrusion at all locations along the coast. Chair Rubio thanked the TAC for its hard work and answers provided. He questioned if the City of Seaside proposal of in-lieu replenishment was a technically sound approach worthy of further consideration. Mr. Oliver stated that the TAC concurred that it was a technically sound proposal and that the Board might consider reporting the efforts toward replenishment to the judge for a possible pro rata consideration to offset the 10% reduction; next year the project could warrant consideration of a full offset. Mr. Oliver estimated the time frame for implementation at several weeks to one month. Chair Rubio directed that the issue be sent back to the TAC for further consideration of the likelihood of in-lieu replenishment achieving any degree of prorated credit against overproduction for this water year.
- b) CEO Evans reminded the Board that the submitted Declaration of Artificial Replenishment Water Available for Water Year 2009 had been due December 2008 and urged the Board to take action as recommended by staff. Mayor Pendergrass gave a status report on the Sand City desalination plant stating that complete testing

of the plant was due to commence next Monday. Director Anthony stated that CAW needed further understanding of the City of Seaside in-lieu proposal; the Sand City desalination plant had eight weeks of testing ahead; water year 2008/09 would close on September 30, 2009 and any potential reduction in overproduction from the two projects for the current water year would appear to be minimal – he felt there was no alternative but to go with the 10% reduction as required by the Decision. Director Bruno stated that after attending the recent court hearing where he noted Judge Randall’s comment that the 10% reduction was inevitable, he had chosen not to oppose the 10% reduction. Chair Rubio directed the TAC to consider whether any amount of the 167AF of water estimated to be produced from the Sand City desalination plant in the 2009 calendar year could be credited to replenishment of the Basin for the current water year ending September 30, 2009 by amendment or future findings. Director Costa requested that staff confirm allowance in the Decision of a rollback of the 10% reduction of 420 acre-feet if replenishment water becomes available later this water year or in future water years. Don Freeman, Seaside City Attorney, recommended that staff and the TAC be authorized to notify the court immediately upon any replenishment water becoming available in an attempt to obtain a ruling allowing a rollback.

Director Anthony emphasized that Watermaster could not make any assumptions as to how CAW would be using its portion of water granted by the City of Sand City from its desalination plant once operational. He stated that Order 95-10 is the primary focus of the CAW compliance effort and felt that Watermaster staff would need to come to the Watermaster board upon replenishment water becoming available before contacting the judge for rollback consideration. Mr. Freeman felt that both the Adjudication and Order 95-10 could be addressed on a practical basis upon availability of replenishment water and could involve board members through committees and legal counsels without binding CAW to any particular course of action in its operations.

Moved by Director Anthony, seconded by Director Lehman, and unanimously carried, to declare no artificial replenishment water available for Water Year 2009, and to authorize staff and the TAC, when any replenishment water becomes available, to notify the court immediately in an attempt to obtain a ruling allowing a rollback.

IX. NEW BUSINESS

There were no new business items.

X. INFORMATIONAL REPORTS (No Action Required)

- A. Timeline Schedule of Milestone Dates (Critical date monitoring)
- B. Technical Advisory Committee minutes of March 11 and April 8, 2009
- C. Water Production Report for Second Quarter Water Year 2009 (January 1 - March 31, 2009)
Director Anthony stated CAW is doing everything in its power to meet the conditions of Order 95-10 and the Seaside Basin Adjudication.
- D. Report of Water Year 2009, First and Second Quarter, Groundwater Quality and Level Data Collected for the Seaside Groundwater Basin Watermaster.

XI. DIRECTORS' REPORTS

Director Bruno had attended the recent hearing regarding the MPWMD permitting process for alternative producer Security National Guaranty ("SNG") and thanked the Board for taking a position and sending a letter to the court in support of SNG and its pumping arrangement proposed for supplying the Monterey Bayshores Ecoresort. He felt the court's decision in favor of SNG had significant implications for all private pumpers within the Basin.

XII. EXECUTIVE OFFICER COMMENTS

The next Watermaster TAC meeting is scheduled for Wednesday, May 13, 2009 at 1:30pm at the Seaside City Hall portable building conference room. Next Budget and Finance Committee meeting to be announced by e-mail notice.

XIII. NEXT MEETING DATE – Regular Meeting to be held on June 3, 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 2:44 p.m.