

**SEASIDE GROUNDWATER BASIN WATERMASTER
MEETING AGENDA**

**WEDNESDAY, NOVEMBER 1, 2006, 1:30 P.M.
SOPER FIELD, 220 COE AVENUE
SEASIDE, CALIFORNIA**

WATERMASTER BOARD:

City of Seaside – Mayor Ralph Rubio, Chairman
Laguna Seca Subarea Landowner – Director Bob Costa, Vice Chairman
Monterey Peninsula Water Management District – Director Michelle Knight, Secretary
City of Monterey – Mayor Dan Albert, Treasurer
City of Sand City – Mayor David Pendergrass
California American Water – Director Steve Leonard
City of Del Rey Oaks – Mayor Joseph Russell
Monterey County/Monterey County Water Resources Agency - Supervisor Jerry Smith,
District 4
Coastal Subarea Landowner – Director Paul Bruno

I. CALL TO ORDER

II. ROLL CALL

III. APPROVAL OF MINUTES OF OCTOBER 4, 2006

The minutes of the October 4, 2006 Watermaster meeting is attached to this agenda. Watermaster Board is requested to approve the minutes. Minutes of the Special Board meeting of October 27, 2006 will be included on the regular Watermaster Board meeting agenda of December 6, 2006

IV. REVIEW OF AGENDA

If there are any items that arose after the 72-hour posting deadline, a vote may be taken to add the item to the agenda, pursuant to the requirements of Government Code Section 54954.2(b). (A 2/3-majority vote is required.)

V. PUBLIC PARTICIPATION/ ORAL COMMUNICATIONS

Oral communications is on each meeting agenda in order to provide members of the public an opportunity to address the Watermaster on matters within its jurisdiction. Matters not appearing on the agenda will not receive action at this meeting but may be referred to the Watermaster Administrator or may be set for a future meeting. Presentations will be limited to three minutes or as otherwise established by the Watermaster. In order that the speaker may be identified in the

minutes of the meeting, it is helpful if speakers would use the microphone and state their names. Oral communications are now open

VI. CONSENT CALENDAR

Approve payment of bills
Financial Report—Status through October 25, 2006

VII. OLD BUSINESS

1. COMMITTEE REPORTS

ADMINISTRATIVE COMMITTEE (AD HOC)

No current report

RULES AND REGULATIONS COMMITTEE (AD HOC)

No current report

TECHNICAL COMMITTEE

Ms. Diana Ingersoll will give an update on consultant, Martin Feeney's progress on the Groundwater Modeling Component of the Seaside Basin Monitoring and Management Program

Ms. Diana Ingersoll will update the Board on the status of the results of the receipt of the Request for Proposals (RFP) for Program Management and Implementation of the Seaside Basin Monitoring and Management Program

BUDGET AND FINANCE COMMITTEE

No current report

VIII. NEW BUSINESS

1. Adopt the tentative* approval of the initial \$1,000,000 assessment as directed by the court judgment to fund the Capital Improvement and Groundwater Model components of the Monitoring and Management Plan Budget.
2. Adopt the tentative* approval of the 2007 annual Monitoring and Management Plan Budget assessment in the amount determined appropriate by the Watermaster

IX. DIRECTOR'S REPORTS

X NEXT MEETING DATE – DECEMBER 6, 2006

XI ADJOURNMENT

- * Action item designated as tentative to reflect potential adjustments that may be required if 2007 Monitoring and Management Plan Budget is later amended by the Watermaster or Court order pursuant to procedure set forth in the Final Decision.

This agenda was posted at the City Clerks Office at the City of Seaside on Friday, October 27, 2006 per the Ralph M. Brown Act. Government Code Section 54954.2(a). The agenda was forwarded via e-mail to the City Clerks of Monterey, Sand City and Del Rey Oaks; the Clerk of the Monterey Board of Supervisors; the Clerk to the Monterey Peninsula Water Management District; the Clerk at the Monterey County Water Resources Agency and the California American Water Company for posting on October 27, 2006.

REGULAR MEETING
Seaside Groundwater Basin Watermaster
October 4, 2006

MINUTES

I. CALL TO ORDER

Chairman Rubio called the meeting to order at 1:33 p.m. in the Seaside Community Center at Soper Field, 220 Coe Avenue, Seaside.

II. ROLL CALL

City of Seaside – Mayor Ralph Rubio, Chairman
Laguna Seca Subarea Landowner – Bob Costa, Vice Chairman
Monterey Peninsula Water Management District (“MPWMD”) – Director Michelle Knight, Secretary (1:36 p.m.)
City of Monterey – Mayor Dan Albert, Treasurer
City of Sand City – Mayor David Pendergrass
California American Water Co. – Charlie Kemp (Alternate)
City of Del Rey Oaks – Mayor Joseph Russell
Monterey County/Monterey County Water Resources Agency (“MCWRA”) – Jerry Smith, District 4 Supervisor
Coastal Subarea Landowner – Paul Bruno

III. APPROVAL OF MINUTES OF SEPTEMBER 13, 2006

Moved by Mayor Albert, seconded by Mayor Pendergrass, and unanimously carried, to approve the September 13, 2006 Watermaster meeting minutes, with corrections to the spelling of Director Knight’s last name.

IV. REVIEW OF AGENDA

There were no changes to the agenda.

V. PUBLIC PARTICIPATION/ORAL COMMUNICATIONS

There were no comments from the public.

VI. PRESENTATION: SEASIDE AQUIFER REPLENISHMENT PROJECT

Keith Israel, General Manager of the Monterey Peninsula Water Pollution Control Agency (“MPWPCA”) gave a presentation regarding the MRWPCA Groundwater Replenishment Project. Mr. Israel provided printed copies of the presentation to the Board and public. Mr. Israel responded to questions from the Board. He stated that multi-agency recycled water projects are difficult to summarize in a chart, but all have the same intent -- zero discharge to the bay from the MRWPCA treatment plant. Public perception is a large issue, but there have been no incidents related to recycled water use reported to MRWPCA in the 40 years that the process has been used. Mr. Israel invited policy makers and anyone else interested to attend a tour of the Orange County Water Factory 21 to witness the success of the technology and the high quality of the treated water. A tour has been scheduled through MRWPCA in November.

There were no questions or comments from the public.

VII. CONSENT CALENDAR

There were no questions or comments from the Board or public.

Moved by Director Costa, seconded by Director Bruno, and unanimously carried to:

- Approve the payment of bills
- Approve giving Chief Executive Officer the authority and direction to receive “public records act requests pursuant to the Brown Act”

VIII. OLD BUSINESS

1. COMMITTEE REPORTS

AD HOC ADMINISTRATIVE COMMITTEE

No current report.

AD HOC RULES AND REGULATIONS COMMITTEE

No current report.

TECHNICAL COMMITTEE

Chief Executive Officer (“CEO”), Dewey Evans, reported to the Board that the dual RFP to manage and implement the Seaside Basin Monitoring and Management Program was sent out September 29, 2006 to 26 firms and is due back from proposers on October 20 with an award date set for November 1, 2006. The Technical Committee will be making a recommendation to the Board.

BUDGET AND FINANCE COMMITTEE

Chairman of the committee was absent. Mr. Evans reviewed the recommendation that the Board vote to provide the support requested from the attorneys representing both California American Water Company and the City of Seaside to seek clarification from the Court on the formulaic approach for calculating the Over-Production Replenishment Assessment as outlined in the letter submitted to the Board from the attorneys dated September 12, 2006.

Attorney Don Freeman addressed the Board, stating that the clarification of this issue was brought before the Board in the past, and, instead of taking up the Board’s time debating the issue, it would be best to present a petition to the Court for clarification. He suggested, in the interest of time and cost, the petition also request the Court to:

- Accept the current Management and Monitoring Plan adopted by the Watermaster Board;
- Approve the Rules of Procedures for conducting Watermaster Board business;
- Approve a critical time path setting forth all tasks that need to be accomplished and a responsible person assigned for each task:

This critical time path would require Board approval prior to petitioning the Court;

- Clarify any other issues that any member of the Watermaster Board or the CEO may need clarified;
- Approve budgets adopted and approved by the Board.

Board actions necessary for the preparation of the suggested petition to the Court are:

- Adoption of a 2007 Administrative Budget;
- Approval of a Capital Outlay Budget with line items developed by the Technical Committee;
- Technical Committee determination of the cost of an acre-foot of water for the Replenishment Budget, to be used in calculating the Over-Production Replenishment Assessment after the Court gives guidance for the formulaic approach.
- Development and approval of a critical time path and who is responsible for accomplishing each of the tasks on the time line;
- Provide any other requests for clarifications that any member of the Watermaster Board or the CEO may seek.

Attorney David Laredo addressed the Board with his concern as to Board conduct on this matter as it pertains to the Brown Act. He felt that today's agenda did not allow a full discussion and action by the Board. Mr. Freeman responded stating that no action is requested, only suggested that the Board and CEO consider holding a date open to move forward to process the items suggested. Chair Rubio clarified that the agenda shows the only item before the Board is support of the approach that counsels are proposing be put before the Court. In considering additional items being put before the court, it is appropriate for the Board to give the CEO direction to forward these tasks to the appropriate committees and set a meeting.

Director Costa, Laguna Seca Subarea representative, requested assurance that the matter of replenishment assessment pertained only to the formula by which the determination would be made, and that no reduction in production allocation or assessment for alternative producers is imposed. Mr. Freeman assured Mr. Costa that the matter refers only to the parties involved in the Seaside/Cal-Am issue and no one else.

Mr. John Fischer, Pacific Grove resident, addressed the Board and stated his full support of a critical path timeline listing those responsible for each task. Curtis Weeks, MCWRA, also expressed support of a comprehensive, itemized schedule for the Board to operate under.

Mr. Freeman stated that the Court Order calls for the budgets to be adopted no later than the month of October, and suggested November 1, 2006, as an arbitrary deadline for completing the suggested items. Mr. Heisenger and Mr. Freeman are available to assist in moving forward, however, Mr. Freeman will be out of state from October 20 through November 1, 2006.

Attorney James Heisenger reviewed some details of the elements of the petition that was suggested by Mr. Freeman.

Chair Rubio requested the Board consider giving the CEO direction to forward these items to the appropriate committees. He called for members to hold open October 27, 2006, 1:30 p.m. at Soper Field or Oldemeyer Center, Seaside, for a special meeting of the Board on this matter; Mr. Evans to confirm the meeting date, time, and location.

Moved by Mayor Albert, seconded by Mayor Russell, and unanimously approved, to provide the support requested from the attorneys representing both California American Water Company and the City of Seaside to seek clarification from the Court on the formulaic approach for calculating the Over-Production Replenishment Assessment.

IX. NEW BUSINESS

The Board had no new business.

X. DIRECTOR'S REPORTS

There were no reports from Directors.

**XI. SPECIAL MEETING TENTATIVELY SCHEDULED FOR OCTOBER 27, 2006 1:30 P.M., SOPER FIELD OR OLDEMEYER CENTER, SEASIDE, CALIFORNIA
NEXT REGULAR MEETING DATE – NOVEMBER 1, 2006, 1:30 P.M., SOPER FIELD, SEASIDE, CALIFORNIA.**

XII. ADJOURNMENT

There being no further business, Chairman Rubio adjourned the meeting at 2:33 p.m.

**SEASIDE GROUNDWATER BASIN
WATERMASTER**

To: Board of Directors

From: Dewey D Evans, CEO

Date: November 1, 2006

Subject: Payment of Bills

Recommendation:

That the Board of Directors approve the payment of the bills as listed on the attached report

Comments:

Contract Compensation—From September 29, 2006 through October 25, 2006 I recorded a total of 74 direct hours working on Watermaster related business. This includes attending meetings, complying with requests for public information, telephone conversations, drafting reports, research and other issues relating to the Seaside Aquifer.

Reimbursables:

The expenditures, I am asking to be reimbursed for include: making the rent payment for the month of November on the office space at 2600 Garden Road, acquisition of a desktop computer and related equipment, the purchase of an office printer, scanner, copier and fax machine, a bookcase, credenza and keyboard shelf and general office supplies, printing and postage. The computer is being installed as I write this report and I should be able to start using the office by the first part of November.

Dewey Evans

**SEASIDE GROUNDWATER BASIN
WATERMASTER
October, 2006**

Request for Payments:

Contract Compensation:

Chief Executive Officer—Dewey D Evans
74 hours from September 29 through October 25, 2006
@ \$75.00 per hour-- \$5,550.00

Reimbursables:

Pay to Dewey D Evans for personable expenses paid on behalf of
Watermaster project:

Office rental—2600 Garden Road, Suite 228 \$280.00

Computer equipment:

One Dell XPS 410-Intel Pentium computer with
Keyboard, mouse and flat panel monitor equipped
with MS Windows XP Pro SP/2 and Office 2003 Pro 2,088.50

Norton Internet Security/Ghost System backup soft-
ware with external harddrives for backup/Linksys Router
APC Back-UPS Black System 831.20

HP Officejet 7210 All-in-One Printer, Scanner, Copier, Fax 301.50
Shipping, handling and tax 303.14

Bookcase, Credenza and Keyboard Shelf 790.52

General Office Supplies 317.39
Printing and postage 28.79

Professional Services—Board Meeting agendas, minutes and misc. 925.00

Total Reimbursables \$5,866.04

**SEASIDE GROUNDWATER BASIN
WATERMASTER**

To: Board of Directors

From: Dewey D Evans, CEO

Date: November 1, 2006

Subject: 2006 Financial Report for the Period covering August 2, 2006 through October 25, 2006

Recommendation: No action necessary, for information only

Comments: The attached report compares the actual expenditures to date to the Board adopted 2006 Administrative Budget and projects out what additional expenditures are anticipated to complete this Administrative (Calendar) Year.

If these estimated expenditures are close to the total estimated expenditures on December 31, 2006 there will be approximately \$35,000 of unspent budgeted funds remaining. This unspent amount can be used to increase the reserve balance or can be used to off set the projected assessment for Administrative year 2007.

No financial reports were prepared for the other funds as there have not been any expenditures made to date. Although, there has been a contract issued in the amount of \$14,600 to consultant Mr. Martin Feeney for the preparation of the groundwater modeling component of the Seaside Basin Monitoring and Management Plan. The cost of this contract will be charged against the operating portion of the "2006 Monitoring and Management Plan Budget" of \$200,000 which was adopted at the September 13, 2006 Watermaster Board meeting.

Dewey D Evans

**SEASIDE GROUNDWATER BASIN
WATERMASTER**

**Financial Report for the Three Month Period
August 2 through October 25, 2006**

<u>Account Name</u>	<u>Expenses To Date</u>	<u>Estimated to 12/31/06</u>	<u>Total 2006</u>	<u>Budget 2006</u>	<u>To Reserve or to 2007</u>
Contract Staff	\$16,335	\$10,000	\$26,335	\$35,000	\$8,665
Part-time	0	0	0	2,000	2,000
Employee Benefits	0	0	0	800	800
Office Supplies, Postage	391	109	500	500	0
Printing	121	100	221	1,000	779
Insurance	0	0	0	500	500
Legal Notice	0	0	0	1,000	1,000
Publications & Memberships	0	100	100	500	400
Travel, Conf. and Meetings	0	100	100	1,000	900
Mileage Reimbursement	0	100	100	500	400
Computer Maint. & Supplies	149	400	549	1,000	451
Equip. Maint. & Rental	0	0	0	500	500
Office Rental	1,120	560	1,680	3,000	1,320
Utilities	0	500	500	500	0
Professional Services	925	2,500	3,425	20,000	16,575
Furniture and Equipment	<u>8,008</u>	<u>1,500</u>	<u>9,508</u>	<u>10,000</u>	<u>492</u>
Totals	<u>\$27,049</u>	<u>\$15,969</u>	<u>\$43,018</u>	<u>\$77,800</u>	<u>\$34,782</u>