

REGULAR MEETING
Seaside Groundwater Basin Watermaster
October 5, 2011

I. CALL TO ORDER

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

Coastal Subarea Landowner – Director Paul Bruno, Chair
California American Water (“CAW”) – Director Craig Anthony
City of Seaside – Mayor Felix Bachofner
City of Del Rey Oaks – Mayor Jerry Edelen
Laguna Seca Subarea Landowner – 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: Monterey Peninsula Water Management District (“MPWMD”) – Director Bob Brower

III. APPROVAL OF MINUTES

Moved by Supervisor Potter, seconded by Mayor Edelen, and the motion was carried to approve the minutes of the Watermaster regular meeting held May 4, 2011.

IV. REVIEW OF AGENDA

There were no requested changes to the agenda.

V. PUBLIC PARTICIPATION/ORAL COMMUNICATIONS

Mr. George Riley, Citizens for Public Water, had recently teamed up with Dale Eckhouse to advocate for a fast track partial solution to the Basin water replenishment supply problem. He requested the board become familiar with the fast track option involving use of non-desalination water to move forward more rapidly than the Regional Desalination Project allowed. The fast track projects included the Aquifer Storage and Recovery through the Monterey Peninsula Water Management District and the Groundwater Replenishment Project through the Monterey Regional Water Pollution Control Agency. Mr. Riley felt that the Watermaster was more interested in accounting for Basin replenishment water needed than in actually finding the water, and that the fast track projects would provide a portion of the needed replenishment supply.

VI. CONSENT CALENDAR

- A. Consider approval of Summary for Payments made May through September 2011 totaling **\$59,298.25**
- B. Consider Fiscal Year Financial Reports through September 30, 2011
- C. Consider approval of RFS No. 2011-04 with Monterey Peninsula Water Management District for \$6,375 to perform modifications to the Watermaster Database to change from its current on-line interactive format to an Access-based format.

Moved by Supervisor Potter, seconded by Mayor Pendergrass, and unanimously carried, to approve items A and B of the consent calendar.

Mayor Bachofner requested item C be pulled from the consent calendar for separate consideration. He expressed concern that it appeared the database was going to be removed from the Watermaster web site. Mr. Jaques clarified that the database would continue to be posted on-line with reports available in Excel and PDF formats. The changes involved moving the data from an SQL type format to an Access format to simplify updating data and modifying report formats.

Moved by Mayor Bachofner, seconded by Mayor Edelen, and unanimously carried, to approve item C of the consent calendar.

VII. ORAL PRESENTATION

None scheduled.

VIII. OLD BUSINESS

A. Discuss and consider approving revisions to the Watermaster Rules and Regulations as requested by Board of Directors; specifically the need to have both the beginning and ending water meter readings submitted by producers for monthly water production from the Basin. Director Anthony clarified that he did not have a concern with the language of the changes, however was concerned when at the past meeting directors were not noticed properly and did not have sufficient time to review the changes.

Moved by Director Anthony, seconded by Supervisor Potter, and unanimously carried, to approve a revision of the Watermaster Rules and Regulations Section 11.0 second sentence by adding the following: "All Parties shall report their extraction quantities (and the corresponding beginning and ending water meter readings that were used to calculate these quantities,) to Watermaster for the preceding calendar quarter..."

IX. NEW BUSINESS

A. COMMITTEE REPORTS

1. TECHNICAL ADVISORY COMMITTEE (TAC)

a). Consider approving Storage and Recovery Agreement with California American Water.

CEO Evans noted that references to California American Water would be changed to the proper name of California-American Water Company throughout the agreement.

Mr. Jaques gave a background on the need per the Decision for a storage agreement to be established for non-native water stored and recovered in the Basin. The TAC reviewed the agreement at its August meeting and recommended that the Board approve the document. CAW was limited to 2,426 acre-feet of water in its ASR project by the State Water Resources Control Board (SWRCB). Director Anthony pointed out that additional permits were being sought by CAW from the

State Water Resources Control Board and the Department of Health and could entail additional restrictions. He felt it would be prudent for the board to revisit the storage agreement after the permits were processed in the next month or two to make any needed changes to the capacity or restrictions imposed by the agencies.

Mayor Dela Salla requested that the determination of 2,426 acre-foot limit by SWRCB be clarified. Mr. Oliver, MPWMD, explained that SWRCB permits for the ASR project considered maximum capacity as operating each and every day over 183 days (6.7 cfs per day). The project's two combined permits total 2,900 acre-feet maximum allowing for the Fitch School wells coming on line. Realistically, on average over a 55 year period of data, 920 acre-feet had been obtained.

Moved by Mayor Edelen, seconded by Director Costa, and unanimously carried, to approve the Storage and Recovery Agreement between Watermaster and California-American Water Company as presented, with the name change to be made as per CEO Evans.

- b). Consider temporarily eliminating the public member position on the TAC.

Mr. Jaques reported that Mr. Richard Willis, public member of TAC, recently resigned. There were currently 10 members on the TAC with six members required to be present at meetings. A vacant public member position created difficulties in achieving a quorum at TAC meetings. Temporary suspension of the position until the committee could identify a qualified candidate would aid in meeting the quorum at meetings in the mean time.

Moved by Mayor Della Sala, seconded by Mayor Pendergrass, and unanimously carried, to temporarily suspend the position of Public Member on the TAC, thereby reducing the TAC membership from 10 to 9.

There was no action taken to resume posting an announcement soliciting qualified persons to submit applications to fill the Public Member position or to reinstate the Public Member position once the Board had selected a qualified applicant to fill the position.

- c). Consider accepting the Wellhead Resurvey Report and approve the recommendations of the TAC regarding future wellhead survey work. The board received the staff report indicating that the data was very repeatable from 2008 to 2011, and that no appreciable subsidence appeared to be occurring.

Director Bruno requested the well survey data for the Calabrese/Cypress Well be sent to him by Mr. Jaques.

Moved by Supervisor Potter, seconded by Mayor Edelen, and unanimously carried, to accept the Wellhead Resurvey Report and not perform any future wellhead resurveying work unless there was some indication that subsidence

was, or had been, occurring, or the Watermaster determined that there was some other reason to perform such work.

- d). Consider cancelling the regular board meeting date of November 2, 2011 and scheduling a Special Board Meeting on Wednesday, November 30, 2011 to allow time for completion of the 2011 Annual Report and review by the TAC.

Moved by Mayor Bachofner, seconded by Mayor Della Sala, and unanimously carried, to cancel the regular board meeting date of November 9, 2011 and schedule a Special Board Meeting on Wednesday, November 30, 2011.

2. BUDGET AND FINANCE COMMITTEE with input from TAC

- a). Consider Water Year 2011-12 Unit Cost of over-production replenishment assessment amount. The committee recommended to the board to continue the \$2,780 amount in Water Year 2012.

Moved by Mayor Della Sala, seconded by Supervisor Potter, and unanimously carried, to approve the continued amount of \$2,780 as the Water Year 2011-12 Unit Cost of Over-production Replenishment Assessment.

- b). Fiscal Year 2012 Annual Budgets. CEO Evans reported that a budget reduction for the Administrative Fund from \$80,000 in 2011 to \$60,000 proposed for 2012, since processes were streamlined and savings were being realized. It was recommended that no Administrative Fund assessments be levied in 2012 due to unspent funds, or rollover amounts, being sufficient to cover costs. Mayor Edelen and Director Anthony both thanked CEO Evans for the cost savings. Director Anthony noted that customer fees would be directly impacted positively by zero assessment. Mayor Edelen suggested a Monterey Herald press release. Per the Decision, the Landowner representatives, Directors Bruno and Costa, would be silent in the vote.

Moved by Supervisor Potter, seconded by Mayor Edelen and carried, to approve the 2012 Administrative Fund Budget as presented.

Also, it was recommended that there be no Operations Fund assessment levied to the parties in 2012 due to unspent funds, or rollover amounts, being sufficient to cover costs. The Capital Budget was recommended to be zero for 2012. Again, per the Decision, the Landowner representatives, Directors Bruno and Costa, would be silent in the vote.

Moved by Supervisor Potter, seconded by Mayor Edelen, and carried, to approve the 2012 Monitoring and Management Fund – Operations Budget and Monitoring and Management Fund – Capital Budget as presented.

- B. Notice of appointment or reappointment of voting and alternate members to the Board for a two year period beginning in January of 2012. Parties would be receiving notice by mail from Watermaster of the requirement of the Decision to so appoint members.

X. INFORMATIONAL REPORTS (No Action Required)

- A. Timeline Schedule of Milestone Dates (Critical date monitoring).
- B. Technical Advisory Committee (TAC) minutes from May 11, June 8, and August 10, 2011 meetings.
- C. Water Production Report for Third Quarter Water Year 2010-11 (April 1, 2011 through June 30, 2011).
- D. TAC review of possible supplemental water projects for Watermaster consideration.
- E. Monterey Peninsula Water Management District report of first and second quarter 2011 groundwater quality and groundwater level data collected from the Seaside Groundwater Basin.
- F. Notice of 10% triennial water reduction program pursuant to the Court's Decision.

XI. DIRECTORS' REPORTS

Director Bruno noted that he would be seeking to retain his seat on the Watermaster board. Further, every entity on the board was or had been a client of his. No business conducted had been in conflict with Watermaster proceedings or he would have recused himself. He would be willing to recuse himself in Watermaster actions if requested to do so and given a reason why.

XII. EXECUTIVE OFFICER COMMENTS

The next meeting would be a special meeting on November 30, 2011 covering the 2011 Annual Report to court; the appointment of voting and alternate members to the board; and the Declaration of Replenishment Water Availability. The Technical Advisory Committee regular meeting would be held Wednesday, November 9, 2011 in the MPWMD conference room at 1:30 p.m.

XIII. NEXT MEETING DATE – It was agreed that the next meeting would be a Special Meeting held on Wednesday, November 30, 2011, 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 2:51 p.m.