

SEASIDE GROUNDWATER BASIN WATERMASTER

Wednesday, February 5, 2020 – 2:00pm

**Monterey One Water Board Room, 5 Harris Court, Building “D”
Ryan Ranch, Monterey, California**

Watermaster Board

Coastal Subarea Landowner – Director Paul Bruno

City of Seaside – Mayor Ian Oglesby

California American Water – Director Christopher Cook

City of Sand City – Mayor Mary Ann Carbone

Monterey Peninsula Water Management District – Director George Riley

Laguna Seca Subarea Landowner – Director Wesley Leith

City of Monterey – Councilmember Dan Albert

City of Del Rey Oaks – Councilmember John Gaglioti

Monterey County/Monterey County Water Resources Agency – Supervisor Mary Adams, District 5

I. CALL TO ORDER

II. ROLL CALL

III. Schedule of Watermaster Board Member Representative and Alternate appointments for 2020 (informational only – no action required).

IV. ELECTION AND APPOINTMENT OF OFFICERS FOR CALENDAR YEARS 2020 AND 2021

- A. Chairperson—(Must be member of the Board of Directors)
- B. Vice Chairperson—(Must be member of the Board of Directors)
- C. Secretary—(Need not be a member of the Board of Directors)
- D. Treasurer—(Need not be a member of the Board of Directors)

V. PUBLIC 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. 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).

VII. MINUTES - Approve Minutes of Regular Board meeting held December 4, 2019..... 5

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B. Consider Approving Fiscal Year 2019 Financial Reports through December 31, 2019.....	11
C. Consider approval of 2019 Budget Transfer of \$9,137.50 from Monitoring and Management— Operations Fund Contingency Line Item to Technical Program Manager Line Item	15
IX. ORAL PRESENTATION - None Scheduled	
X. NEW BUSINESS	
A. Discuss/Consider Approval of City of Seaside In-lieu Storage Agreement	17
B. Request from Cal Am for Discussion of Issues Pertaining to Potential Moratorium of New/Expanded Service in the Laguna Seca Subarea	27
XI. OLD BUSINESS - None	
XII. INFORMATIONAL REPORTS (No Action Required)	
A. Technical Advisory Committee (TAC) draft minutes from January 8, 2020 meeting	37
B. Watermaster report of production of the Seaside Basin first quarter Water Year 2020 (October 1, 2019 – December 31, 2019).....	41
C. Letter to M1W Regarding Pure Water Monterey Expansion DEIR	43
XIII. DIRECTOR’S REPORTS	
XIV. STAFF COMMENTS	
XV. NEXT REGULAR MEETING DATE – Wednesday, March 4, 2020 - 2:00 P.M.	
XVI. ADJOURNMENT	

This agenda was forwarded via e-mail to the City Clerks of Seaside, 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, Monterey One Water and the California American Water Company for posting on January 30, 2020 per the Ralph M. Brown Act, Government Code Section 54954.2(a).

**SEASIDE GROUNDWATER BASIN
WATERMASTER**

TO: Board of Directors
FROM: Laura Paxton, AO
DATE: February 5, 2020
SUBJECT: Appointments of Voting Members and Alternates to Watermaster Board for Fiscal Years 2020 and 2021

PURPOSE:

To inform the current Board members and interested parties as to the Watermaster Board members and Alternates appointments for the next two Fiscal Years: 2020 and 2021 (January through December)

RECOMMENDATION:

None-Informational only

DISCUSSION:

To comply with the Court Decision “Sections L. 1. through 3.” and the Watermaster adopted Rules and Regulations “section 4.0” it is required that “the Public Agency Parties, groups of Landowner Parties and Cal-Am shall each appoint or reappoint one Member in November of every second year, to sit on the Watermaster Board for a two (2) year term commencing with the first regular meeting of the Watermaster in January of the following year.” “In addition to appointing a Member, Cal-Am and the Public Agency Parties may also appoint an alternate Member in the same manner and for the same terms as provided for Members. Each Member representing a group of Landowner Parties may act as an alternate for the Member representing the other group of Landowner Parties. A duly appointed Alternate Member may exercise all of the rights of a Member at a meeting of the Watermaster Board where the Member for whom the Alternate Member sits, is absent.”

There are Special Rules for the Appointment of Members of Landowner Groups which are described in Section 4.5 of the Watermaster adopted Rules and Regulations.

The following appointments and/or reappointments have been made to Watermaster Board for the next two Fiscal Years beginning with the first regular meeting in Fiscal Year 2020:

MEMBER PARTY	MEMBER	ALTERNATE
California American Water	Director Christopher Cook	Tim O’Halloran
City of Del Rey Oaks	Council Member John Gaglioti	Mayor Alison Kerr
City of Monterey	Council Member Dan Albert	Mayor Clyde Roberson
City of Sand City	Mayor Mary Ann Carbone	TBD
City of Seaside	Mayor Ian Oglesby	Council Member Jon Wizard
County of Monterey (MCWRA)	Supervisor Mary Adams	Supervisor Jane Parker
MPWMD	Director George Riley	Director Molly Evans
Coastal Sub Area Landowner	Director Paul Bruno	N/A
Laguna Seca Sub Area Landowner	Director Wesley Leith	N/A

**SEASIDE GROUNDWATER BASIN WATERMASTER (Watermaster)
REGULAR MEETING MINUTES**

Monterey One Water Board Room, 5 Harris Court, Building “D”
Ryan Ranch, Monterey, California
December 4, 2019

I. CALL TO ORDER – The meeting was called to order at 2:00 p.m.

II. ROLL CALL

Coastal Subarea Landowner – Director Paul Bruno - Chair
City of Del Rey Oaks – Council Member John Gaglioti
City of Sand City – Mayor Mary Ann Carbone
California American Water (CAW) – Director Christopher Cook
City of Monterey – Council Member Dan Albert
Monterey Peninsula Water Management District (MPWMD) – Director George Riley

Absent: City of Seaside – Mayor Ian Oglesby
Laguna Seca Subarea Landowner – Director Troy Thompson
Monterey County/Monterey County Water Resources Agency – Supervisor Mary Adams

Others Present

Watermaster Technical Program Manager – Robert Jaques
Watermaster Administrative Officer – Laura Paxton
Tim O’Halloran, Engineering Manager, CAW
Georgina King, Senior Hydrogeologist, Montgomery and Associates
Jonathan Lear, Water Resources Manager, MPWMD
Sheri Damon, City Attorney, City of Seaside
Scott Ottmar, Senior Engineer, City of Seaside
Sarah Hardgrave, Policy Analyst, Office of Supervisor Adams
Russ McGlothlin, Counsel, City of Seaside (via phone)

III. PUBLIC COMMUNICATIONS: None

IV. REVIEW OF AGENDA: There were no requested changes to the agenda.

V. APPROVAL OF MINUTES

It was moved by Director Riley, seconded by Mayor Carbone and unanimously carried to approve the minutes of the Regular Board meeting held October 2, 2019.

VI. CONSENT CALENDAR

- A.** Consider approving the Board and Technical Advisory Committee schedule of meetings for 2020
- B.** Consider approving Summary of Payments October - November 2019 totaling \$23,438.16
- C.** Consider approving Fiscal (Calendar) Year 2019 Financial Reports through October 31, 2019

Director Cook requested to pull item B from the calendar for further discussion.

Moved by Council Member Albert, seconded by Council Member Gaglioti and unanimously carried to approve items A and C of the consent calendar as presented.

Director Cook inquired whether Watermaster expenditures are available in a form listing time spent and cost per task. Ms. Paxton affirmed that invoices submitted to Watermaster list time spent and cost per task, and that financial reports and invoices could be provided upon request. Director Cook felt the paragraph format of reporting expenditures to the board was sufficient as long as documents with time per task cost breakdown can be provided upon request.

Moved by Director Cook, seconded by Mayor Carbone and unanimously carried to approve item B of the consent calendar as presented.

VII. ORAL PRESENTATION: Georgina King, Montgomery & Associates, Watermaster consultant presented the 2019 Seawater Intrusion Analysis Report that examines the health of the Seaside Groundwater Basin (Basin) for indication of seawater intrusion occurring or imminent. The last three samples from monitoring well FO-9 shallow sampled within this water year indicate a greater concentration of chloride anions than in previous water years, up 20-30 mg/l sustained through the year. This remains in the realm of natural fluctuation however the well will be monitored closely, and sampling will be increased from 2 times per year to quarterly if results yield over 80 mg/l. In the Northern Coastal Subarea, where most production occurs in the Basin from the deep aquifer, groundwater levels during production are 70-80 feet below sea level, recovering to approximately 25' below sea level when static. Laguna Seca Subarea (LSSA) elevations are declining .6 feet per year in both deep and shallow wells.

Ms. King felt current production is not sustainable—most aquifer elevations are well below protective metrics. Although monitoring of Basin water chemistry and elevations throughout the years has not indicated seawater intrusion occurring, conditions are ripe. The Basin is critically overdrafted per Sustainable Groundwater Management Act standards. Natural recharge is relatively minimal. Seawater intrusion is not possible to predict; achieving protective water levels is the proactive measure in place. Injecting water into the coastal area and leaving it in place would be the best course of action in defense of seawater intrusion. Ms. King noted that basin jurisdictional boundaries give the impression of a confined “tub” however in reality basins are not geologically confined. There is inflow and/or outflow occurring across subareas and at basin boundaries as with inflow/outflow to/from LSSA.

Director Gaglioti emphasized the Watermaster directive to mitigate Basin overdraft and then sustain protective water levels. Director Bruno noted that completion of the desalination plant would provide water to leave in the Basin. Director Riley felt a new source of Basin recharge water was the only solution to achieving protective groundwater levels. Mr. Jaques received information from Department of Water Resources that adjudicated basins are not eligible for project grant funding however MPWMD-submitted Basin projects might be eligible. Director Cook requested that staff and/or TAC explore further the opportunity for Basin project grant funding. He felt with Natural Safe Yield determined by modeling to be more realistically 2,370 AF per year versus the Decision's 3,000 AF per year, even more production ramp down and recharge is needed to achieve protective groundwater levels. Construction of an intertie to Ryan Ranch and Bishop wells in LSSA is anticipated in February 2020 to address declining water levels in that subarea. Ms. Hardgrave addressed the board suggesting that Watermaster engage with the developing Salinas Valley Groundwater Sustainability Agency and Marina Coast Water District (MCWD) in planning the management of basins bordering LSSA and the Northern Inland Subarea respectively. Mr. Jaques noted he has been in communication with MCWD with regard to Watermaster receiving data collected the next two years during the development of the Coral de Tierra area groundwater

sustainability agency. Director Riley commended Watermaster, the equivalent of a sustainable groundwater management agency, being established 10+ years prior to the current State mandate.

VIII. NEW BUSINESS:

- A. Consider Approving the Seawater Intrusion Analysis Report for 2019. The complete SIAR is posted on the Watermaster website at <http://www.seasidebasinwatermaster.org>

Moved by Council Member Gaglioti, seconded by Director Riley and unanimously carried, to approve the Seawater Intrusion Analysis Report for 2019.

- B. Declaration of Unavailability of Artificial Replenishment Water for Water Year 2020.

Moved by Mayor Carbone, seconded by Council Member Gaglioti and unanimously carried, to adopt the Declaration of No Artificial Replenishment Water Available for Water Year 2020.

- C. Discuss/Consider Approval of City of Seaside (City) Application for In-lieu Storage. An Order on Motion dated October 25, 2019 from Judge O'Farrell determined that the proposed program is consistent with the terms of the Decision and approved the City's in-lieu storage proposal. Director Cook questioned the disposition of amounts of water stored by the City in excess of Standard and Alternative Production demand, if the excess would be distributed to other Standard Producers at water year end under the City's Alternative Producer designation. Russ McGlothlin, counsel for the City clarified that what is proposed and approved by the judge is the City using its Alternative Production Allocation as the mechanism for in lieu storage of water up to the City Standard Production storage allocation until recovered at a later date left open by the Decision, regardless of demand. If recovery of the stored water poses a threat to Basin health, the City and Watermaster would address to best protect the Basin as per agreement terms.

Moved by Director Riley, seconded by Council Member Gaglioti and unanimously carried, to approve the City of Seaside Application for In-lieu Storage.

Counsel McGlothlin requested Watermaster staff prepare the storage agreement using the agreement with CAW and MPWMD for Storage and Recovery of Water from the Pure Water Monterey Project as a template.

- D. Discussion/Consider Approving the Watermaster Annual Report for Water Year 2019. Mr. Jaques advised the complete draft version is posted on the Watermaster website at <http://www.seasidebasinwatermaster.org> and reflects input from the TAC. The 2019 Annual Report will be filed with the Court by January 15th.

Moved by Council Member Gaglioti, seconded by Mayor Carbone and unanimously carried, to approve the Watermaster Annual Report for Water Year 2019 as submitted.

- X. OLD BUSINESS:** None

XI. INFORMATIONAL REPORTS:

- A. Technical Advisory Committee (TAC) draft minutes from November 20, 2019 meeting.
- B. Watermaster report of production of the Seaside Basin through Water Year 2019 (October 1, 2018 – September 30, 2019)
- C. Replenishment Fund Assessment calculations and 2019 Standard Producer Assessments

XII. DIRECTOR'S REPORTS: Director Bruno reported that he had submitted Watermaster Resolution 19-01 adopted at the October 2, 2019 board meeting expressing support of the Monterey Peninsula Water Supply Project Desalination Plant and Related Facilities to the California Coastal Commission for consideration at its November 14th hearing, and spoke in support at the meeting.

XIII. STAFF COMMENTS: The January 1, 2020 board meeting on New Year's Day will not be held.

XIV. NEXT MEETING DATE: The next meeting of the Watermaster board will be held Wednesday, February 5, 2020 at the Monterey One Water board room at 5 Harris Court, Building "D" on Ryan Ranch in Monterey at 2:00 p.m.

XV. There being no further business, Chair Bruno adjourned the meeting at 3:38 p.m.

SEASIDE GROUNDWATER BASIN WATERMASTER

TO: Board of Directors
FROM: Laura Paxton, AO
DATE: February 5, 2020
SUBJECT: Summary of Payments made during the month of Decemberr 2019

RECOMMENDATIONS:

Consider approving payment of bills submitted and authorized to be paid December 2019

Summary of Payments Made December 2019

Paxton Associates (Administrative Officer (AO))

November 26, 2019 through December 25, 2019 52.5 \$ 5,250.00

Responded to telephone inquiries, e-mail, and other correspondence as needed regarding the Seaside Basin. Prepare for/attend 12/4 Board meeting. Collect board member appointments. Admin & Operations Funds Assessment invoices and backup to parties. Replenishment Fund assessments financial reporting to parties. Arrange for CAW to file Annual Report to Court and update service list. Prepare Budget/Finance Committee transmittal regarding 2019 contingency budget adjustment. Begin developing RFP for WM legal services. Review CAW moratorium transcripts. Send cancellation of 1/1/20 board meeting. Respond to further requests from Mr. Lucido regarding public records request of Bay Ridge well documents and information. Collect/follow up/post production and level reporting. Review CAW TAC item. Routinely picked up mail from PO Box; reconciled accounts to the City of Seaside Watermaster accounts; prepared financial reports; processed invoices; reviewed and posted items to web site.

Robert Jaques (Technical Program Manager)

December 2, 2019 through December 24, 2019 25.5 3,825.00

Responded to emails, telephone inquiries, and other correspondence on a variety of Watermaster issues. Prepare for and attend 12/4 board meeting. Prepare TAC 1/8/20 meeting agenda packet. Meet w/Cook CAW & AO Paxton re: LSSA wells; respond to additional Lucido requests. Provide 2019 Annual Report to CAW for filing. Develop Seaside Storage and Recovery Agreement and review w/Seaside attorneys. Telecon w/Stoldt et al re: MPWMD rules/regs affecting well owner water allocations in the Basin. Research grant program eligibility questions. Review CAW proposed 1/8/20 TAC agenda item re: LSSA moratorium and research in that regard groundwater modeling work done in LSSA.

Summary of Payments Made December 2019 (continued)

Montgomery & Associates (Technical Consultant)

October 1, 2019 - October 31, 2019 33.0 4,855.00

RFS 2019-02 Seawater Intrusion Analysis Report

Request and compile groundwater quality and level data from MPWMD; request and compile production data from WM staff; update chemographs, hydrographs, stiff and piper diagrams; prepare SIAR outline.

November 1, 2019 - November 30, 2019 61.5 9,007.50

RFS 2019-02 Seawater Intrusion Analysis Report

Review water quality data; prepare stiff and piper diagrams; prepare hydrographs and groundwater elevation contour maps; write SIAR text including executive summary; prepare SIAR presentation for TAC via phone on 11/20; prepare groundwater quality and level data appendices.

December 1, 2019 - December 31, 2019 22.0 3,307.50

Travel - Zip Car 41.03

Travel - Meals 16.59

RFS 2019-02 Seawater Intrusion Analysis Report

Prepare for SIAR presentation to WM board and email to Jaques; travel to/from Monterey/Oakland to present to board; review chloride and groundwater level data north of the Basin; prepare map and chloride concentration charts; prepare email/attachments for Jaques.

Paxton Imaging - Webmaster

January - December 2019 2,400.00

Monthly Watermaster website updates and hosting @ \$200/month

Total for December 2019 \$ 28,702.62

Seaside Groundwater Basin Watermaster
Budget vs. Actual Administrative Fund
 Fiscal Year (January 1 - December 31, 2019)
 Balance through December 31, 2019

	<u>2019 Adopted Revised Budget</u>	<u>Contract Amount</u>	<u>Year to Date Revenue / Expenses</u>
Available Balances & Assessments			
Dedicated Reserve	-		-
FY (Rollover)	23,000.00		12,825.52
Admin Assessments	77,000.00		77,000.00
Available	<u>100,000.00</u>		<u>89,825.52</u>
Expenses			
Contract Staff	50,000.00	50,000.00	47,725.00
Legal Advisor	25,000.00		5,002.20
Filing fees and postage			-
Total Expenses	<u>75,000.00</u>	<u>50,000.00</u>	<u>52,727.20</u>
Total Available	25,000.00		
Dedicated Reserve	25,000.00		25,000.00
Net Available	<u><u>-</u></u>		<u><u>12,098.32</u></u>

Seaside Groundwater Basin Watermaster
Budget vs. Actual Monitoring & Management - Operations Fund
 Fiscal Year (January 1 - December 31, 2019)
 Balance through December 31, 2019

	<u>2019 Adopted Budget</u>	<u>Contract Encumbrance</u>	<u>Year to Date Revenue/Expenses</u>
Available Balances & Assessments			
Operations Fund Assessment	\$ 106,921.00	\$ -	\$ 106,921.00
Pass Through	-	3,915.00	3,354.00
Cost Share Reimbursement	-	-	-
FY 2018 Rollover	100,000.00	-	222,193.80
Total Available	\$ 206,921.00	\$ 3,915.00	\$ 332,468.80
Appropriations & Expenses			
GENERAL			
Technical Project Manager	\$ 50,000.00	\$ 50,000.00	\$ 59,137.50
Contingency @ 10% (not including TPM)	14,266.00	-	-
Total General	\$ 64,266.00	\$ 50,000.00	\$ 59,137.50
CONSULTANTS (Montgomery; Todd Groundwater; Web Site Database)			
Program Administration	\$ 21,140.00	\$ 19,400.00	\$ 12,620.48
Production/Lvl/Qlty Monitoring	2,400.00	-	1,228.75
Basin Management	30,000.00	-	17,170.00
Seawater Intrusion Analysis Report	21,550.00	21,100.00	-
Total Consultants	\$ 75,090.00	\$ 40,500.00	\$ 31,019.23
MPWMD			
Production/Lvl/Qlty Monitoring	\$ 48,832.00	48,832.00	20,950.00
Pass Through 2018	-	3,915.00	1,116.00
Basin Management	-	-	-
Seawater Intrusion	1,192.00	1,192.00	-
Direct Costs	-	-	2,820.00
Total MPWMD	\$ 50,024.00	\$ 53,939.00	\$ 24,886.00
CONTRACTOR (Martin Feeney)			
Production/Lvl/Qlty Monitoring	\$ 17,541.00	\$ 17,540.56	\$ 15,513.45
Total Appropriations & Expenses	\$ 206,921.00	\$ 161,979.56	\$ 130,556.18
Total Available	-		201,912.62

Seaside Groundwater Basin Watermaster Replenishment Fund								ITEM VIII.B. 2/5/20 Page 1	
Water Year 2019 (October 1 - September 30) / Fiscal Year (January 1 - December 31, 2019) Balance through December 31, 2019									
Replenishment Fund	2006	2007	2008	2009	2010	2011	2012	2013	2014
Assessments:	WY 05/06	WY 06/07	WY 07/08	WY 08/09	WY 09/10	WY 10/11	WY 11/12	WY 12/13	WY 13/14
Unit Cost:	\$1,132 / \$283	\$1,132 / \$283	\$2,485 / 621.25	\$3,040 / \$760	\$2,780 / \$695	\$2,780 / \$695	\$2,780 / \$695	\$2,780 / \$695	\$675.50
Cal-Am Water Balance Forward	\$ -	\$ 1,641,004	\$ 4,226,710	\$ (2,871,690)	\$ (2,839,939)	\$ (3,822,219)	\$ (6,060,164)	\$ (8,735,671)	\$ (6,173,771)
Cal-Am Water Production	3710.0 AF	4059.9 AF	3862.9 AF	2966.0 AF	3713.5 AF	3416.0 AF	3070.9 AF	3076.6 AF	3232.1 AF
Exceeding Natural Safe Yield Considering Alternative Producers	2,106,652	2,565,471	5,199,014	3,773,464	4,112,933	3,187,854	2,280,943	2,380,842	2,790,539
Operating Yield Overproduction Replenishment	-	20,235	8,511	-	-	-	154,963	181,057	281,012
Total California American	\$ 2,106,652	\$ 2,585,706	\$ 5,207,525	\$ 3,773,464	\$ 4,112,933	\$ 3,187,854	\$ 2,435,907	\$ 2,561,899	\$ 3,071,550
CAW Credit Against Assessment	(465,648)		(12,305,924)	\$ (3,741,714)	(5,095,213)	(5,425,799)	(5,111,413)	-	-
CAW Unpaid Balance	\$ 1,641,004	\$ 4,226,710	(2,871,690)	\$ (2,839,939)	\$ (3,822,219)	\$ (6,060,164)	\$ (8,735,671)	\$ (6,173,771)	\$ (3,102,221)
City of Seaside Balance Forward	\$ -	\$ 243,294	\$ 426,165	\$ 1,024,272	\$ 1,619,973	\$ 891,509	\$ (110,014)	\$ (773,813)	\$ (1,575,876)
City of Seaside Municipal Production	332.0 AF	387.7 AF	294.3 AF	293.4 AF	282.9 AF	240.7 AF	233.7 AF	257.7 AF	223.6 AF
Exceeding Natural Safe Yield Considering Alternative Producers	219,689	174,082	402,540	465,300	314,721	141,335	163,509	236,782	142,410
Operating Yield Overproduction Replenishment	12,622	85	4,225	16,522	20,690	-	1,689	27,007	3,222
Total Municipal	232,310	174,167	406,764	481,823	335,412	141,335	165,198	263,788	145,631
City of Seaside - Golf Courses									
Exceeding Natural Safe Yield - Alternative Producer	-	-	131,705	69,701	-	-	-	-	-
Operating Yield Overproduction Replenishment	-	-	32,926	17,427	-	-	-	-	-
Total Golf Courses	-	-	164,631	87,128	-	-	-	-	-
Total City of Seaside*	\$ 232,310	\$ 174,167	\$ 571,395	\$ 568,951	\$ 335,412	\$ 141,335	\$ 165,198	\$ 263,788	\$ 145,631
City of Seaside Late Payment 5%	10,984	8,704	26,712	26,750	15,737				
In-lieu Credit Against Assessment	-		-	\$ -	(1,079,613)	(1,142,858)	(828,996)	(1,065,852)	(1,459,080)
City of Seaside Unpaid Balance	\$ 243,294	\$ 426,165	\$ 1,024,272	\$ 1,619,973	\$ 891,509	\$ (110,014)	\$ (773,813)	\$ (1,575,876)	\$ (2,889,325)
Total Replenishment Fund Balance	\$ 1,884,298	\$ 4,652,874	\$ (1,847,417)	\$ (1,219,966)	\$ (2,930,710)	\$ (6,170,178)	\$ (9,509,483)	\$ (7,749,648)	\$ (5,991,546)
Replenishment Fund Balance Forward	-	\$ 1,884,298	\$ 4,652,874	\$ (1,847,417)	\$ (1,219,966)	\$ (2,930,710)	\$ (6,170,178)	\$ (9,509,483)	\$ (7,749,648)
Total Replenishment Assessments	2,349,946	2,768,576	5,805,632	4,369,165	4,464,082	3,329,189	2,601,104	2,825,688	3,217,182
Total Paid and/or Credited	(465,648)	-	(12,305,924)	(3,741,714)	(6,174,826)	(6,568,657)	(5,940,409)	(1,065,852)	(1,459,080)
Grand Total Fund Balance	\$ 1,884,298	\$ 4,652,874	\$ (1,847,417)	\$ (1,219,966)	\$ (2,930,710)	\$ (6,170,178)	\$ (9,509,483)	\$ (7,749,648)	\$ (5,991,546)

**Seaside Groundwater Basin Watermaster
Replenishment Fund**

ITEM VIII.B.

2/5/20

Water Year 2019 (October 1 - September 30) / Fiscal Year (January 1 - December 31, 2019)

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Balance through December 31, 2019

2015	2016	2017	2018	2019	Totals WY 2006 Through 2019	Budget WY 2020	Projected Totals Through WY 2020
WY 14/15	WY 15/16	WY 16/17	WY 17/18	WY 18/19		WY 19/20	
\$675.50	\$675.50	\$2,872 / \$718	\$2,872 / \$718	\$2,872 / \$718		\$2,872 / \$718	
\$ (3,102,221)	\$ (676,704)	\$ (676,704)	\$ (491,747)	\$ (48,797,949)		\$(47,979,851)	
2764.73 AF	1879.21 AF	2029.51 AF	2229.45 AF	2120.22 AF			
2,113,414	-	184,957	1,075,995	818,097	\$ 32,590,175	100,000	\$ 32,690,175
312,103	-	-	-	-	957,881	20,000	977,881
\$ 2,425,516		\$ 184,957	\$ 1,075,995	\$ 818,097	\$ 33,548,056	\$ 120,000	\$ 33,668,056
-	-		(49,382,196)	-	(81,527,907)	-	(81,527,907)
\$ (676,704)	\$ (676,704)	\$ (491,747)	\$(48,797,949)	\$(47,979,851)	\$(47,979,851)	\$(47,859,851)	\$ (47,859,851)
\$ (2,889,325)	\$ (3,346,548)	\$ (3,232,420)	\$ (3,142,500)	\$ (3,022,249)		\$ (2,919,806)	
223.6 AF	185.01 AF						
69,630	102,330	87,512	93,225	79,893	\$ 2,692,956	100,000	\$ 2,792,956
38	11,959	2,409	27,026	22,550	150,043	10,000	160,043
69,667	114,290	89,920	120,251	102,443	2,842,999	110,000	2,952,999
-	-	-	-	-	201,406	-	201,406
-	-	-	-	-	50,353	-	50,353
-	-	-	-	-	251,759	-	251,759
\$ 69,667	\$ 114,290	\$ 89,920	\$ 120,251	\$ 102,443	\$ 3,094,758	\$ 110,000	\$ 3,204,758
					88,887		88,887
(526,890)	(162)	-	-	-	(6,103,451)	-	(6,103,451)
\$ (3,346,548)	\$ (3,232,420)	\$ (3,142,500)	\$ (3,022,249)	\$ (2,919,806)	\$ (2,919,806)	\$ (2,809,806)	\$ (2,809,806)
\$ (4,023,252)	\$ (3,909,125)	\$ (3,634,247)	\$(51,820,198)	\$(50,899,657)	\$(50,899,657)	\$(50,669,657)	\$ (50,669,657)
\$ (5,991,546)	\$ (4,023,252)	\$ (3,909,125)	\$ (3,634,247)	\$(51,820,198)		\$(50,899,657)	
2,495,183	114,290	274,877	1,196,246	920,540	36,731,701	230,000	36,961,701
(526,890)	(162)	-	(49,382,196)	-	(87,631,358)	-	(87,631,358)
\$ (4,023,252)	\$ (3,909,125)	\$ (3,634,247)	\$(51,820,198)	\$(50,899,657)	(50,899,657)	\$(50,669,657)	\$ (50,669,657)

SEASIDE GROUNDWATER BASIN WATERMASTER

TO: Board of Directors
FROM: Laura Paxton, Administrative Officer
DATE: February 5, 2020
SUBJECT: Budget Transfer from Monitoring and Management—Operations Fund Contingency Line Item to Technical Program Manager Line Item

RECOMMENDATIONS: Approve transferring \$9,137.50 of the \$14,266 from Monitoring and Management—Operations Fund Contingency Line Item to Technical Program Manager Line Item

BACKGROUND:

At its October 3, 2018 meeting, the Watermaster board approved an increase in the TPM fees from \$100 per hour to \$150 per hour.

Due to the TPM annual expense being significantly less than the \$50,000 budgeted annually for many years, it was anticipated that the \$50,000 budgeted for 2019 TPM expense would be sufficient even with the fee increase. However, the 2019 budget amount for Watermaster Technical Program Manager (TPM) is \$50,000. The yearend expensed amount for the TPM is \$59,137.50.

By unanimous email consent in early December 2019, the Budget and Finance Committee members recommended the board approve the budget adjustment.

DISCUSSION:

Increased TPM workload in 2019 includes coordinating with developing Sustainable Groundwater Management Act Groundwater Sustainability Plans, particularly in the Monterey Subbasin of the Salinas Valley Groundwater Basin just east of the Watermaster Laguna Seca Subarea. Moreover, the TPM coordinates the Watermaster Technical Advisory Committee meetings and prepares the content of those meetings, and technical issues coming before the committee increased in 2019 from previous years.

The requested budget adjustment would transfer \$9,137.50 from the Monitoring and Management: Operations Fund Contingency budget line to the Monitoring and Management: Operations Fund Technical Program Manager budget line to cover the budget overage through December 2019.

No other Operations Fund Contingency budget line transfers occurred in 2019.

FISCAL IMPACTS:

No fiscal impact. The balance of \$5,128.50 in Operations Fund Contingency is carried over to 2020.

ATTACHMENTS:

None

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SEASIDE GROUNDWATER BASIN WATERMASTER

TO: Board of Directors

FROM: Robert S. Jaques, Technical Program Manager

DATE: February 5, 2020

SUBJECT: Consider Approval of an Agreement for In-Lieu Storage and Recovery Agreement with the City of Seaside

RECOMMENDATIONS:

Approve the attached Agreement for In-Lieu Storage and Recovery with the City of Seaside

BACKGROUND:

At its June 12, 2019 meeting the TAC considered an application from the City of Seaside to store and recover non-native water from the Seaside Groundwater Basin. The City's application described an in-lieu storage program (substitution of recycled water on the Blackhorse and Bayonet Golf Courses) under the City asked to store up to 2,357 acre-feet per year, which is the City's useable storage space adopted by the Watermaster Board in February 2010. Under the City's proposal the City would acquire Pure Water Monterey Project recycled water from MCWD for irrigation of the City's golf courses in lieu of the current use of approximately 450 acre-feet per year of groundwater pumped from the Seaside Basin. The unpumped (stored) water would be recovered at the City's Well No. 4 to be delivered to MCWD for use within its service area for anticipated projects within the City's portion of the Ord Community, and potential use within the City of Seaside service area. The TAC supported the project in concept however felt its consistency with the decision was a legal matter not a technical one. At its October 2, 2019 meeting the Board also supported the City's proposal in concept, but determined that the Adjudication Decision was unclear whether the City was required to convert its Alternative Production allocation to a Standard Production allocation in order for Watermaster to enter into a storage and recovery agreement. An Order on Motion was filed by the City and Judge O'Farrell determined that the proposed program is consistent with the terms of the Decision and approved the City's in-lieu storage proposal.

DISCUSSION

As a result of the Judge's approval of the City's proposal, it is appropriate for the Watermaster to issue a Storage and Recovery Agreement to the City for this project. The Draft Agreement that is attached was discussed and unanimously approved by the TAC at its January 8, 2020 meeting. It is modeled after the Storage and Recovery Agreement with Cal Am and MPWMD for injection and storage of Pure Water Monterey AWT water in the Seaside Basin, which was approved by the Board in February 2019. The Draft Agreement reflects input from the City of Seaside's Attorney Office.

ATTACHMENTS:

Draft Agreement for In-Lieu Storage and Recovery with the City of Seaside

**AGREEMENT FOR STORAGE AND RECOVERY OF
NON-NATIVE WATER FROM THE
SEASIDE GROUNDWATER BASIN**

THIS AGREEMENT is made and entered into on __, ____, by and between the SEASIDE BASIN WATERMASTER (the "WATERMASTER") and the City of Seaside (the "CITY") as follows:

Recitals

1. The WATERMASTER was created by the decision, as amended, entered in the case, California American Water Company v. City of Seaside, et al. Monterey County Superior Court, filed February 9, 2007, Case No. M66343 (the "Decision"). This Decision was made for the purposes of managing and protecting the Seaside Groundwater Basin ("Basin") for the benefit of the businesses, individuals, and public agencies that overlie or extract groundwater from the Basin. The CITY is a party to the Decision.

2. In February of 2010, the WATERMASTER, in accordance with Section III.3.L.3.j.xix and III.H.2 of the Decision, allocated 2,361 acre-feet of Storage in the Coastal and Northern Inland Subareas to the CITY. In accordance with Section III.H.3 of the Decision, the CITY may use its Storage Allocation for the benefit of its customers and for other purposes as the CITY deems appropriate.

3. Section III.H.1 of the Decision states that the Parties shall be permitted to utilize available Storage space for "bona fide Groundwater Storage Projects". Section III.H.6. provides that the City has the right to store water by "Direct Injection, Spreading, or other artificial means."

4. On June 5, 2019, the CITY applied to the WATERMASTER for permission to store water in the Basin and to recover the stored water the Basin, through an in-lieu storage program.

5. On October 25, 2019, the Court determined that as presented the CITY'S application for in lieu water storage was consistent with the terms of the Decision and California law and policy.

6. Under the authorities granted to the WATERMASTER by the Decision, on December 5, 2019 the WATERMASTER approved the application of the CITY and hereby grants permission to the CITY to store Non-Native water in, and to recover that stored water from, the Basin, as described in and subject to the Terms and Conditions contained in this Agreement.

Terms and Conditions

NOW, THEREFORE, in consideration of the foregoing and the mutual promises contained herein, the parties hereto agree to the following terms and conditions:

1. Definitions. Unless otherwise specifically defined herein, the defined terms shall be given the same definition and meaning set forth in the Decision, as listed in Attachment A.

2. Storage Quantity. The CITY is authorized to store up to 2,361 acre-feet per year of the water in the Basin. In the event the WATERMASTER revises the Total Usable Storage Space of the Basin in accordance with Section III.H.4 of the Decision, or if one or more Alternative Producers converts entirely or in part from an Alternative Production Allocation to a Standard Production Allocation in accordance with Section III.B.3.e of the Decision, the CITY's Storage Allocation may change, and this may affect the storage quantity authorized by this Agreement; however, any reduction in storage quantity will not result in a corresponding reduction in the amount of water actually stored at the time of the change. In such instance this Agreement will be modified to reflect these changes. Further, the parties may agree by written amendment to this Agreement to revise the storage quantities authorized herein.
3. Storage Location. The CITY's storage of water in the Basin will result from substituting recycled water obtained from the Pure Water Monterey project ("Recycled Water") for irrigation of the City's Bayonet and Blackhorse Golf Courses in lieu of the current use of approximately 450 acre-feet per year of groundwater from the Seaside Basin. The result of the substitution of the Recycled Water for groundwater production to irrigate the golf courses will cause the replenishment and storage of water in the Basin. The location where the Recycled Water will be delivered to the golf courses is shown in Attachment B.
4. Recovery Location. The CITY will recover the stored water at CITY Well No. 4, located on Juarez Street in the CITY of Seaside, Assessor's Parcel Number 012-115-017-000, as shown in Attachment C or at any replacement well drilled for City Well No. 4 so long as the recovery of stored water from the replacement well does not cause any Material Injury to the Basin. CITY Well No. 4 withdraws water from the Santa Margarita aquifer and is perforated at 390 to 420 feet below ground surface (bgs), 430 to 470 feet bgs and at 490 to 550 feet bgs.
5. Recovery Quantity. The CITY is initially authorized to recover (Extract) the full amount of the water that is actually Stored in accordance with this Agreement. However, due to the hydrogeologic characteristics of the Seaside Basin, naturally occurring losses of Stored Water may result in the WATERMASTER reducing the percentage of Stored Water that may be Extracted. Should the WATERMASTER determine that this needs to be done, this Agreement will be modified to reflect the reduced quantity of water that the CITY may recover, and the technical basis for this determination will be provided to all PRODUCERS.
6. Water Quality. Because the storage pursuant to this Agreement would occur through in-lieu storage procedures rather than injection or spreading, water quality should not be of concern. However, the substitution water is Recycled Water from the Pure Water Monterey Project, which is the same water that MPWMD will inject into the Seaside Basin pursuant to the California-American Water Company storage program previously approved by Watermaster. The water quality constituents in the Recycled Water will not exceed the water quality limits contained in the Waste Discharge Requirements and Water Recycling Requirements issued for the Pure Water Monterey Project issued by the Central Coast RWQCB in Order No. R3-2017-0003.

7. Carryover and Stored Water Credits. In accordance with Section III.F of the Decision, if during a particular Water Year the CITY does not Extract from the Basin a total quantity equal to the CITY's Standard Production Allocation plus any stored water for the particular Water Year, the CITY may establish Carryover Credits, up to the total amount of the CITY's Storage Allocation.

However, in accordance with the Decision in no circumstance may the sum of the CITY's Stored Water Credits and Carryover Credits exceed the CITY's available Storage Allocation. Further, in accordance with Section III.H.5 of the Decision, unused (not Extracted) Stored Water Credits may be carried over from year to year, but due to the hydrogeologic characteristics of the Seaside Basin, naturally occurring losses of Stored Water may require Watermaster to discount the percentage of Stored Water for all SPA Producers that may be Extracted.

8. Measurement and Reporting of Extractions and Storage. In accordance with Section III.J of the Decision, the CITY shall ensure that adequate measuring devices are installed, maintained, and used on all facilities that deliver Recycled Water to the CITY's golf courses, and the CITY shall ensure that adequate measuring devices are installed, maintained, and used on all of the CITY's Extraction facilities, as required by the WATERMASTER's Rules and Regulations and this Agreement.

Beginning on the initial delivery of Recycled Water to the CITY in accordance with this Agreement, the CITY shall provide to the WATERMASTER a monthly Recycled Water report which contains the following information:

- The quantity of Recycled Water that was delivered to and used by the CITY to irrigate the CITY's golf courses. This quantity will represent the amount of water Stored by the CITY for subsequent extraction under this Agreement.
- The quantity of Stored Water that was recovered (Extracted)
- The location(s) where the Stored Water was recovered (Extracted)

9. Indemnification. The CITY shall assume the defense of, indemnify and hold harmless, the WATERMASTER, its officers, agents and employees from all claims, liability, loss, damage or injury of any kind, nature or description arising directly or indirectly from actions or omissions by the CITY or any of its officers, agents, employees, or independent contractors relating to this Agreement, excepting claims, liability, loss, damage or injury which arise from the willful or negligent acts, omissions, or activities of an officer, agent or employee of the WATERMASTER.
10. Successors and Assigns. This Agreement, and all the terms and conditions hereof, shall apply to and bind the successors and assigns of the respective parties hereto; provided that the CITY shall not assign this Agreement without prior written consent of the WATERMASTER.
11. Further Cooperation. Each of the parties agree to reasonably cooperate with each other, and to execute and deliver to the other all such documents and instruments, and to take such further actions, as may reasonably be required to give effect to the terms and conditions of this Agreement.

12. Interpretation. It is agreed and understood by the parties hereto that this Agreement has been arrived at through negotiation and that no party is to be deemed the party which prepared this Agreement within the meaning of Civil Code §1654. The provisions of this Agreement shall be interpreted in a reasonable manner to effect the purpose of the parties and this Agreement.
13. Disputes. If any dispute under this Agreement arises the parties shall first meet and confer in a good faith attempt to resolve the matter between themselves. Each party shall make all reasonable efforts to provide to the other parties all the information that the party has in its possession that is relevant to the dispute, so that all parties will have ample information with which to reach a decision. If the dispute is not resolved by meeting and conferring, the matter shall be submitted to the Court for resolution pursuant to the Court's reserved jurisdiction as set forth in the Decision.
14. Modification. This Agreement may be amended, altered or modified only by a writing, specifying such amendment, alteration or modification, executed by authorized representatives of each of the parties hereto.
15. Attorney's Fees and Costs. In the event it should become necessary for any party to enforce any of the terms and conditions of this Agreement by means of court action or administrative enforcement, the prevailing party/parties, in addition to any other remedy at law or in equity available to such party, shall be awarded from the non-prevailing party/parties all reasonable costs and reasonable attorney's fees in connection therewith, including the fees and costs of experts reasonably consulted by the attorneys for the prevailing party/parties.
16. Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which shall be deemed to constitute one and the same instrument.
17. Written Notice. Written notice shall be deemed to have been duly served if delivered in person or by mail to the individuals and at the addresses listed below:

WATERMASTER

CITY

Administrative Officer
 Seaside Basin Watermaster
 P.O. Box 51502
 Pacific Grove, CA 93950

Craig Malin
 City Manager
 City of Seaside
 440 Harcourt Avenue
 Seaside, CA 93955

w/E-mail Copy to:
 Cityattorney@ci.seaside.ca.us

18. Conflicts with the Decision. The Parties believe this Agreement to be consistent with the terms of the Decision and agree that the PRODUCER's rights under this Agreement are subject to the Decision and in the event of any conflict between the provisions of this Agreement and the Decision, the Decision shall control.

19. Entire Agreement. This Agreement constitutes the entire and complete agreement between the parties regarding the subject matter hereof, and supersedes all prior or contemporaneous negotiations, understandings or agreements of the parties, whether written or oral, with respect to such subject matter.
20. Term. This Agreement shall be effective on the date it has been executed by all Parties and continue in perpetuity unless and until ordered terminated by the Court maintaining continuing jurisdiction over the Decision.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement consisting of five (5) pages and three (3) attachments in triplicate on the date hereinabove written.

WATERMASTER

By: _____
Paul Bruno
Chairperson

CITY

By: _____
Craig Malin
City Manager

Approved as to Form

City Attorney

ATTACHMENT A

DEFINITIONS

(Excerpted from the Decision)

"Artificial Replenishment" means the act of the WATERMASTER, directly or indirectly, engaging in or contracting for Non-Native Water to be added to the Groundwater supply of the Seaside Basin through Spreading or Direct Injection to offset the cumulative Over-Production from the Seaside Basin in any particular Water Year pursuant to Section III.L.3.j.iii. It shall also include programs in which Producers agree to refrain, in whole or in part, from exercising their right to produce their full Production Allocation where the intent is to cause the replenishment of the Seaside Basin through forbearance in lieu of the injection or spreading of Non-Native Water.

"Carryover" means that portion of a Party's Production Allocation that is not Extracted from the Basin during a particular Water Year. Each acre-foot of Carryover establishes an acre-foot of Carryover Credit.

"Carryover Credit(s)" means the quantity of Water established through Carryover, that a Party is entitled to Produce from the Basin pursuant to Section III.F.

"Extraction," "Extractions," "Extracting," "Extracted," and other variations of the same noun or verb, mean pumping, taking, diverting or withdrawing Groundwater by any manner or means whatsoever from the Seaside Basin.

"Groundwater" means all Water beneath the ground surface in the Seaside Basin, including Water from Natural Replenishment, Artificial Replenishment, Carryover, and Stored Water.

"Material Injury" means a substantial adverse physical impact to the Seaside Basin or any particular Producer(s) including but not limited to: seawater intrusion, land subsidence, excessive pump lifts and water quality degradation.

"Natural Replenishment" means all processes by which Water may become a part of the Groundwater supply of the Seaside Basin without the benefit of the Physical Solution and the coordinated management it provides. Groundwater that occurs in the Seaside Basin as a result of the Physical Solution, which is not Natural Replenishment, includes, but is not limited to Storage, Carryover, and Artificial Replenishment.

"Non-Native Water" means all Water that would not otherwise add to the Groundwater supply through natural means or from return flows from surface applications other than intentional Spreading.

"Physical Solution" means the efficient and equitable management of Groundwater resources within the Seaside Basin, as prescribed by this Decision, to maximize the reasonable and beneficial use of Water resources in a manner that is consistent with Article X, Section 2 of the California Constitution, the public interest, and the basin rights of the Parties, while working to bring the Production of Native Water to Natural Safe Yield.

“Producer” means a Party possessing a Base Water Right.

"Standard Production Allocation" is the amount of Groundwater that a Producer participating in this allocation method may Produce from a Subarea of the Seaside Basin as provided in Section

III.B.2, which is determined by multiplying the Base Water Right by the Operating Yield. "Storage" means the existence of Stored Water in the Seaside Basin.

"Storage Allocation" means that quantity of Stored Water in acre feet that a Party is allowed to Store in the Coastal Subarea or the Laguna Seca Subarea at any particular time.

"Storage Allocation Percentage" means the percentage of Total Usable Storage Space allocated to each Producer proceeding under the Standard Production Allocation. Producers proceeding under the Alternative Production Allocation are not allocated Storage rights and, consequently, their share of the Total Usable Storage Space is apportioned to the Producers proceeding under the Standard Production Allocation. Pursuant to the terms of Section III.B.3, Parties proceeding under the Alternative Production Allocation enjoy a one-time right to change to the Standard Production Allocation. Due to the recalculation of the Storage Allocation Percentage necessitated when a Party changes to the Standard Production Allocation, the WATERMASTER will maintain the up-to-date Seaside Basin Storage Allocation Percentages.

"Storage and Recovery Agreement" means an agreement between WATERMASTER and a Party for Storage pursuant to Section III.L.3.j.xx.

"Store" and other variations of the same verb refer to the activities establishing Stored Water in the Seaside Basin.

"Stored Water" means (1) Non-Native Water introduced into the Seaside Basin by a Party or any predecessors-in-interest by Spreading or Directly Injecting that Water into the Seaside Basin for Storage and subsequent Extraction by and for the benefit of that Party or their successors-in-interest; (2) Groundwater within the Seaside Basin that is accounted for as a Producer's Carryover; or (3) Non-Native water introduced into the Basin through purchases by the WATERMASTER, and used to reduce and ultimately reverse Over-Production.

"Stored Water Credit" means the quantity of Stored Water augmenting the Basin's Retrievable Groundwater Supply, which is attributable to a Party's Storage and further governed by this Decision and a Storage and Recovery Agreement.

"Total Useable Storage Space" means the maximum amount of space available in the Seaside Basin that can prudently be used for Storage as shall be determined and modified by WATERMASTER pursuant to Section III.L.3.j.xix, less Storage space which may be reserved by the WATERMASTER for its use in recharging the Basin.

ATTACHMENT B

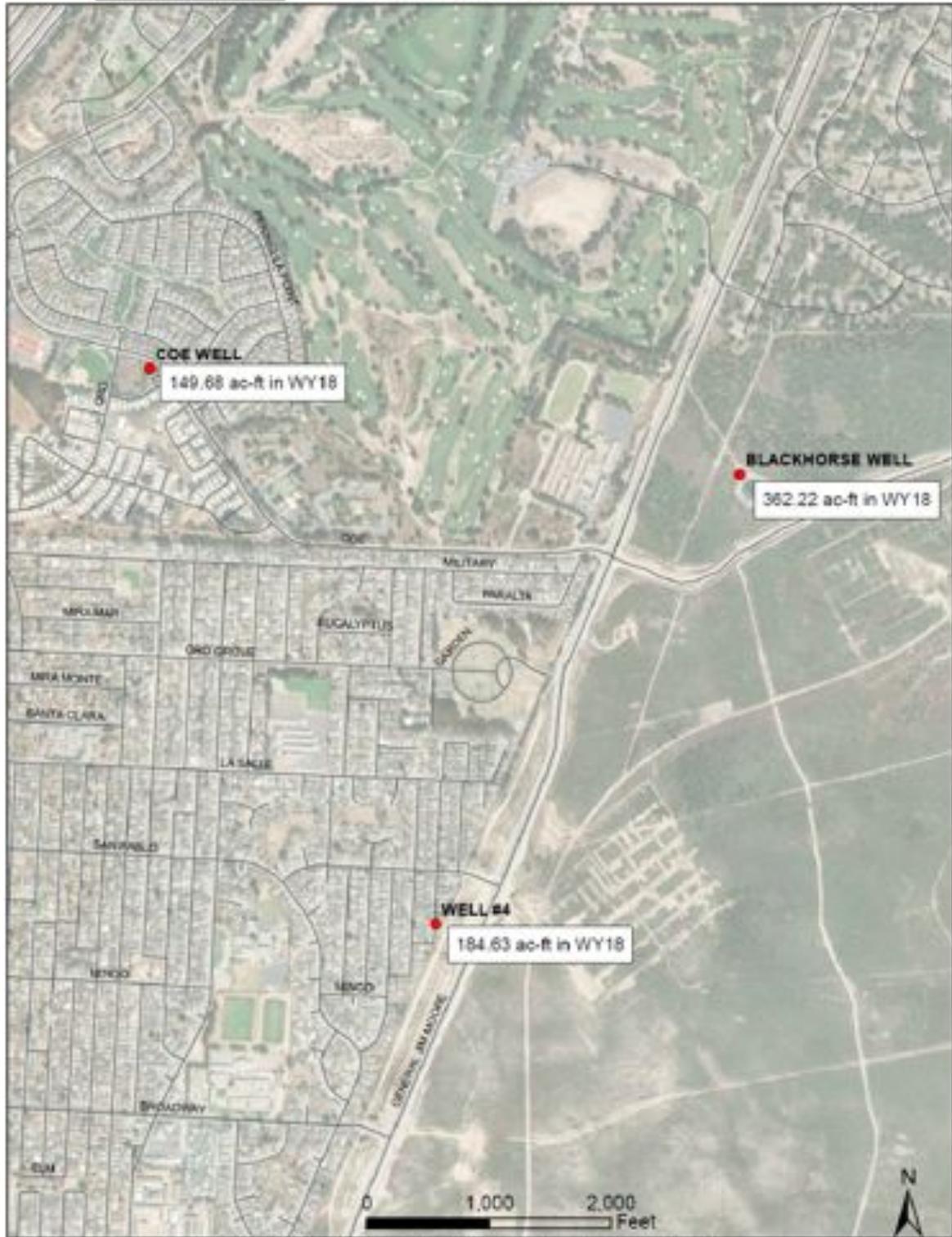
Storage Location



ATTACHMENT C

Recovery Location

Seaside Wells



T:\Projects\Current\Projects\WaterUtility\Network\Maps\Wells_Seaside.pdf

SEASIDE GROUNDWATER BASIN WATERMASTER

TO: Board of Directors

FROM: Robert S. Jaques, Technical Program Manager

DATE: February 5, 2020

SUBJECT: Request from California American Water for Discussion of Issues Pertaining to Potential Moratorium of New/Expanded Service in the Laguna Seca Subarea (LSSA)

RECOMMENDATIONS:

Make the following findings:

- (1) the Decision provides for Producers to over pump their allocations by levying a Replenishment Assessment on the amount of such over pumping;
- (2) California American Water is allowed by the Decision to over pump its allocation basin-wide, subject to a Replenishment Assessment, with no differentiation as to production in the LSSA versus the other subareas;
- (3) the Watermaster does not identify any adverse impacts associated with California American Water's planned schedule for phasing out its pumping from the LSSA, and therefore does not object to it; and
- (4) the Watermaster recognizes that California American Water's continued pumping from the LSSA at current rates until the interties to California American Water's Main System are constructed is an interim condition that would not necessitate imposing a moratorium on new or expanded service in the LSSA

BACKGROUND:

Based on input from Monterey Peninsula Water Management District, California American Water requested that the Watermaster determine whether or not the Adjudication Decision (the Decision) provides for California American Water to over pump its Laguna Seca Subarea (LSSA) allocation and not be in violation of the Decision, and whether such over pumping would cause any harm to the Basin. This request is the result of California American Water's initial belief that its pumping allocation in the LSSA had fallen to zero after the triennial ramp-downs in pumping were implemented. Under California American Water's belief, it felt it needed to take whatever steps it could in order to minimize its LSSA pumping while still serving its customers in that area. Consequently, California American Water filed an application with the California Public Utilities Commission (PUC) for authorization to implement a moratorium on new or expanded service connections for users served by California American Water's LSSA wells.

The TAC discussed this topic at its January 8, 2020 meeting, and that discussion is summarized below.

DISCUSSION

At the January 8 TAC meeting Mr. O'Halloran of California American Water explained that California American Water's intention in proposing a moratorium resulted from their understanding that they had no further pumping allocation available to them in the Laguna Seca Subarea. He went on to say that California American Water is working toward construction of an intertie to serve its Ryan Ranch and Bishop Units from California American Water's Main System. California American Water anticipates that this intertie will be completed in the fall of 2020. The Hidden Hills Unit (which is served by California American Water's Bay Ridge well) would continue to be served by pumping from the Laguna Seca Subarea.

Principle points made during the TAC's discussion of this topic included:

- California American Water's objective is to avoid having a moratorium, if it will not be in violation of the Decision and if no harm to the Basin will occur by not having a moratorium.
- California American Water confirmed that after the intertie to serve the Ryan Ranch and Bishop Units from its Main System is constructed, the Hidden Hills unit would continue to be served by pumping from California American Water's Bay Ridge Well in the LSSA.
- A few years from now, California American Water plans to construct a separate intertie to serve the Hidden Hills unit from its Main System. After both interties are completed, California American Water would completely discontinue pumping from the Laguna Seca subarea.
- The Adjudication Decision provides for producers to overpump their allocations by subjecting them to Replenishment Assessment charges.
- California American Water's request involves some issues of interpretation of the Adjudication Decision, as well as some technical issues. The TAC should weigh-in on the technical issues and defer to the Board on issues involving interpretation of the Adjudication Decision.
- The technical issues pertain to what adverse impacts, if any, will result from deferring until the fall of 2020 California American Water's cessation of the majority of its LSSA pumping, with California American Water's LSSA pumping thereafter only to serve its Hidden Hills Unit until the intertie to serve the Hidden Hills Unit is constructed.

Watermaster Staff Input (jointly from the Administrative Officer and the Technical Program Manager):

- The Adjudication Decision (Decision) makes no mention of moratoriums. Thus, California American Water imposing a moratorium on Laguna Seca Subarea (LSSA) wells is not inconsistent with the Decision, and in so doing would be at the sole discretion of California American Water.
- The Decision specifies allocation quantities for producers in the Coastal Subareas (Northern and Southern) and the LSSA, however, annual replenishment assessments and carryover are not calculated on a subarea-by-subarea basis, but basin-wide as established by the court and legal counsels at the inception of the Watermaster in 2006. The reason that these calculations are done on a basin-wide basis is due to the anomalies in the Decision which are described in the attachment.
- This means that California American Water is allowed by the Decision to over pump its allocation basin-wide, subject to a Replenishment Assessment, with no differentiation as to production in the LSSA versus the other subareas.

The TAC unanimously approved a motion stating that:

- (1) the TAC does not identify any adverse impacts associated with California American Water's planned schedule for phasing out its pumping from the LSSA, and therefore does not see any reason to object to it from a technical basis, and
- (2) the TAC recognizes that continued pumping at current rates until the interties to California American Water's Main System are constructed is an interim condition that would not necessitate imposing a moratorium on new or expanded service in the LSSA.

ATTACHMENTS:

Brief description of Anomalies in the Decision which pertain to how replenishment assessments are calculated

Anomalies in the Decision

(Note: This Attachment contains excerpts from a March 18, 2019 Memorandum that was presented to the Board at its June 5, 2019 meeting and which is contained in Attachment 10 of the Watermaster's 2019 Annual Report)

The Adjudication Decision which created the Watermaster breaks the Seaside Basin down into these four subareas:

- Northern Coastal Subarea
- Southern Coastal Subarea
- Northern Inland Subarea
- Laguna Seca Subarea

The Decision used the Natural Safe Yield (NSY) approach to establish the total quantity of water that Producers may ultimately pump from the Basin on an ongoing basis. These are referred to as their long-term Operating Yields (OYs). The Decision laid out how the long-term OYs are to be allocated amongst the various Producers. Under the NSY approach used in the Decision, Alternative Producers have first rights to the NSY, and Standard Producers share in the amount of NSY remaining after the Alternative Producer allocations have been made. The 5,600 AFY Basinwide initial OY consisted of an OY of 4,611 AFY for the Coastal Subareas and an OY of 989 AFY for the Laguna Seca Subarea.

Section III.A.17 of the Decision states that for the Basin as a whole the NSY is between 2,581 and 2,913 AFY, that for the Coastal Subarea the NSY is between 1,973 and 2,305 AFY, and that for the Laguna Seca Subarea the NSY is 608 AFY.

However, Section III.A.20 of the Decision states that the initially assumed Basinwide NSY is 3,000 AFY. In the range of values stated in the Decision for the Coastal Subarea (1,973 to 2,305 AFY), if the upper value of 2,305 AFY is added to the 608 AFY for the Laguna Seca Subarea, the resultant NSY is only 2,913 AFY for these two Subareas. This is slightly less than the Basinwide NSY of 3,000 AFY cited in Section III.A.20. This is an anomaly in the Decision.

Because of this anomaly the Watermaster has, ever since its inception, assumed that the intent of the Decision was to set the Basinwide NSY at 3,000 AFY, and that the ranges of values for NSY cited in Section III.A.17 were simply to provide background information. Consequently, allocations and replenishment assessments for over production have always been calculated on the Basin as a whole, and not on a subarea-by-subarea basis.

SEASIDE GROUNDWATER BASIN WATERMASTER

TO: Board of Directors

FROM: Laura Paxton, Administrative Officer

DATE: February 5, 2020

SUBJECT: Comments Received from Interested Party Re: Request from California American Water (CAW) for Discussion of Issues Pertaining to Potential Moratorium of New/Expanded Service in the Laguna Seca Subarea (LSSA)

RECOMMENDATIONS:

Receive comments from interested party regarding CAW potential moratorium.

BACKGROUND:

Mr. Joseph Lucido, Customer, CAW Hidden Hills Unit, interested party to the CAW potential moratorium in the Laguna Seca Subarea has corresponded with Watermaster regarding CAW infrastructure and operational matters in the Hidden Hills/Ryan Ranch/Bishop area of LSSA.

DISCUSSION

Mr. Lucido requests that emails over the last month be provided to the board with regard to the February 5, 2020 Watermaster Board Regular Meeting agenda item X.B - Request from Cal Am for Discussion of Issues Pertaining to Potential Moratorium of New/Expanded Service in the Laguna Seca Subarea. Mr. Lucido was not specific in what emails he would like provided. Attached are emails during January 2020 from Mr. Lucido to Watermaster containing comments staff feels are most pertinent to the issue.

ATTACHMENTS:

Email from Mr. Lucido to Watermaster dated 1/5/20

Email from Mr. Lucido to Watermaster dated 1/28/20

Email from Mr. Lucido to Watermaster dated 1/30/20

Subject: Lucido Comment to TAC Meeting Agenda Item #3

Date: Sunday, January 5, 2020 6:54 AM

From: Joseph Lucido <joseph.lucido@sbcglobal.net>

Reply-To: Joseph Lucido <joseph.lucido@sbcglobal.net>

To: Laura Paxton <watermasterseaside@sbcglobal.net>

Cc: Bob Jaques <bobj83@comcast.net>

Laura and Bob

I cannot attend the January 8, 2020 TAC Meeting, since I must travel out of town to attend a funeral of a family member.

I have read the Cal Am Request and their proposed plan.

I offer these comments to be presented at the TAC Meeting, since I cannot attend.

In the Decision Section M 1 (b) Interim Supplemental Water Supply, Cal Am is to ensure that it has sufficient water supplies to meet all present water needs pursuant to the MPWMD's Water Allocation Program, as set forth on Exhibit D.

Cal Am has proposed a permanent intertie to supply water that will serve Ryan Ranch and Bishop, but this intertie will not supply water to customers in Hidden Hills/Bay Ridge.

Customers in Hidden Hills/Bay Ridge are served by Cal Am from the Bay Ridge well that is located outside the legal boundaries of the Decision and by water supply from an emergency intertie from the Cal Am Toro water system, using a well that is located inside the legal boundaries of the Decision.

Cal Am proposes to pump water from the Coastal Subbasin and deliver water for use in the Laguna Seca Subbasin, but this plan only supplies water to customers in Ryan Ranch and Bishop. Cal Am provides no intertie to supply water to Hidden Hills/Bay Ridge customers from either the Carmel River or the Coastal Subbasin or water from the ASR Project or the Pure Water Project.

During the Decision interim, one alternative that Cal Am has not addressed in their stated plans is to provide water supply from Cal Am's Toro Division wells (water pumped from the adjudicated basin) via the existing emergency intertie (one way) to customers in Hidden Hills/Bay Ridge.

I believe that this alternative would meet the Decision's intent for Cal Am's obligations to augment water supply.

I hope that you or Bob can submit this comment to members of the TAC and to Board members.

Sincerely,

Joe Lucido (Cal Am Customer - Hidden Hills)

On Friday, January 3, 2020, 05:52:12 PM UTC, Laura Paxton <watermasterseaside@sbcglobal.net> wrote:

From: Joseph Lucido <joseph.lucido@sbcglobal.net>

Reply-To: Joseph Lucido <joseph.lucido@sbcglobal.net>

Date: Mon, 27 Jan 2020 01:08:19 +0000 (UTC)

To: Richard Rauschmeier <richard.rauschmeier@cpuc.ca.gov>, Water Division
<water.division@cpuc.ca.gov>

Cc: Laura Paxton <watermasterlaura@sbcglobal.net>

Subject: Question Regarding Cal Am's Representation of Hidden Hills Unit Facts to Regulatory Agencies

Richard and Water Division Representatives

I hope that you can give me your opinion or an explanation for Cal Am's inconsistent representation of Hidden Hills Unit relationship with Monterey Main, Ryan Ranch, Bishop, and Toro Units, in their various applications to the CPUC and other agencies. I offer the following information that is the basis for my request.

Cal Am has submitted design rate applications to the CPUC in various GRC (2008 thru 2019) and multiple applications to the CPUC for a Moratorium on the Hidden Hills Unit, in which the Cal Am information about the Hidden Hills Unit and its relationship with Monterey Main, Ryan Ranch, Bishop and Toro Units does not appear to be consistent with the physical data that I have discovered from the Seaside Basin Watermaster and other water related agencies. In the Cal Am descriptions about the Hidden Hills Unit to the CPUC and to the Seaside Basin Watermaster, I have noticed that the facts described do not appear to be consistent, complete or accurate.

In Application A1905007 Cal Am describes the Ryan Ranch and Bishop Unit water supply and their related water supply intertie with Monterey Main's water supply sources. Cal Am explains that a moratorium on these two satellite water systems is justified. Then, Cal Am states that it is prudent to impose a similar moratorium on the Hidden Hills Unit without any supporting documentation.

I have conducted research on the Hidden Hills Unit water system, having obtained data from the Seaside Basin Watermaster issued reports. I have discovered that the Hidden Hills Unit is served by a single Bay Ridge Well that is located outside the legal boundaries of the Adjudicated Decision. I have discovered that the Hidden Hills Unit and the Cal Am Toro Unit (also an identified Cal Am satellite water system in Monterey) are connected by a water supply intertie. I have discovered that one of the Toro Unit wells is located inside or directly on the legal boundaries of the Adjudicated Decision. I have discovered that the Hidden Hills Unit and the Toro Unit have no physical connection to obtain water supply from water supply sources in Monterey Main, Carmel Valley River, Coastal Seaside Basin Subarea, Ryan Ranch Unit, or the Bishop Unit. I have discovered that Cal Am has not imposed a moratorium on the Toro Unit, although one of their wells logically produces water from the inside the Adjudicated Decision legal boundaries. I have addressed these facts to the Seaside Basin Watermaster and I plan to discuss this situation in their next Board Meeting in February.

In GRC D0907021 (issued July 9, 2009) Cal Am had requested and was allowed to add the Hidden Hills Unit to Monterey Main, Ryan Ranch and Bishop Units rate design in 2010. Per the Decision record, Cal Am testified to the CPUC that the addition of the Hidden Hills Unit was being requested and would be performed for administrative efficiency reasons. Cal Am testified to the CPUC that this administrative plan would have no substantial impact to the customers in the

Hidden Hills Unit. In D0907021 Toro Unit was not requested to be included in the Monterey Main, Ryan Ranch and Bishop Units rate design.

In GRC A1009017 Cal Am and the CPUC addressed the impacts of the WRAM/MCBA Pilot Program initiated in D0907021. In this next GRC after D0907021, the CPUC was specifically mandated to address any disparate impact to any customers, as a result of the Decision. One CPUC concern in A1009017 was the significantly high negative Monterey WRAM in 2010 (first year results). The DRA was asked to address the reasons for the significantly high negative Monterey WRAM. Based on this mandate, the DRA asked Cal Am specific questions about the Cal Am methods, data and results. In A1009017 the DRA prepared Recommendations and Appendix A (obtained from CPUC web site) with detailed questions to Cal Am. In DRA Request JM2-001 to Cal Am, Cal Am was asked why the Ryan Ranch, Bishop and Hidden Hills Units had a positive WRAM in 2010, while the total Monterey WRAM was a significantly high negative value. In Appendix A the Cal Am response shows that Cal Am had combined the Hidden Hills Unit (Residential customers) with the Ryan Ranch Unit (Non-Residential customers) in their data collection and reporting, as being one Customer Classification. Upon review of the Cal Am Annual WRAM/MCBA Reports provided to the CPUC, specific detailed WRAM/MCBA data was provided for all 10 customer classifications for Monterey Main customers, one customer classification for the Bishop Unit customers, and only one customer classification for the combined Hidden Hills Residential customers with Ryan Ranch Non-Residential customers. When I asked the Cal Am representatives the reason for combining Hidden Hills with Ryan Ranch, Cal Am implied that Hidden Hills is physically close to Ryan Ranch. The results of the Cal Am WRAM/MCBA methods to include Hidden Hills Unit in the 2010 rate design is that Hidden Hills Unit customers have been paying a portion of the total significantly high negative Monterey WRAM. I have asked Cal Am to provide the WRAM/MCBA for Hidden Hills without Ryan Ranch, but they indicated the information is not available. All 10 of the Monterey Main customer classifications are fully detailed in the Annual WRAM/MCBA Reports. But, customers in the Hidden Hills Unit are not given the same consideration by Cal Am.

Prior to D0907021 Hidden Hills was not included in the Monterey Style WRAM and neither was the Toro Unit. The Toro Unit was not included into Monterey Main, Ryan Ranch and Bishop Units 2010 design rate per D0907021. Prior to D0907021, Cal Am submitted data to the CPUC that contained Monterey Style WRAM data for Hidden Hills Unit, although they were not legally not authorized to submit such WRAM information for Hidden Hills Unit in their Monterey Style WRAM information (CPUC Advise Letter responses document this fact).

I have documents from the CPUC web site to support my statements, but their size limits me attaching them to this email.

I would appreciate your assistance in understanding the CPUC's position on the Cal Am's representation of the Hidden Hills Unit and the facts that I have discovered.

I believe that financial harm may have taken place and may be taking place to Hidden Hills Unit customers, based on the information that I have discovered.

I believe that I must present this information to the CPUC and other agencies. I believe that a thorough investigation should be conducted to present the truth to customers in the Hidden Hills Unit.

Sincerely, Joe Lucido

Subject: Response to Cal Am New Plan to Avoid Moratorium in Hidden Hills Unit

Date: Thursday, January 30, 2020 10:04 AM

From: Joseph Lucido <joseph.lucido@sbcglobal.net>

Reply-To: Joseph Lucido <joseph.lucido@sbcglobal.net>

To: Christine Kemp ckemp@nheh.com, Laura Paxton watermasterseaside@sbcglobal.net, Cathy Hongola-Baptista cathy.hongola-baptista@amwater.com, Dave Stoldt dstoldt@mpwmd.net

Conversation: Response to Cal Am New Plan to Avoid Moratorium in Hidden Hills Unit

All

On January 29, I received a copy of the proposed Cal Am Plan to avoid a Moratorium for the Hidden Hills Unit from my attorney.

I am a Party to the CPUC A1907005 proceedings, as is Cal Am and the Monterey Peninsula Water Management District (MPWMD).

I have presented Testimony to the CPUC, regarding the Cal Am proposed Moratorium with specific details describing the Hidden Hills Unit water system's relationship with Cal Am's Monterey Main Unit, Ryan Ranch Unit, Bishop Unit and Toro Unit water systems.

Over the last month, I have submitted to the Seaside Basin Watermaster Board these specific details and I have provided to the Board my comments on the Cal Am previous Plan addressed to the Board and the TAC Committee. I request that my multiple emails be included for the record for the February 5th Board Meeting.

I offer my comments as follows:

I offer my comments to the new Cal Am Plan, so that the Board can consider my comments and suggestions prior to the meeting.

I offer my comments with the hope of achieving full disclosure of important material information and to ensure that a comprehensive plan can be presented by the Watermaster consistent with the intent of the Adjudicated Decision.

I focus my comments to the Hidden Hills Unit water system and the Toro Unit water system, since there is an existing intertie between these two Cal Am satellite water systems.

Cal Am proposes a Plan to avoid a moratorium in Hidden Hills "at this time" without presenting the specific plan details that covers the remaining Interim Period (Section III.M.1.b., page 41). The Adjudicated Decision in 2006 anticipated that the Long-Term Supplemental Water Supplies (Section III.M.1.b., page 41) would be available "at this time", as explained by Cal Am in A1907005. The duration of the remaining Interim Period is not known at this time. In 2006 the Adjudicated Decision described a comprehensive plan, and included flexibility within the plan. The Adjudicated Decision established a comprehensive plan by the following: (1) anticipated a Long-Term Supplemental Water Supply per the Cal Am Coastal Water Project completion date plus some reasonable additional time; (2) reviewed the historical water use to define an allotment using a five year average water production value for each area; and (3) determined a 14 year schedule to ramp down water usage in the Basin. I believe the Superior Court Judge would appreciate that the Watermaster present a similar approach that everyone can understand and provides the framework to review the positive and negative aspects of this comprehensive plan. For example, the new Cal Am Long-Term Supplemental Water Supply is now the MPWSP with an anticipated completion date plus 2 years for flexibility. Using production data from 2015 thru 2019 we determine the 5-year average water usage by area. From this information we can forecast a comprehensive plan for the next 14 years for Hidden Hills Unit and directly show the water sources consistent with Section III.M.1.b, page 41.

For the Hidden Hills Unit Cal Am proposes no intertie to make available sources of water supply from Carmel Valley, Monterey Main Unit, Ryan Ranch Unit, Bishop Unit, Coastal Basin, Aquifer Storage and Recovery Project or the Pure Water Project, until the Long-Term Supplemental Water Supplies are available at some date beyond Water Year 2020. For Hidden Hills Unit Cal Am proposes to use the its Standard Production and its Carryover from its Laguna Seca Sub-basin allocation, which is not clearly presented in any Table for the Water Years 2020

from its Laguna Seca Sub-basin allocation, which is not clearly presented in any table for the water years 2020 thru 2034 and which could potentially be exhausted in Water Year 2020 or 2021. For the Hidden Hills Unit there exists a functional intertie from Toro (similar to the current intertie between Monterey Main-Ryan Ranch-Bishop that Cal Am proposes to expand in the Fall of 2020 to serve only Ryan Ranch and Bishop on a permanent basis). The existing Toro Intertie design capacity should be consistent with the MPWMD Water Allocation Program (Section III.M.1.b., page 41) for 229.9 acre-feet of water per year for the Hidden Hills Unit. I believe the Cal Am Plan should consider using this existing Toro Unit Intertie water supply source, consistent with the proposed permanent intertie planned in the Fall 2020 for Monterey Main-Ryan Ranch-Bishop and consistent with Section III.M.1.b, page 41.

In the MPWMD's Testimony to the CPUC, the projected amount of additional water usage per year for Hidden Hills is listed as approximately 0.725 acre-feet per year, if a moratorium were imposed. Since 1995 the Seaside Basin has over-produced nearly 30,000 acre-feet of water (in excess of the 3,000 acre-feet Natural Safe Yield) to support customers in Carmel Valley, Monterey, Ryan Ranch, Bishop and Hidden Hills. When the Long-Term Supplemental Water Supply is available approximately 16,000 acre-feet of water will be returned to the Basin over a 25-year period. **I believe these numbers alone demonstrate that a moratorium for Hidden Hills is not reasonable and is not justifiable.**

I urge the Board, Cal Am and the MPWMD to consider these comments.

Sincerely,

Joseph Lucido (Cal Am customer in Hidden Hills Unit)

Cal Am New Plan to the Seaside Basin Water Master

Concurrence that California American Water Plan to Avoid Moratorium Is Consistent with the Amended Decision and Would Not Harm the Basin

California American Water filed an application with the Public Utilities Commission (PUC) for imposition of a moratorium in its Laguna Seca Subarea on new or expanded water service connections because its allocation for the Laguna Seca sub-basin is currently zero (0) acre feet per year. California American Water's Laguna Seca Subarea consists of the Ryan Ranch, Bishop and Hidden Hills service areas. California American Water requests concurrence from the Watermaster that the following plan, based on input from Monterey Peninsula Water Management District, to avoid imposition of a moratorium at this time is reasonable and consistent with the adjudication.

1. In a normal year with Aquifer Storage and Recovery water available, California American Water will pump groundwater from the Coastal Subbasin and deliver that groundwater for use in the Laguna Seca Subbasin, consistent with Section III.M.3.a., pp. 42-43 of the 2007 Amended Decision. Specifically, once the Main System/Ryan Ranch intertie project is complete in Fall 2020, California American Water will supply the Ryan Ranch and Bishop service areas with water produced from the Coastal Subarea of the Basin, consistent with California American Water's allocation for the Coastal Subarea.

2. Cal Am will use its Standard Production and Carryover from its Laguna Seca Sub-basin allocation to meet or offset its Hidden Hills pumping. In the PUC moratorium proceeding, the Monterey Peninsula Water Management District recognized that California American Water is entitled to unproduced Alternative Production originating in the Laguna Seca Subarea, and may use that water to meet or offset California American Water's Laguna Seca

pumping. The following table, based on Watermaster Annual Reports, was supplied in the Monterey Peninsula Water Management District's testimony:

Table 4
Carryover Originating in Laguna Seca Subarea (AF)

	2016	2017	2018
Nicklaus Club Monterey	139.43	96.00	108.00
Laguna Seca Golf Ranch	96.18	126.52	80.13
York High School	18.11	18.48	15.17
Laguna Seca County Park	24.06	24.78	19.04
Total	277.78	265.78	222.34

California American Water requests concurrence from the Watermaster that the above plan, at this time, is consistent with the Amended Decision and will not harm the Basin because while California American Water's initial annual allocation is at zero, (1) California American Water may pump groundwater from the Coastal Subbasin and deliver that groundwater for use in the Laguna Seca Subbasin, and (2) there is sufficient unproduced Alternative Production in the Laguna Seca subbasin for California American Water to meet or offset its Hidden Hills pumping.

D-R-A-F-T
MINUTES

**Seaside Groundwater Basin Watermaster
Technical Advisory Committee Meeting
January 8, 2020**

Attendees: **TAC Members**
City of Seaside – Scott Ottmar
California American Water – Tim O’Halloran
City of Monterey – Tom Harty
Laguna Seca Property Owners – Wes Leith
MPWMD – Jon Lear
MCWRA – Tamara Voss
City of Del Rey Oaks – John Gaglioti
City of Sand City – Leon Gomez (via telephone)
Coastal Subarea Landowners – No Representative

Watermaster
Technical Program Manager - Robert Jaques
Administrative Officer – Laura Paxton

Consultants
None

Others
MCWD – Patrick Breen
MPWMD – Dave Stoldt
Cal Am – Chris Cook, Cathy Hongola-Baptista
City of Seaside – Sheri Damon

The meeting was convened at 1:35 p.m.

1. Public Comments

There were no public comments.

2. Administrative Matters:

A. Approve Minutes from the November 20, 2019 Meeting

Mr. Gaglioti reported that his name had been misspelled in some locations in the minutes. With those corrections made, a motion was made, seconded, and unanimously passed to approve the minutes as presented.

B. Sustainable Groundwater Management Act (SGMA) Update

Mr. Jaques summarized the agenda packet materials for this item.

Ms. Voss reported that the Salinas Valley Basin Groundwater Sustainability Agency Board was scheduled to consider approving the 180/400-foot Aquifer GSP at its meeting later this week.

C. Continued Discussion Regarding Seeking Grant Assistance for Projects

Mr. Jaques summarized the agenda packet materials for this item.

Mr. Lear reported that Maureen Hamilton of MPWMD is now the Integrated Regional Water Management Program coordinator, following the retirement of Larry Hampson.

3. Request from Cal Am for Discussion of Several Topics Pertaining to Proposed Moratorium of New/Expanded Service in the Laguna Seca Subarea

Mr. Jaques summarized the agenda packet materials for this item.

Mr. O'Halloran explained that Cal Am's intention in proposing a moratorium resulted from their understanding that they had no further pumping allocation available to them in the Laguna Seca Subarea. He went on to say that Cal Am is working toward construction of an intertie to serve its Ryan Ranch and Bishop Units from Cal Am's Main System. The Hidden Hills Unit would continue to be served by pumping from the Laguna Seca Subarea.

There was considerable discussion on this topic. The principle points made during that discussion included:

- There are other issues related to this that are not within the context of the Adjudication Decision. These involve coordination with other parties including Department of Fisheries, Division of Water Rights, NOAA, MPWMD, and Cal Am. Those other parties participate in the quarterly water budget meetings that pertain to the Carmel River Basin.
- Cal Am's objective is to avoid having a moratorium.
- Cal Am confirmed that after the intertie to serve the Ryan Ranch and Bishop Units from its Main System is constructed, the Hidden Hills unit would continue to be served by pumping from Cal Am's Bay Ridge Well in the LSSA.
- A few years from now, Cal Am plans to construct a separate intertie to serve the Hidden Hills unit from its Main System. After both interties are completed, Cal Am would completely discontinue pumping from the Laguna Seca subarea.
- The Adjudication Decision provides for producers to overpump their allocations by subjecting them to Replenishment Assessment charges.
- Cal Am's request involves some issues of interpretation of the Adjudication Decision, as well as some technical issues. The TAC should weigh-in on the technical issues and defer to the Board on issues involving interpretation of the Adjudication Decision.
- The technical issues pertain to what adverse impacts, if any, will result from deferring until the fall of 2020 Cal Am's cessation of the majority of its LSSA pumping, with Cal Am's LSSA pumping thereafter only to serve its Hidden Hills Unit.

A motion was made, seconded, and unanimously approved stating that: (1) the TAC does not identify any adverse impacts associated with Cal Am's planned schedule for phasing out its pumping from the LSSA, and therefore does not see any reason to object to it from a technical basis, and (2) the TAC recognizes that continued pumping at current rates until the intertie to Cal Am's Main System is constructed is an interim condition that would not necessitate imposing a moratorium on new or expanded service in the LSSA.

4. Draft Agreement for In-Lieu Storage and Recovery Agreement with the City of Seaside

Mr. Jaques summarized the agenda packet materials for this item.

Mr. Gaglioti asked if the agreement contained in the agenda packet was consistent with other agreements the Watermaster had issued. Mr. Jaques responded yes, that this agreement was modeled after the Pure Water Monterey storage and recovery agreement and used the agreement template that the Board had adopted some years ago.

A motion was made, seconded, and unanimously approved to approve the City of Seaside's In-Lieu Storage and Recovery Agreement.

5. Schedule

Mr. Jaques reported that there were no significant changes or updates in the schedule.

6. Other Business

Mr. Lear provided a brief progress report on the study tracer study for the Pure Water Monterey project. He explained that a tracer study plan had been submitted to the Division of Drinking Water by Monterey One Water and MPWMD some time ago. Some changes had been requested, and a revised plan has been submitted to the Division of Drinking Water. There was a short discussion involving questions and answers about how the tracer study will be conducted. Mr. Lear said that he would provide Mr. Jaques a copy of the revised tracer study plan so Mr. Jaques can distribute it to TAC members.

Ms. Voss asked if a technical memo would be prepared describing the plan and the results from it. Mr. Lear said that quarterly reports are required to be submitted to the State, and that he would share those with the TAC as they are prepared.

The meeting adjourned at 2:40 p.m.

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SEASIDE GROUNDWATER BASIN WATERMASTER
Reported Quarterly and Annual Water Production From the Seaside Groundwater Basin
For All Producers Included in the Seaside Basin Adjudication -- Water Year 2020

(All Values in Acre-Feet [AF])

	Type	Oct	Nov	Dec	Oct-Dec 18	Jan	Feb	Mar	Jan-Mar 19	Apr	May	Jun	Apr-Jun 19	Jul	Aug	Sep	Jul-Sep 19	Reported Total	Yield Allocation	from WY 2019	for WY 2020
Coastal Subareas																					
CAW - Coastal Subareas	SPA	376.33	272.21	148.59	797.13	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	797.13	1,791.62	130.75	1,922.36
	Luzern	0.00	0.00	0.00	0.00				0.00				0.00				0.00	0.00			
	Ord Grove	90.22	73.80	75.89	239.91				0.00				0.00				0.00	239.91			
	Paralta	139.56	51.43	53.31	244.30				0.00				0.00				0.00	244.30			
	Playa	26.68	14.82	14.08	55.59				0.00				0.00				0.00	55.59			
	Plumas	18.39	0.00	0.00	18.39				0.00				0.00				0.00	18.39			
	Santa Margarita	101.48	132.16	5.31	238.94				0.00				0.00				0.00	238.94			
	ASR Recovery	0.00							0.00				0.00				0.00				
City of Seaside (Municipal)	SPA	17.69	14.60	13.85	46.13				0.00				0.00				0.00	46.13	146.99	0.00	146.99
Granite Rock Company	SPA	--	--	--	0.00				0.00				0.00				0.00	0.00	13.87	222.00	235.87
DBO Development No. 30	SPA	--	--	--	0.00				0.00				0.00				0.00	0.00	25.16	403.96	429.12
Calabrese (Cypress Pacific Inv.)	SPA	--	--	--	0.00				0.00				0.00				0.00	0.00	3.37	16.29	19.66
City of Seaside (Golf Courses)	APA	53.68	21.08	0.00	74.77				0.00				0.00				0.00	74.77	540.00		540.00
Sand City	APA	0.16	0.12	0.02	0.31				0.00				0.00				0.00	0.31	9.00		9.00
SNG (Security National Guaranty)	APA	0.05	0.06	0.04	0.15				0.00				0.00				0.00	0.15	149.00		149.00
Calabrese (Cypress Pacific Inv.)	APA	0.00	0.00	0.00	0.00				0.00				0.00				0.00	0.00	6.00		6.00
Mission Memorial (Alderwoods)	APA	2.22	1.42	0.00	3.64				0.00				0.00				0.00	3.64	31.00		31.00
Coastal Subareas Totals					922.13				0.00				0.00				0.00	922.13	2,716.00	773.00	3,489.00
Laguna Seca Subarea																					
CAW - Laguna Seca Subarea	SPA	34.90	28.14	19.44	82.48	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	82.48	0.00		0.00
	Ryan Ranch Unit	6.35	4.52	3.88	14.75				0.00				0.00				0.00	14.75			
	Hidden Hills Unit	13.35	10.82	7.60	31.77				0.00				0.00				0.00	31.77			
	Bishop Unit 3	7.58	5.77	3.50	16.86				0.00				0.00				0.00	16.86			
	Bishop Unit 1	7.62	7.03	4.45	19.10				0.00				0.00				0.00	19.10			
The Club at Pasadera	APA	19.00	9.00	0.00	28.00				0.00				0.00				0.00	28.00	251.00		251.00
Laguna Seca Golf Resort (Bishop)	APA	24.14	12.06	0.00	36.20				0.00				0.00				0.00	36.20	320.00		320.00
York School	APA	1.69	1.02	0.00	2.71				0.00				0.00				0.00	2.71	32.00		32.00
Laguna Seca County Park	APA	1.54	1.77	0.65	3.97				0.00				0.00				0.00	3.97	41.00		41.00
Laguna Seca Subarea Totals					153.35				0.00				0.00				0.00	153.35	644.00	0.00	644.00
Total Production by WM Producers					1,075.48				0.00				0.00				0.00	1,075.48	3,360.00	773.00	4,133.00
Annual Production from APA Producers																		149.74	1,379.00		
Annual Production from SPA Producers																		925.74	2,754.00		

City of Seaside Golf Courses In-Lieu (MCWD source water)																					
MCWD delivery		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00
CAW / MPWMD ASR (Carmel River Basin source water)																					
Injection		256.69			256.69				0.00				0.00				0.00	256.69			
(Recovery)		0.00			0.00				0.00				0.00				0.00	0.00			
Net ASR		256.69			256.69				0.00				0.00				0.00	256.69			

Notes:

- The Water Year (WY) begins October 1 and ends September 30 of the following calendar year. For example, WY 2020 begins on October 1, 2019, and ends on September 30, 2020.
- "Type" refers to water right as described in Seaside Basin Adjudication decision as amended, signed February 9, 2007 (Monterey County Superior Court Case No. M66343).
- Values shown in the table are based on reports to the Watermaster received by January 15, 2020.
- All values are rounded to the nearest hundredth of an acre-foot. Where required, reported data were converted to acre-feet utilizing the relationships: 325,851 gallons = 43,560 cubic feet = 1 acre-foot.
- "Base Operating Yield Allocation" values are based on Seaside Basin Adjudication decision. These values are consistent with the *Watermaster Producer Allocations Water Year 2020* (see Item VIII.B. in 12/4/2019 Board packet).
- Any minor discrepancies in totals are attributable to rounding.
- APA = Alternative Producer Allocation; SPA = Standard Producer Allocation; CAW = California American Water.
- It should be noted that CAW/MPWMD ASR "Injection" and "Recovery" amounts are not expected to "balance" within each Water Year. This is due to the injection recovery "rules" that are part of SWRCB water rights permits and/or separate agreements with state and federal resources agencies that are associated with the water rights permits.

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**Seaside Basin Watermaster
P.O. Box 51502
Pacific Grove, CA 93950
(831) 641-0113**

January 8, 2020

Monterey One Water
Attention: Rachel Gaudoin
5 Harris Court, Building D
Monterey, CA 93940

Subject: Draft Supplemental Environmental Impact Report for the Proposed Modifications to the Pure Water Monterey Groundwater Replenishment Project (Draft Supplemental EIR)

Dear Ms. Gaudoin:

The Watermaster is the Court-appointed body responsible for ensuring that the Seaside Groundwater Basin is managed in accordance with the requirements set forth in the Seaside Basin Adjudication Order (Superior Court of the State of California in and for the County of Monterey, Case No. M66343).

The Watermaster previously submitted comments regarding the Notice of Preparation for the Expanded Pure Water Monterey Groundwater Replenishment Project on June 5, 2019. The following are our additional comments on this project.

The Seaside Basin has been utilized to help meet the demands of California American Water Company's (CAWC's) customers throughout its entire service area. To help alleviate and/or reduce damage being caused to the Carmel River Basin, as required by the SWRCB's Cease and Desist Order No. 95-10, the Seaside Basin has been pumped beyond its natural safe yield. To address this problem, CAWC developed the Monterey Peninsula Water Supply Project (MPWSP) as part of a water supply portfolio to reduce pumping from the Seaside Basin.

The Proposed Modified Pure Water Monterey Groundwater Replenishment Project (the Expansion Project) clearly has direct ties to the Seaside Basin. As discussed below, there is the strong potential for negative impacts to the Seaside Basin to occur if the Expansion Project were to be implemented in place of the desalination plant that is being pursued by (CAWC). The desalination plant is a key component of CAWC's MPWSP.

An agreement was executed between the Watermaster and CAWC in December 2008, and amended in June 2014, to utilize water from the MPWSP to payback to the Seaside Basin CAWC's cumulative volume of overproduction since the date of issuance of the Seaside Basin Adjudication Order. This payback is to be accomplished by in-lieu recharge of 700 acre-feet per year for 25 or more years. This in-lieu recharge is to occur by CAWC pumping 700 acre-feet per year less than it would otherwise be entitled to pump under the Seaside Basin Adjudication Order. Depending on when all components of the MPWSP become operational, the payback amount is currently estimated to be in excess of 18,000 acre-feet.

If the Expansion Project were to be implemented in place of CAWC's desalination plant, CAWC would still need to have sufficient in-lieu replenishment water to fulfill its payback obligations. If the desalination plant is not constructed, the payback water would have to come from the Expansion

Project. It does not appear that this is being addressed in the sizing of the capacity of the Expansion Project. If the Expansion Project cannot provide this in-lieu replenishment water, the DEIR should address the detrimental impacts on the Basin that will occur if the Expansion Project is utilized as an alternative to the desalination plant. Those impacts would include:

- Continued falling groundwater levels in the Seaside Basin
- An increased risk of seawater intrusion into the Seaside Basin

CAWC's payback program will greatly benefit the Seaside Basin by helping to raise groundwater levels. However, since the Seaside Basin was overpumped for many years prior to the issuance of the Adjudication Order, even with CAWC's payback program portions of the Seaside Basin will still have groundwater levels below sea level. Thus, the threat of seawater intrusion will still exist. The only solution to that problem will be to inject additional water that would be left in the Seaside Basin and not pumped out, until such time as groundwater levels reach elevations that would prevent seawater intrusion from occurring (these are referred to as "protective elevations"). Modeling studies conducted for the Watermaster indicate that on the order of 25,000 acre-feet of additional water would need to be injected and left in the Seaside Basin over a period of years in order to achieve protective elevations along the coastline.

This highlights the need for additional water beyond that needed just to serve customer demands and carry out CAWC's payback program. The need for this additional water should also be addressed in the DEIR for the Expansion Project.

If you have any questions regarding these comments, please contact our Technical Program Manager, Mr. Robert Jaques, at (831) 375-0517 or by his email at boj83@comcast.net.

Sincerely,

Robert S. Jaques

Robert S. Jaques
Technical Program Manager