

**SPECIAL MEETING**  
Seaside Groundwater Basin Watermaster  
*September 22, 2010*

**I. CALL TO ORDER**

Vice Chairman Bruno 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 – Steve Bloomer, City of Seaside Councilmember (Alternate)  
Coastal Subarea Landowner – Director Paul Bruno, Vice Chair  
City of Del Rey Oaks – Mayor Jerry Edelen  
California American Water (“CAW”) – Director Craig Anthony  
Monterey Peninsula Water Management District (“MPWMD”) – Director Judi Lehman, Secretary  
Laguna Seca Subarea Landowner – Gary Cursio (Alternate)  
City of Monterey – Mayor Charles “Chuck” Della Sala

Absent: City of Sand City – Mayor David Pendergrass  
Monterey County/Monterey County Water Resources Agency (“MCWRA”) – Supervisor Dave Potter

Vice Chair Bruno offered a moment of silence for community activist and TAC Member John Fisher who passed away.

**III. APPROVAL OF MINUTES**

**Moved by Mayor Edelen, seconded by Director Lehman, and unanimously carried, to approve the minutes of the Watermaster Regular Meeting held June 2, 2010.**

**IV. 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 June, July and August 2010 totaling \$45,418.39.
- B. Consider Fiscal Year Financial Reports – Through August 31, 2010.

**Moved by Mayor Della Sala, seconded by Director Cursio, and unanimously carried, to approve the consent calendar as presented.**

**VII. ORAL PRESENTATION**

Derrick Williams, HydroMetrics Water Resources Inc., presented groundwater modeling results in response to the question directed by the TAC: What would be the impacts on the Basin in the Laguna Seca Subarea if pumping was increased 10-20%? Alternative Producers currently produce approximately 50% of the water from the Laguna Seca Subarea. The analysis modeled water movement, drawdown, drawdown plus 20% additional pumping and drawdown plus 10% additional pumping, and no replenishment was assumed. Modeling results showed that each year the groundwater levels would continue to drop even with no changes in production, resulting in a regular downward trend in water levels for 3 of the 4 wells in the Laguna Seca Subarea, and a decrease of 5 to 10 feet in water levels throughout the Subarea if pumping was increased. The Laguna Seca subarea was determined not to be

isolated, and that over the long-term a reduction in water migrating into the Fort Ord area due to increased production would subsequently reduce the amount migrating into the Subarea. Well owners just outside the Basin would be more immediately impacted by increased production according to the modeling presented. Mr. Williams noted that financial impacts were not included in the analysis nor used to develop any scopes of work, although that determination would be the logical next step.

Mayor Edelen noted that the simulation results and the actual recorded data appeared to be plausibly correlated.

Vice Chair Bruno asked if there was a way to capture water in the Laguna Seca Subarea before it migrated to the Southern Coastal Subarea and out to the ocean. Mr. Williams suggested wells could be deepened, which would most likely be deemed impractical from a technical standpoint, or wells in the Laguna Seca Subarea that appear to have had origins of placement based on the location of land owned by producers or near well service areas, be relocated more strategic to outflow capture in the Laguna Seca Subarea or relocated in the Southern Coastal Subarea.

Director Lehman suggested additional analysis be done to determine if there were any sources of water that could be captured to the benefit of the Basin and perhaps for use by those parties needing to maintain the integrity of current supply.

Mayor Edelen inquired if the geology of the area would lend itself to well injection to which Mr. Williams responded that injection rates would probably be relatively low and benefit/cost would need to be evaluated.

The board accepted the report and Vice Chair Bruno thanked Mr. Williams and Hydrometrics for modeling efforts.

**VIII. OLD BUSINESS – None.**

**IX. NEW BUSINESS**

**A. COMMITTEE REPORTS**

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

**a) Discussion/Consider Approval of the proposed Management and Monitoring Program (M&MP) Work Plan for FY 2011**

Technical Program Manager, Robert Jaques presented the Management and Monitoring Program (M&MP) Work Plan for FY 2011 describing the technical tasks and activities that would be conducted next fiscal year.

**Moved by Director Lehman, seconded by Mayor Edelen, and unanimously carried, to approve the Management and Monitoring Program (M&MP) Work Plan for FY 2011.**

**b) Discussion/Consider Approval of TAC’s recommendation to defer the start of work on: (1) Updating the Basin Management Action Plan (BMAP); (2) Refining the Protective**

**Water Levels; and (3) Groundwater Modeling of Scenario 2 (Regional Water Supply Project)**

The items proposed to be deferred were not time sensitive and the financial impact of the deferrals had been accounted for in the 2011 budget.

**Moved by Mayor Edelen, seconded by Mayor Della Sala, and unanimously carried, to (1) Approve the TAC's recommendation to defer the start of work on updating the Basin Management Action Plan (BMAP), (2) Approve the TAC's recommendation to defer refining the Protective Water Levels, and (3) Approve the TAC's recommendation to defer the start of work on Groundwater Modeling of Scenario 2.**

**2. BUDGET/FINANCE COMMITTEE with TAC Support and approval of technical aspects**

**a) Discussion/Consider Adoption of Proposed Unit Cost for Water Year 2010-2011 Over Production Replenishment Assessment Amount**

Mr. Evans reported that in the past the TAC had difficulty determining the unit cost for overproduction replenishment assessment due to the lack of concrete information on proposed or potential water supply projects. With that in mind, the Budget/Finance Committee met last week, reviewed the current criteria and unanimously agreed to maintain the unit cost for the Water Year 2010-2011 at \$2,780.00 per acre-foot ("AF"), the same as the 2009-2010 Water Year. As a member of the Budget Finance Committee in attendance at last week's meeting, Vice Chair Paul Bruno commented that although some committee members felt that a new unit cost could be recalculated and reduced by rehashing speculated costs of future water supply projects however considering the available information the committee concurred to recommend that last year's unit cost carry forward into 2010-2011. Director Lehman asked what the TAC had calculated as a proposed unit cost and Mr. Evans stated \$3,600.00 per AF. Director Lehman felt that, considering the current economic state, it made sense to proceed with the current amount, noting it as being a working number that could be revised if deemed necessary by the board. Mr. Evans offered to meet and review in detail with anyone interested the Replenishment Assessment Fund Budget for 2011 listing CAW and City of Seaside replenishment amounts owed based on the Unit Cost Over Production Replenishment Assessment Amount of \$2,780 per AF.

**Moved by Director Anthony, seconded by Mayor Edelen, and unanimously carried, to approve a Replenishment Assessment Unit Cost of \$2,780 per acre-foot of overproduction for WY 2011.**

**b) Discussion/Consider Adoption of Fiscal Year 2011 Annual Budgets: Administrative Fund; Monitoring and Management Fund-Operations; Monitoring and Management Fund-Capital; and Replenishment Fund**

Mr. Evans noted that the committee was only seeking approval of the Fiscal Year 2011 budgets although the 2012 year budgets were presented for reference. The court required that the budgets be adopted by October 31<sup>st</sup> and circulated to parties in the Adjudication no earlier than November 1<sup>st</sup> and no later than November 15<sup>th</sup>.

Administrative Fund - The administrative budget anticipated administrative contractual services costs decreasing. Legal fees were budgeted however were not likely to be expended. Considering \$60,000 of “roll over” assessments collected in previous years, the Administrative Assessment for 2011 would be approximately \$45,000.

Vice Chair Bruno acknowledged Mr. Evans’ efficient job in preparing the budget.

**Moved by Director Lehman, seconded by Mayor Della Sala, and unanimously carried, to approve the Administrative Fund Budget for FY 2011 and receive as information the projected FY 2012 Administrative Fund Budget.**

Management and Monitoring Fund – Operations and Capital Budgets - Mr. Evans noted that the two budget items could be addressed together since the Capital Fund Budget for 2011 was zero.

Vice Chair Bruno commented that the budgets were a good road map for the board and appreciated prudent staff management.

**Moved by Mayor Edelen, seconded by Director Lehman, and unanimously carried, to approve the M&MP O&M and Capital Budgets for FY 2011, and receive as informational items the attached M&MP O&M and Capital Budget forecasts for FY 2012.**

Replenishment Fund – Mr. Evans explained no action from the Board was necessary: the document was provided for informational purposes only detailing the CAW and City of Seaside replenishment assessment amounts owing.

**X. INFORMATIONAL REPORTS (No Action Required)**

- A. Timeline Schedule of Milestone Dates (Critical date monitoring)
- B. Technical Advisory Committee (“TAC”) minutes of June 9 and notes from August 11, 2010.

**XI. DIRECTORS’ REPORTS – None**

**XII. EXECUTIVE OFFICER COMMENTS**

CEO Evans reported that CAW legal counsel had provided a copy of a lawsuit filed by the Sierra Club challenging Water Management District’s issuance of a permit allowing CAW to wheel water to SNG. Copies would be provided upon request to anyone interested.

Notices would be sent out to all water producers requesting water production levels and quality by the 15<sup>th</sup> of September.

The Technical Advisory Committee regular meeting of October 13, 2010 would be held at the MRWPCA board room at 1:30 p.m.

Director Anthony asked what the storage permit submittal deadline date was. Mr. Evans would confirm the date and report back.

**NEXT MEETING DATE – It was agreed that the next Regular Meeting would be held on Wednesday, October 6, 2010, 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.**

Since it had been previously suggested that administrative costs be reduced by holding Watermaster board meetings every other month, staff would review agenda items each month and recommend whether to cancel an upcoming meeting if a lack of items warranted such. If the October Watermaster regular board meeting was cancelled due to lack of agenda items, the meeting of November 3rd would be required to be held due to the need to address the filing of the Annual Report filing to Judge Randall on or before November 15<sup>th</sup>.

**XIII.** There being no further business, Vice Chairman Bruno adjourned the meeting at 3:00 p.m.