

**SEASIDE GROUNDWATER BASIN WATERMASTER
REGULAR MEETING MINUTES
Wednesday, August 7, 2024 Hybrid
1 Pendergrass Way, Sand City, CA 93955**

I. **CALL TO ORDER** – Mayor Oglesby called the meeting to order at 2:00p.m.

II. **ROLL CALL**

City of Seaside – Mayor Ian Oglesby
Coastal Subarea Landowner Group – Alternate Director John Gaglioti
California American Water (CAW) – Director Tom O’Halloran* (location noted on agenda)
Monterey Peninsula Water Management District (MPWMD) – Director George Riley
City of Monterey – Council Member Kim Barber
City of Del Rey Oaks – Council Member Kim Shirley
Monterey County/Monterey County Water Resources Agency – Supervisor Wendy Root Askew
Laguna Seca Subarea Landowner Group – Director John Gaglioti

Absent:

City of Sand City – Mayor Mary Ann Carbone

Others Present:

Bob Jaques, Watermaster Technical Program Manager (TPM)
Laura Paxton, Administrative Officer (AO)
Nancy Dayton, Assistant Administrative Officer
Maureen Hamilton, MPWMD*
Aiko Yamakawa, CAW*
Remleh Scherzinger, General Manager, Marina Coast Water District*
Alvin Edwards, MPWMD*
Jon Lear, MPWMD*
David Stoldt, MPWMD*
Alex Dominguez, Legal Counsel*
Patrick Breen, Marina Coast Water District*
Mike McCullough, Monterey One Water*
An asterisk () signifies virtual attendance.*

III. **PUBLIC COMMUNICATIONS** – There were no public communications.

IV. **REVIEW OF AGENDA and ANNOUNCEMENTS** – There were no requested changes to the agenda and no announcements.

V. **ORAL PRESENTATIONS**

- A. Pure Water Monterey Expansion Status—Mike McCullough, Pure Water Monterey presented slides (attached) with highlights of the history of the Pure Water Monterey Project and a project timeline for the Expansion Project estimated as operational in August 2025.
- B. Monterey Peninsula Water Supply Project Desalination Plant – Tim O’Halloran, California American Water presented slides (attached) with a project timeline for the Water Supply Project estimated to be operational second quarter 2028. The NPDES permit projected to be issued for the project in September 2025 is the critical path item for obtaining the Coastal Development Permit to commence construction.

- C. Review of 2009 Seawater Intrusion Response Plan (SIRP) (The plan can be viewed at <https://seasidegroundwaterbasinwatermaster.wordpress.com/wp-content/uploads/2024/02/09-0222-seawater-intrusion-response-plan.pdf>) – TPM Jaques presented slides (attached) and highlighted his transmittal. He clarified that Plan activation occurs only if listed trigger conditions are found at certain production wells, not triggered if found at monitoring wells. Staff will research whether Watermaster is authorized to compel CAW to implement its Urban Water Management Plan rationing protocols if seawater intrusion is determined to be occurring in the Seaside Basin. Director Gaglioti stated that, beyond meeting current and projected demand needs, supplemental water sourcing needs to factor in replenishing historical over production from the Basin. Director Riley inquired whether Watermaster would be responsible for the cost of material injury to parties as a result of an SIRP activation declaration. Director O’Halloran looked forward to an updated SIRP, noting that there is a significantly increased dependency on the Basin from the time the Decision and SIRP were crafted: the injection/retention of treated water from the PWM and PWMX Projects profoundly complicates placement of an alternative well if ordered by Watermaster.

Director Barber requested that the SIRP update include clarification of specific steps and timing of response by parties if Watermaster declares that seawater intrusion has occurred and clarification of Watermaster response to the parties’ actions or inaction. TPM Bob Jaques suggested that the TAC coordinate with legal counsel as it develops an updated SIRP. Director Oglesby requested progress reports be provided to the Board regarding the TAC’s SIRP update, preferring to have a TAC draft come before the Board before it is submitted to Montgomery and Associates for input.

VI. CONSENT CALENDAR

- A. Minutes of Regular Board meeting held July 10, 2024
- B. Summary of Payments made in July 31, 2024
- C. Fiscal Year 2024 Financial Reports through July 31, 2024

It was moved by Director Riley and seconded by Director Shirley to approve Consent Calendar items as presented. Director Gaglioti (Alternate for Coastal Subarea Landowner) – Aye; Director O’Halloran – Aye; Director Riley – Aye; Director Shirley – Aye; Director Barber – Aye; Director Oglesby – Aye; Director Askew – Aye; Director Gaglioti (Laguna Seca Subarea Landowner) – Abstain. Motion carried.

VII. NEW BUSINESS

- A. Membership on the Salinas Valley Basin Groundwater Sustainability Agency (SVBGSA) Monterey Subbasin Groundwater Sustainability Plan (GSP) Implementation Committee.

The Board directed the TPM to submit an application for his membership to the Implementation Committee together with a letter from the Watermaster Board Chair on behalf of the full Board to the SVBGSA Board chair.

VIII. OLD BUSINESS

- A. Consider and Provide Direction Regarding the Development of Method(s) to Obtain Replenishment Water – Legal Counsel Dominguez presented slides and responded to questions.

Director Riley felt Watermaster should pursue presentation option one and develop a process for amending the Decision to maximize Watermaster's authority to achieve the flexibility and discretion necessary to levy assessments in an equitable amount to maximize opportunities to secure necessary supplemental water; and once gained, potentially partner with MPWMD to levy consumers for replenishment water purchase funding. Director O'Halloran agreed with Director Riley, suggesting a Decision amendment could designate an amount of replenishment water each Watermaster Party is responsible to provide and, in CAW's case, build the cost into a PUC rate case. However, he felt clarification was needed first on how much replenishment water is needed to achieve protective groundwater levels and avoid seawater intrusion, what actions are already in place (i.e., CAW replenishment agreement/City of Seaside in-lieu program), what replenishment source is/will be available, and when. Director Askew requested presentations be made to stakeholders/community partners to solicit a coalition of support for Watermaster's development of a funding mechanism. Mr. Jaques requested Board consider that Basin overdraft is a result of consumer demand through time over the entire Monterey Peninsula Water Management District, not just consumers within the Seaside Basin, and thereby establish a District-wide as opposed to a Seaside Basin only assessment zone if that option is pursued. MPWMD General Manager Stoldt supported Mr. Jaques's statement. He noted that results from a report he received on modeling of the boundary conditions between the Monterey and Seaside Basins, a report not yet provided to the Watermaster TAC, indicated very sensitive and complex factors at play, with the results far from determining when replenishment of the Basin would reach urgency, the order of magnitude of need, and what physical solutions there might be: Watermaster would likely encounter a lengthy process in determining these factors for inclusion in a proposal to the court for replenishment funding authority. Further, he felt it more prudent for Watermaster to seek a funding source as opposed to seeking bond funding through MPWMD for special projects.

Director Barber felt the next step would be determining what authority would be asked for in an amendment to the Decision by determining how much water is needed to protect the Basin and what special actions or projects are needed to achieve necessary replenishment. Chair Oglesby requested Counsel Dominguez elaborate on presentation options one and two for further presentation at the next Watermaster board meeting.

IX. INFORMATIONAL REPORTS (No Action Required)

- A. Watermaster Report of Water Year 2024 Quarter 3 Production of The Seaside Basin (April 1, 2023—June 30, 2024)
- B. Sustainable Groundwater Management Act Monthly Updates July 2024
- C. View the latest SVBGSA newsletter for information on the recently completed Deep Aquifer Study at <https://mailchi.mp/svbgsa/2024-summer-13399941?e=b549b04544>

X. DIRECTOR REPORTS—None

XI. STAFF COMMENTS

AO Paxton requested that the September Board meeting be cancelled to allow time for the Budget and Finance Committee to meet before the next Board meeting.

The Board concurred to cancel the September 4, 2024 meeting. The next meeting will be held on October 2, 2024.

XII. CLOSED SESSION

The board convened in closed session at 4:26 p.m. The Board reconvened in open session at 4:35 p.m. Legal Counsel announced that in closed session the Board took up and discussed one item and no reportable action was taken.

XIII. ADJOURNMENT – There being no further business, the meeting was adjourned at 4:37 p.m. to a regular Board meeting to be held Wednesday, October 2, 2024 – 2:00 p.m. in the City of Sand City Council Chambers, in person and remote.

Respectfully submitted by Laura Paxton, Board Secretary



PURE WATER MONTEREY (BASE)

FY 2023-2024 Production

TOTAL PRODUCTION: 3,819 ACRE FEET

INJECTION FOR POTABLE USE:
 3,500 Acre Feet

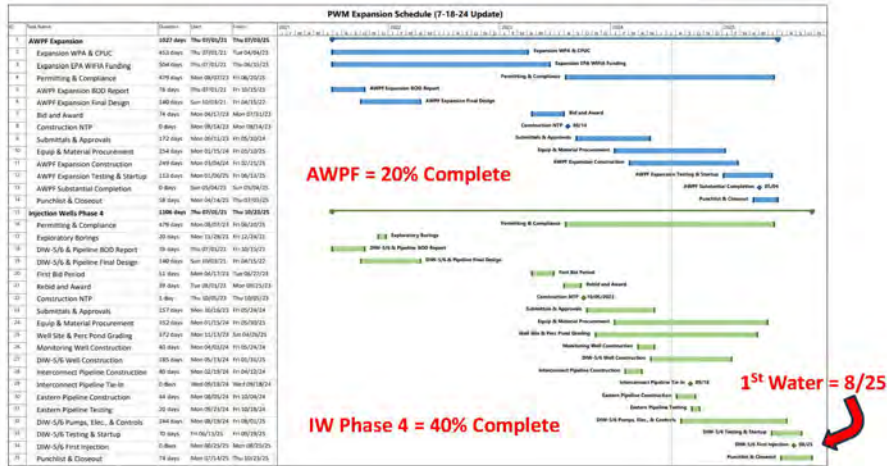
July	327 AF
Aug	327 AF
Sept	218 AF
Oct	254 AF
Nov	304 AF
Dec	406 AF
Jan	434 AF
Feb	341 AF
Mar	390 AF
April	314 AF
May	180 AF

INJECTION FOR
 OPERATIONAL RESERVE:
 319 Acre Feet

May	86 AF
June	233 AF



Pure Water Monterey Expansion Schedule



Pure Water Monterey Base Project

Fun Facts

- First Water – February 2020
- Met 1,000 AF Operational Reserve – August 2020
- Met 1,750 AF Operational Reserve – June 2023
- Met Company Water Allocation last 3 FY
- Total Year to Date Injection – 15,366 AF
- Total Operational Reserve – 2,189 AF
- \$39M in Grant Funding
- No Significant Outages in 4+ years of Operation



Monterey Peninsula Water Supply Project



- Coastal Commission Approval – November 2022
 - 20 Permit Conditions
 - Permit Conditions completed September 2025
- Slant Wells
 - Design at 100% review
 - Construction to start in October 2025
- Desalination Plant
 - Value Engineering concluded
 - Construction to start in October 2025
- Pipelines
 - Final Design phase, local permitting initiated
 - Construction to start in October 2025

MPWSP Implementation Schedule

2022	2023	2024	2025	2026	2027	2028
PROJECT TIMELINE						
NPDES & Coastal CDP Prior to Issuance Conditions						
			Desalination Construction Contract Negotiation & Procurement	Desalination Construction 24 months		Desalination Commissioning
	Pipeline Design	Pipeline Contract Negotiation & Procurement		Pipeline Construction 24 months		
	Slant Well & Civil Design	Slant Well & Civil Contract Negotiation & Procurement		Slant Well & Civil Construction 24 months		
Coastal CDP Approval November 2022						Desalination Plant Start-up