

**SEASIDE GROUNDWATER BASIN WATERMASTER
REGULAR MEETING OF THE BOARD OF DIRECTORS**

**Wednesday, May 5, 2021 – 2:00pm
Draft Agenda**

IN KEEPING WITH GOVERNOR NEWSOM’S EXECUTIVE ORDERS N-29-20 AND N-35-20, THE WATERMASTER REGULAR BOARD MEETING WILL NOT BE HELD IN PERSON. YOU MAY ATTEND AND PARTICIPATE IN THE MEETING BY JOINING FROM A PC, MAC, IPAD, IPHONE OR ANDROID DEVICE (NOTE: ZOOM APP MAY NEED TO BE DOWNLOADED FOR SAFARI OR OTHER BROWSERS PRIOR TO LINKING) AT THIS WEB ADDRESS:

<https://us02web.zoom.us/j/7265830564?pwd=RkFJbUpTUDNsNm9hbUV0YUkzM1Y4QT09>

**If joining the meeting by phone, dial either: +1 408 638 0968 (San Jose) or +1 669 900 6833 (San Jose)
If problems are encountered joining the meeting via the link above, try using the following information in your
Zoom screen:**

Meeting ID: 726 583 0564 Password: 926321

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. PUBLIC COMMUNICATIONS

Oral communications are 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 state their names.

IV. REVIEW OF AGENDA

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

V. MINUTES - Approve Minutes of Regular Board meeting held February 3, 2021 3

VI. CONSENT CALENDAR

**A. Consider Approving Summary of Payments made January through March 2021 totaling
\$91,921.65..... 9**

- B. Consider Approving Amendment No. 1 to Martin Feeney RFS No. 2021-01, and transfer \$10,338.50 from the Monitoring and Management—Operations Fund Contingency line-item to Collect Quarterly Water Quality Samples and Perform Sentinel Well Induction Logging Subtask I.2.b.3 to cover the cost of this Amendment 13
- C. Consider Approving a budget transfer of \$35,000 from Monitoring and Management—Operations Fund Basin Management Subtask I.3.a.3. line-item to Technical Program Manager line-item..... 15
- D. Consider Approving Fiscal Year 2020 Financial Reports through December 31, 2020 17
- E. Consider Approving Fiscal Year 2021 Financial Reports through March 31, 2021 19

VII. ORAL PRESENTATION – None

VIII. OLD BUSINESS

- A. Consider Action Regarding MPWMD Water Supply Committee Meeting Agenda Items 23
- B. Consider Board Actions Concerning Possible Detection of Seawater Intrusion (SWI) in Monitoring Wells FO-9 and FO-10 Shallow 25

IX. NEW BUSINESS

- A. Consider Action in Response to Water Quality Sampling Results from Security National Guarantee Well 29
- B. Consider Action Regarding MPWMD Contracting Issues 31

X. INFORMATIONAL REPORTS (No Action Required)

- A. Minutes from the Technical Advisory Committee (TAC) meetings held February 10 and March 10, 2021, and draft minutes from the meeting held April 14, 2021
- B. Watermaster Report of Production of the Seaside second quarter Water Year 2021 (January 1, 2021 – March 31, 2021) 33
- C. Watermaster correspondence to Local Agency Formation Commission (LAFCO)..... 35
- D. Report on the MPWMD LAFCO Filing and Discussion with the General Counsel of MPWMD to the Seaside Basin Watermaster 37

XI. DIRECTOR’S REPORTS

XII. STAFF COMMENTS

XIII. NEXT REGULAR MEETING DATE

- A. Consider setting the next regular meeting date for **June 2, 2021- 2:00 P.M.**

XIV. ADJOURNMENT

This agenda without packet page numbers 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 April 29, 2021 per the Ralph M. Brown Act, Government Code Section 54954.2(a).

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

Via Zoom Teleconference
February 3, 2021

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

X. ROLL CALL

Coastal Subarea Landowner – Director Paul Bruno – Chair
Laguna Seca Subarea Landowner – Director Wesley Leith
City of Sand City – Mayor Mary Ann Carbone
City of Del Rey Oaks – Council Member John Gaglioti
California American Water (CAW) – Director Christopher Cook
City of Monterey – Council Member Dan Albert – Vice Chair
Monterey Peninsula Water Management District (MPWMD) – Director George Riley
Monterey County/Monterey County Water Resources Agency – Supervisor Mary Adams

Absent: City of Seaside – Mayor Ian Oglesby

Others Present

Robert Jaques, Watermaster Technical Program Manager (TPM)
Laura Paxton, Watermaster Administrative Officer (AO)
Sarah Hardgrave, Policy Analyst, Office of Supervisor Adams
Alvin Edwards, MPWMD
Jonathan Lear, Water Resources Manager, MPWMD
Maureen Hamilton, Water Resources Engineer, MPWMD
Tim O’Halloran, Engineering Manager, CAW
Catherine Stedman, CAW
Aiko Yamakawa, Attorney, CAW
Susan Schiavone

XI. SCHEDULE OF 2021-2022 WATERMASTER BOARD MEMBER

REPRESENTATIVES AND ALTERNATES: No action required - informational

XII. ELECTION AND APPOINTMENT OF OFFICERS FOR CALENDAR YEAR 2021:

It was moved by Council Member Gaglioti and seconded by Council Member Albert to appoint Director Bruno as Board Chairperson. Director Cook – Aye; Council Member Albert – Aye; Council Member Gaglioti; Mayor Carbone – Aye; Supervisor Adams – Aye; Director Riley – Aye; Director Bruno – Aye; Director Leith – Aye. Motion carried.

It was moved by Director Riley and seconded by Director Cook to appoint Council Member Albert as Board Vice Chairperson. Director Cook – Aye; Council Member Albert – Aye; Council Member Gaglioti; Mayor Carbone – Aye; Supervisor Adams – Aye; Director Riley – Aye; Director Bruno – Aye; Director Leith – Aye. Motion carried.

It was moved by Supervisor Adams and seconded by Council Member Gaglioti to appoint Administrative Officer Paxton as Secretary. Director Cook – Aye; Council

Member Albert – Aye; Council Member Gaglioti; Mayor Carbone – Aye; Supervisor Adams – Aye; Director Riley – Aye; Director Bruno – Aye; Director Leith – Aye. Motion carried.

It was moved by Mayor Carbone and seconded by Director Bruno to appoint Council Member Gaglioti as Board Treasurer. Director Cook – Aye; Council Member Albert – Aye; Council Member Gaglioti; Mayor Carbone – Aye; Supervisor Adams – Aye; Director Riley – Aye; Director Bruno – Aye; Director Leith – Aye. Motion carried.

XIII. PUBLIC COMMUNICATIONS: None

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

XV. APPROVAL OF MINUTES: It was moved by Council Member Albert and seconded by Council Member Gaglioti to approve as presented the minutes of the Regular Board meeting held December 2, 2020. Director Cook – Aye; Council Member Albert – Aye; Council Member Gaglioti; Mayor Carbone – Aye; Supervisor Adams – Aye; Director Riley – Aye; Director Bruno – Aye; Director Leith – Aye. Motion carried.

XVI. CONSENT CALENDAR

C. Consider Approving Summary of Payments made November 2020 through December 2020 totaling \$47,838.35

It was moved by Council Member Gaglioti and seconded by Mayor Carbone to approve the consent calendar as presented. Director Cook – Aye; Council Member Albert – Aye; Council Member Gaglioti; Mayor Carbone – Aye; Supervisor Adams – Aye; Director Riley – Aye; Director Bruno – Aye; Director Leith – Aye. Motion carried.

XVII. ORAL PRESENTATION: None

VII. NEW BUSINESS: None

IX. OLD BUSINESS:

- A.** Update on water quality issues and background information about the Watermaster's Seawater Intrusion Response Plan (SIRP)
- B.** Discuss Potential Installation of a New Monitoring Well Between Monitoring Well FO-9 and the Pumping Depression in the Northern Coastal Subarea, and Other Alternatives

The board concurred to take up the two agenda items in one discussion.

Mr. Jaques read the SIRP seawater intrusion response trigger levels aloud:

1. Chloride concentrations must be higher than the chloride threshold value shown on Table 1 of the SIRP (titled "Chloride Threshold Values and Trend Analysis").
2. Sodium/chloride molar ratios must show a rapid drop, and be below the 0.86 molar ratio.
3. At least one of the following four trends or qualitative indicators must be apparent:
 - a. The Mann-Kendall statistical trend for chloride concentrations is increasing.
 - b. Evolution of seawater mixing is observed in Piper diagram(s).

- c. Change of Stiff diagram(s) shape from baseline conditions featuring prominent high chloride spike.
- d. Concentration maps indicate increasing chloride concentrations near the coast.

Mr. Jaques stated that 67 mg/L is the threshold value shown on Table 1 of the SIRP for well FO-09, and the well recently sampled at 90 mg/L. The sodium/chloride molar ratio had a somewhat rapid drop however consultants could not determine without more data if this was an ongoing trend or just part of a fluctuation and so could not state that this trigger had clearly been met. The Mann-Kendall statistical trend for chloride concentrations is clearly increasing so one of the four trends or qualitative indicators is apparent. The other of the four indicators of item 3 are not apparent or cannot be determined.

Director Riley inquired whether the fourth indicator of item 3 would ever be helpful since chloride concentration maps cannot be contoured due to the data being too scattered from well to well. Mr. Jaques did not know if future data would allow useful contouring.

Section 4.2 of the SIRP lists actions to be taken to address seawater intrusion. Director Cook felt that even though response is not triggered, there still could be actions for Watermaster to proceed with; it would be prudent to better understand the four criteria and how they were developed.

Mr. Jaques gave highlights from his report on potential installation of a monitoring well between Monitoring Well FO-09 and the pumping depression in the Northern Coastal Subarea. Mr. Jaques reported on the meeting held yesterday with hydrogeologists Martin Feeney and Gus Yates, Derrick Williams and Georgina King of Montgomery and Associates, Monterey County Water Resources Agency hydrologist Tamara Voss and Water Resources Technician Nicole Koerth, MPWMD Water Resources Manager Jon Lear, and CAW Engineering Manager Tim O'Halloran. Consensus from that meeting of experts was that the rising chloride levels in FO-09 and FO-10 are most likely caused by salt water that has intruded the shallow sand layers along the coastline. This intrusion is a known fact and has existed for a long time. The wells are not used for production so the intrusion has not been an issue. They surmised the intrusion is coming downward from the Dune Sands and is gradually penetrating into the underlying Paso Robles aquifer where it is now being seen in the FO wells. Rather than installing new monitoring wells, they recommended two courses of action to confirm their hypothesis. The first is to perform induction logging of both wells and compare the current results of the logging data with the electrical logging done when the wells were installed to see if there has been an increase in salinity over time to help determine the source. Induction logging continues quarterly at the wells however the comparison would be a one-time effort. The second course of action would be to perform geophysical transects involving making subsurface resistivity measurements to determine various subsurface water qualities. This method is not quantitative however it gives a conductivity picture, and would need to be done over multiple years to identify trends.

Director Gaglioti inquired if the percolation of seawater from the dunes sands into the Paso Robles formation would be termed a manmade or natural process. Mr. Jaques responded that it appears to be a collective over-pumping result. Director Gaglioti pointed out that qualitative data would give indication of trends whereas quantitative data would give the degree of harm done; he felt collection of both was important, to be performed as a testing regime. Supervisor Adams inquired whether if the monitoring well was installed, could it be collaborative and a cost share with Marina Coast Water District (MCWD). Mr. Jaques responded that during development of the

MCWD Groundwater Sustainability Plan for the Marina Ord area of the Monterey Subbasin, Mr. Jaques with Watermaster consultants have repeatedly pointed out the need for installation of more monitoring wells north of the Seaside Basin boundary in the southern part of the Monterey Subbasin boundary where few wells exist. Cost sharing has not been discussed. As it now stands, well installation would be funded by Watermaster Standard Producer assessments. Location of the well could be in the City of Seaside golf course area where permitting restrictions and interference with the monitoring equipment by pipe and power lines would be minimal.

Director Riley inquired whether the induction logs in the coastal wells are helpful or could they be modified to be more useful. Mr. Jaques responded that although design of the wells due to cost limitations precludes taking water samples for quality data, it is useful to monitor induction log readings for indications of increasing conductivity and thus seawater intrusion.

Director Cook noted that modeling results could be subject to interpretation for political maneuvering—he would want a firm objective level of confidence in modeling results and data integrity from the modeling consultants.

Director Bruno felt the TAC needed to coordinate with hydrogeologists to gather more data and perform various sensitivity analyses such as what if certain water supply projects, if any, do not come to pass. Is the SIRP adequate now that the difficulty is known in bringing a water supply project on line? Are the triggers sensitive enough with that in mind? Mr. Jaques stated he could have the consultants review the SIRP to determine if it needs to be updated in terms of triggers, responses, and any other aspect considering accumulated years of data. Mr. Jaques suggested the hydrogeologist that authored the SIRP review and comment on it to the TAC to incorporate into a TAC-recommended board presentation. Mr. Jaques gave a rough timeline range of one to two months until board presentation.

It was moved by Director Riley and seconded by Director Cook to direct staff to 1.) perform induction logging comparison of wells FO-09 and FO-10 and, 2.) have Watermaster consultants Montgomery and Associates use groundwater level data already obtained to map groundwater flow in the area of concern. Director Cook – Aye; Council Member Albert – Aye; Council Member Gaglioti; Mayor Carbone – Aye; Supervisor Adams – Aye; Director Riley – Aye; Director Bruno – Aye; Director Leith – Aye. Motion carried.

- C. Direct Staff regarding obtaining additional water to recharge the Basin in order to raise groundwater levels.

Director Riley noted that Watermaster was tasked with funding the filling of the over-drafted basin to protective groundwater elevations. The Replenishment Fund established for that purpose as currently structured he felt presented an imaginary calculation, and the data used to establish it may be incorrect. He called for a group of perhaps local agency representatives, staff, or policymakers to be appointed to “reimagine” the fund. Chair Bruno agreed that an ad hoc committee or a Watermaster Budget and Finance Committee meeting with guests be scheduled to discuss the matter. Supervisor Adams felt the Pure Water Monterey Expansion Project (PWMX) could address any of the CDO shortfalls in the near-term while an expanded regional desalination approach is developed. If a more regional project is developed for meeting water supply needs, PWMX could be considered as the source for long-term replenishment of the basin which would be far less expensive and more cost effective than CAW desalination would be.

Director Riley suggested the board consider broader concepts, that long-term planning consider a water supply that does not make use of or depend on the basin. Current projects use the basin more and more. Perhaps the basin has a life expectancy, maybe only 10 years. If so, a short time is left to find a water supply option. Director Riley and Director Cook agreed that focus should be on how best to manage the basin now: review Natural Safe Yield, consider alternatives, determine best pumping redistribution, layout a timeline, etc. and then look to the future once near-term steps are addressed. Director Cook cautioned engaging in water supply project discussion, a politically divided topic, when addressing this issue, and hoped instead for the board to concur on immediate steps to take.

Legal Counsel Campbell summed up the board's obligation to maintain the basin in a viable state in perpetuity – responsibility does not end and cannot be transferred elsewhere.

Moved by Director Cook and seconded by Director Riley to have staff present a timeline of actions to be taken now based on the four criteria in Section 4.2 of the 2009 Seawater Intrusion Response Plan for mitigating seawater intrusion (i.e., lowering Natural Safe Yield, consider alternatives, determine best pumping redistribution) and further explore base protection options. Director Cook – Aye; Council Member Albert – Aye; Council Member Gaglioti; Mayor Carbone – Aye; Supervisor Adams – Aye; Director Riley – Aye; Director Bruno – Aye; Director Leith – Aye. Motion carried.

IX. INFORMATIONAL REPORTS:

A. Watermaster report of production of the Seaside Basin first quarter Water Year 2021 (October 1, 2020 – December 31, 2020)

XI. DIRECTOR'S REPORTS: Director Riley arranged for General Manager Stoldt to give a presentation to the League of Women Voters on February 10, 2021 the topic being future water supply and the CAW buy out. Chair Bruno thanked the board for re-electing him chair.

XII. STAFF COMMENTS: None

XIII. NEXT MEETING DATE: The board consented to canceling the March 3, 2021 board meeting. The next meeting of the Watermaster board is scheduled for Wednesday, April 7, 2021.

XIV. There being no further business, Chair Bruno adjourned the meeting at 3:43p.m.

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SEASIDE GROUNDWATER BASIN WATERMASTER

**ITEM VIII.A.
5/5/21**

TO: Board of Directors
 FROM: Laura Paxton, AO
 DATE: May 5, 2021
 SUBJECT: Summary of Payments made from January through March 2021

RECOMMENDATIONS:

Consider approving payment of bills submitted and authorized to be paid January - March 2021

Summary of Payments Made January 2021

Christopher Campbell, Baker Manock & Jensen (WM Legal Counsel)	17.4	300	\$	5,220.00
January 1, 2021 through January 31, 2021		Courtesy discount		(1,620.00)
Review correspondence re: appellate rulings. Review 12/2 board meeting agenda & attend partially. Email correspondence from CAW legal counsel. Issues briefing w/WM AO (no charge). Review 2020 Annual Report. Review of adjudication (no charge). Prepare legal opinion of WM responsibilities per Jaques request.				3,600.00

Paxton Associates (Administrative Officer (AO))

December 26, 2020 through January 25, 2021	46.5			4,650.00
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responded to telephone inquiries, e-mail, and other correspondence as needed regarding the Seaside Basin. Process 2021 Assessment payments & deposit at City of Seaside. Review WM founding documents, Water Code Appendix 118, CA Constitution Article X ss2 & 5, and post judgement documents; coordinate & review legal opinion on Watermaster duties. Complete minutes of WM 12/2/20 board meeting. Prepare for/attend 1/15/21 water financing meeting. Draft agenda and prepare reports for 2/3/21 board meeting. Coordinate signatures on substitution of attorney court document for new legal counsel. Meeting w/MCWRA & Jaques re: supporting WM. Update Parties' rep/legal counsel service list. Review SIRP & SIARs re: potential SWI. Review TPM transmittal re: basin recharge to protective levels. Routinely picked up mail from PO Box; reconciled accounts to the City of Seaside Watermaster accounts; prepared financial reports; processed invoices; reviewed and posted

Robert Jaques (Technical Program Manager)

January 1, 2021 through January 31, 2021	84.5			12,675.00
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responded to emails, telephone inquiries, and other correspondence on a variety of Watermaster issues. Prepare recharge water issue paper. Meeting and teleconferences with legal counsel re: WM duties with regard to basin recharge. Prepare and send comments on Draft Chapter 5 of Monterey Subbasin GSP to SVBGSA & MCWD GSA; Zoom meeting w/MCWDGSA, SVBGSA, and hydrogeologic consultants to discuss Watermaster's comments on Draft Chapter 5 of Monterey Subbasin GSP. Zoom meeting w/Montgomery & Assoc. on recharge issues; review Datalogger Tech Memo from GKing; review response from GKing re: FO-10 chloride issues and use of Model to estimate flow paths. Meeting 1/20/21 w/MCWRA & Paxton re: supporting WM. Prepare for/attend SVBGSA Advisory/TAC meetings & webinar 1/6, 1/7, & 1/21. Prepare for/attend PWM Quality/Ops meeting 1/20/21. Zoom meeting w/Montgomery re: use of Model to estimate impacts of groundwater replenishment. Review SIRP. Perform Mann-Kendall statistical test on chloride data from FO-9. Zoom meeting 1/27/21 w/Montgomery & Paxton re: chloride issues. Review Induction Logging technical paper from M. Feeny. Preparation of background materials and list of topics to discuss during 2/2/21 Zoom meeting re: monitoring wells and water quality issues. Prepare summary memos re: PWM and GSA meetings. Prepare 2020 Annual Report to

Montgomery & Associates (Technical Consultant)

January 1, 2021 - January 31, 2021

RFS 2020-01 General Hydrogeologic Consulting	0.5	260	130.00
	14.0	215	3,010.00
	2.0	195	390.00
			3,530.00

review Jaques questions on using model to show velocities and flow directions, and opinion on Draft Chapter 5 of the Monterey Subbasin GSP; datalogger tech memo; J. Lear call on dataloggers and update on FO-9 and FO10 sampling; update database with all historic groundwater level data to prepare hydrographs for FO-9, FO-10, FO-11, Camp Huffman, and City of Seaside golf course wells; prepare for/participate in meeting with B. Jaques on future modeling for replenishment repayment; review recent chloride data and plot up FO-9 shallow chemograph; review Mann-Kendall calculation for FO-9 shallow; prepare for Monterey Subbasin meeting on Watermaster comments on Chapter 5 of draft GSP; prepare slides for meeting with EKI; participate in pre-meeting with L. Paxton, B. Jaques, and D. Williams; and participate in meeting with B. Jaques, M&A staff, and EKI on Watermaster comments on draft Chapter 5 of Monterey Subbasin GSP.

Paxton Imaging (Website Administrator)	30.0	75	2,250.00
January 1, 2020 through December 31, 2020	12.0	12.5	150.00
Annual Watermaster web site hosting and maintenance.			2,400.00

Total for January 2021	\$	26,855.00
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Summary of Payments Made February 2021

Christopher Campbell, Baker Manock & Jensen PC (WM Legal Counsel)

February 1, 2021 through February 28, 2021	4.2	300	\$	1,260.00
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Review 2/3 board meeting agenda & attend. Draft Watermaster recharge responsibilities

Paxton Associates (Administrative Officer (AO))

January 26, 2021 through February 28, 2021	44.5			4,450.00
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Responded to telephone inquiries, e-mail, and other correspondence as needed regarding the Seaside Basin. Review TPM transmittal re: basin recharge to protective levels. Deposit 2021 assessment payments to City of Seaside. Montgomery/Jaques high chloride discussion 1/27. WM change of address filing w/Court. PWM reserve amounts inquiry. Prepare board packet for 2/3 board meeting and distribute. Attend 2/3 board meeting and prepare minutes. Review packet for 2/10 TAC meeting and attend. Calculation corrections to Operations Fund budget. Solicit/confirm 2021-2022 board appointments. Provide WM budgets to Damiani for entry into WM fund at City of Seaside. Request SNG quality sample its well. Director Riley RA Fund discussion points and arrange B/F Com mtg. 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)

February 1, 2021 through February 28, 2021	50.0	7,500.00
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Responded to emails, telephone inquiries, and other correspondence on a variety of Watermaster issues. Zoom meeting 2/2 with consultants re:FO-9 chloride levels; prep. Notes from this meeting to brief Board and TAC. Follow-up actions from 2/3 Board meeting on FO-9 issues.Telecon 2/11 w/Leon Gomez re: his questions about Sand City stormwater project. Telecon w/ L. Paxton re: budget issues & research M&MP budget and consultant contracts. Review SIRP for possible updates. Review geophysical website info from contacts submitted by consultants. Review 2007 M&MP to see if any rationale was provided to not include FO-11 for water quality sampling. Prepare summary memos re: PWM and GSA meetings. Review Electrical Resistance Tomography Tech Paper about ERT work along the Monterey Bay coastline in the Seaside Basin. Telecon 2/24 w/G. King re: SIRP issues. SVBGSA Model and Water Budget Zoom workshop. Telecon w/ D. Williams re: G. King's workload. Review Airborne Electromagnetic surveying info from DWR.

Montgomery & Associates (Technical Consultant)

February 1, 2021 through February 28, 2021	1.5	260	390.00
RFS 2020-01 General Hydrogeologic Consulting	6.0	215	1,290.00
Review and share results regarding FO-10 shallow confirmation sample; email J. Lear regarding dataloggers; review potential datalogger sites; research background information regarding dedicated monitor well dataloggers for possible redeployment; calls with J. Lear and B. Jaques on history of dataloggers in Seaside Basin; prepare technical memorandum on dataloggers; and discuss datalogger technical memorandum with B. Jaques.	0.5	195	97.50
			1,777.50

Total for February 2021	\$	14,987.50
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Summary of Payments Made March 2021

Christopher Campbell, Baker Manock & Jensen (WM Legal Counsel)

March 1, 2021 through March 31, 2021	9.0	300	\$ 2,700.00
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Review judgement with regard to MPWMD takeover of CAW & discuss w/WM staff. Review MPWMD application to LAFCO for activation of water distribution latent powers/annexation of CAW-served parcels. Extended discussion of goals/objectives of MPWMD w/District legal counsel. Draft comment letter to LAFCO re: MPWMD application.

Paxton Associates (Administrative Officer (AO))

February 26, 2021 through March 25, 2021	43	4,300.00
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Responded to telephone inquiries, e-mail, and other correspondence as needed regarding the Seaside Basin. Arrange/prepare for/attend 3/16 Budget & Finance Committee meeting. MPWMD invoice backup docs request. Complete minutes of WM 2/3/21 board meeting. Fulfill document request from CAW. Prepare 2021 collection services contracts for four producers/email & mail distribution. Basin recharge discussion w/Jaques. Prepare for/attend 3/10 TAC meeting. Cancel 4/7 board meeting. Memo & SGMA summary to board members. Review Management Committee of the Monterey Stormwater agenda. Review MPWMD application to LAFCO & speak w/LAFCO rep re: application process, coordinate comment letter w/WM legal counsel. MPWMD contracting/billing issues & Lear letter ot WM. Draft a revised Replenishment Assessment Fund report reflecting AF accumulated over production per water year w/total for SS & CAW. 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)

March 1, 2021 through March 31, 2021 47 7,050.00
 responded to emails, telephone inquiries, and other correspondence on a variety of
 Watermaster issues. Review seawater intrusion indicator data from M. Feeney. RFS amendment
 to M. Feeney for induction logging of FO-9 & -10. SGMA annual report to DWR. Review
 Pasadera Golf Course recycled water project background & related docs for TAC agenda
 item at the request of Director Leith. Prep/send comments on SVBGSA Monterey Subbasin
 Committee meeting agenda items to E. Gardner. Prepare for/attend SVBGSA Advisory/TAC
 meetings & webinar 3/5, 3/18, 3/22, & 3/25. Prepare for/attend MCWDGSA Monterey
 Subbasin GSP Stakeholder meeting 3/11. Telecon w/Scuito of M1W re: PWM Expansion
 Project capability for increased capacity. Review electrical resistance tomography documents.
 Attend DWR Airborne Electromagnet surveying workshop. Edits to discussion paper on
 seawater intrusion issues. Prepare progress report to WM board on seawater intrusion issues.
 Prepare requests for information to consultants to prepare RFSs for TAC agenda item on SWI
 followup work. Prepare summary memos re: PWM and GSA meetings. Prepare 2020 Annual
 Report to Court. Review/respond to Lear letter re: contracting issues w/MPWMD. Research
 monitoring well issues re: WM obligations for repairs to/maintenance of well FO-9.

Montgomery & Associates (Technical Consultant) 11.5 215 2,472.50
 March 1, 2021 - March 31, 2021 8.5 195 1,657.50
 RFS 2020-01 General Hydrogeologic Consulting 2.5 100 250.00
 Prepare WY2020 change in storage technical memorandum for DWR; create surfaces from
 WY2020 contours and run script to calculate change in storage for both deep and shallow
 aquifers; review available data sets and previous/ongoing modeling work and develop
 approach and scope of work for sea water intrusion travel time analysis; respond to
 questions from B. Jaques regarding seawater intrusion travel time analysis approach;
 participate in March TAC meeting; review SNG chloride concentrations and prepare email
 to B. Jaques on comparison to PCA-W deep and shallow; call with M. Feeney regarding
 possible break in FO-9 casing; emails with J. Lear regarding status of FO-9; and call with B.
 Jaques on plan forward for FO-9. 4,380.00

Martin B. Feeney, PG, CHg - Consulting Hydrogeologist 18.5 150 2,775.00
 March 2021 10.5 195 2,047.50
 RFS 2021-01 Amendment No. 1 Reimbursements 5,475.40
 Induction/Resistivity Logging of Fort Ord MW-09 and 10. Analysis, Preparation of Tech
 Memo, Participation in TAC meeting. 10,297.90

Todd Groundwater (Hydrogeological Peer Review) 4.0 240 960.00
 February 1, 2021 through February 28, 2021 0.3 125 31.25
 Professional services in connection with groundwater modeling peer review. 991.25

Monterey Peninsula Water Management District 93.0 149 13,857.00
 July through December 2020 RFS 2020-01 40.0 62 2,480.00
 Direct costs 3,500.00
 Database entry/maint; water level collection; WQ sample & datalogger
 collection; CASGEM data reporting; direct costs 19,837.00
 October thru December 2020 RFS 2020-02: Water level collection 8 62 496.00

			20,333.00
	Total for March 2021	\$	50,079.15
	Grand Total January - March 2021	\$	91,921.65

**SEASIDE GROUNDWATER BASIN
WATERMASTER**

TO: Board of Directors

FROM: Robert S. Jaques, Technical Program Manager

DATE: May 5, 2021

SUBJECT: Discuss/Approve Amendment No. 1 to Martin Feeney RFS No. 2021-01, and transfer of \$10,338.50 from the Monitoring and Management Program Contingency line-item to Collect Quarterly Water Quality Samples and Perform Sentinel Well Induction Logging Subtask I.2.b.3 to cover the cost.

RECOMMENDATIONS:

Approve Amendment No. 1 to Martin Feeney RFS No. 2021-01, and transfer \$10,338.50 from the Monitoring and Management Program Contingency line-item to Subtask I.2.b.3 to cover the cost of this Amendment.

BACKGROUND:

At its February 3, 2021 meeting the Board asked the TAC to have the Watermaster's contractor perform induction logging of Monitoring Wells FO-9 and FO-10 so that data could be compared to the E-logs when the wells were constructed to see what information that may provide regarding seawater intrusion in those wells

DISCUSSION:

The attached amendment to the current contract with Martin Feeney added scope and cost authorizations to accomplish this work. Because the Board already directed that this work be performed, the time-sensitive nature of this work, and because there was a cost savings by having Mr. Feeney perform this work in March, I authorized him to proceed without first coming back to the Board for pre-approval of this contract amendment. It is being provided to the Board for retroactive approval at today's meeting.

The Budget and Finance Committee, at its April 27, 2021 meeting, recommended that the board authorize the amendment and approve the budget transfer.

FISCAL IMPACT:

The amount authorized by this Amendment was not included as a line-item in the 2021 Monitoring and Management Program Operations Budget, since the work was not contemplated when that budget was adopted. The Contingency line-item in that budget of \$20,370 has thus far not been utilized. A budget transfer in the amount of \$10,338.50 from the Contingency line-item to Subtask I.2.b.3 (Collect Quarterly Water Quality Samples and Perform Sentinel Well Induction Logging) is recommended.

ATTACHMENTS:

Amendment No. 1 to Martin Feeney RFS No. 2021-01

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TO: Board of Directors
 FROM: Laura Paxton, Administrative Officer (AO)
 DATE: May 5, 2021
 SUBJECT: Budget Transfer from Monitoring and Management—Operations Fund Basin Management line-item to Technical Program Manager line-item

RECOMMENDATION: Approve transferring \$35,000 of the \$70,000 from Monitoring and Management Program Operations Fund – Basin Management Task I.3.a.3. line item to Technical Program Manager line item.

BACKGROUND: The Watermaster Technical Program Manager (TPM) is paid \$150 per hour, and the 2021 budgeted amount for TPM is \$60,000. The TPM expensed amount through March 31, 2021 is \$27,225.00. In comparison, last year for the same quarter the TPM expensed amount was \$9,375.

DISCUSSION: Increased TPM workload in 2021 included board direction to promptly address potential seawater intrusion in wells FO-09 & FO-10 and pursue in earnest recharge options to achieve protective groundwater levels. Moreover, the TPM coordinates the Watermaster Technical Advisory Committee (TAC) meetings and prepares the content of those meetings and, due to the potential seawater intrusion identified in late 2020, issues coming before the TAC in 2021 intensified. As a result, the TPM expense for January 2021 services alone was \$12,675; February and March expenses were \$7,500 and \$7,050 respectively.

The Watermaster Board directed the TPM to represent Watermaster at meetings of agencies in which Watermaster is a stakeholder. The TPM followed the suggestion of the Budget & Finance Committee its April 27th meeting and reconfigured meeting attendance as listed below:

1. Pure Water Monterey Project Quality and Operations Committee (monthly/1 hour)
2. MCWD GSA Monterey Subbasin Stakeholders (Every other month/1.5 hours)
3. SVBGSA Monterey Subbasin Committee (monthly/2 hours)
4. Department of Water Resources Annual Adjudicated Basins Sustainable Groundwater Management Act (SGMA) Workshop (annually/1.5 hours)
5. SVBGSA Modeling Workshop (1 time, no further workshops anticipated)
6. GSP Web Map Workshop – Eastside, Forebay, Langley, Monterey, and Upper Valley Subbasin Committees (1 time, no further workshops anticipated)
7. SVBGSA Advisory Committee (1 to 2-times monthly/2 hours – delegated to AO Paxton)
8. Salinas Valley Basin Groundwater Sustainability Agency (SVBGSA) Seawater Intrusion Work Group (opted out until/if Watermaster items of interest arise in the future)

The TPM time spent representing Watermaster at the above meetings now constitutes roughly 20% of TPM time billed. TPM skips meetings of no potential import to the Watermaster, and only participates in attended meetings when an item of potential import to the Watermaster is being discussed, or when a vote of the members is required to approve an item. When not actively participating, TPM does other Watermaster work, and does not charge time to the meeting. Time is also spent preparing Watermaster presentations to other agency committees.

At the current workload, TPM cost is estimated at \$7,000 per month for the remaining 3 quarters of 2021, necessitating a budget adjustment of \$35,000, recommended to be covered by transferring from the Operations Fund Basin Management *Task I.3.a.3. Evaluate Replenishment Scenarios and Develop Answers to Basin Management Questions* budget line to the Operations Fund Technical Program Manager budget line since modeling of replenishment scenarios under Task I.3.a.3., if done at all, is not foreseen to commence until 2022. The Budget & Finance Committee, at its April 27, 2021 meeting, recommended the board approve the budget transfer.

FISCAL IMPACTS: The balance of \$35,000 Operations Fund Task I.3.a.3. is carried over to 2022, and parties will be assessed in 2022 for the balance of the true cost (\$70,000 is a low-end guesstimate) if the task is performed.

ATTACHMENTS: None

Seaside Groundwater Basin Watermaster
Budget vs. Actual Administrative Fund
 Fiscal Year (January 1 - December 31, 2020)
 Balance through December 31, 2020

	<u>2020 Adopted Revised Budget</u>	<u>Contract Amount</u>	<u>Year to Date Revenue / Expenses</u>
Available Balances & Assessments			
Dedicated Reserve	-		-
FY (Rollover)	37,000.00		37,097.87
Admin Assessments	63,000.00		63,000.00
Available	<u>100,000.00</u>		<u>100,097.87</u>
Expenses			
Contract Staff	50,000.00	50,000.00	44,850.00
Legal counsel	25,000.00		1,116.70
Filing fees and postage			-
Total Expenses	<u>75,000.00</u>	<u>50,000.00</u>	<u>45,966.70</u>
Total Available	25,000.00		
Dedicated Reserve	<u>25,000.00</u>		<u>25,000.00</u>
Net Available	<u>-</u>		<u>29,131.17</u>

Seaside Groundwater Basin Watermaster
Budget vs. Actual Monitoring & Management - Operations Fund
 Fiscal Year (January 1 - December 31, 2020)
 Balance through December 31, 2020

	<u>2020 Amended Budget</u>	<u>Contract Encumbrance</u>	<u>Year to Date Revenue/Expenses</u>
Available Balances & Assessments			
Operations Fund Assessment	\$ 164,000.00	\$ -	\$ 163,966.99
Pass Through	-	3,915.00	1,024.50
Cost Share Reimbursement	-	-	-
FY 2019 Rollover	51,967.00	-	168,250.62
Total Available	<u>\$ 215,967.00</u>	<u>\$ 3,915.00</u>	<u>\$ 333,242.11</u>
Appropriations & Expenses			
GENERAL			
Technical Project Manager*	\$ 60,000.00	\$ 60,000.00	\$ 54,675.00
Contingency @ 10% (not including TPM)	5,088.00	-	-
Total General	<u>\$ 65,088.00</u>	<u>\$ 60,000.00</u>	<u>\$ 54,675.00</u>
CONSULTANTS (Montgomery; Web Site Database)			
Program Administration	\$ 13,000.00	\$ 20,400.00	\$ 16,890.00
Production/Lvl/Qlty Monitoring	2,400.00		
Basin Management	30,000.00		
Seawater Intrusion Analysis Report	24,130.00	24,130.00	21,625.00
Total Consultants	<u>\$ 69,530.00</u>	<u>\$ 44,530.00</u>	<u>\$ 38,515.00</u>
MPWMD			
Production/Lvl/Qlty Monitoring	\$ 52,906.00	52,906.00	35,323.00
Pass Through 2018	-	3,915.00	3,285.50
Basin Management	-		-
Seawater Intrusion	1,192.00	1,192.00	-
Direct Costs	-	-	-
Total MPWMD	<u>\$ 54,098.00</u>	<u>\$ 58,013.00</u>	<u>\$ 38,608.50</u>
CONTRACTOR (Martin Feeney)			
Hydrogeologic Consulting Services	\$ 4,000.00	4,000.00	1,200.00
Production/Lvl/Qlty Monitoring	19,251.00	19,250.56	19,279.01
	<u>\$ 23,251.00</u>	<u>\$ 23,250.56</u>	<u>\$ 20,479.01</u>
CONTRACTOR (Todd Groundwater)			
Hydrogeologic Consulting Services	<u>\$ 4,000.00</u>	<u>\$ 4,000.00</u>	<u>-</u>
Total Appropriations & Expenses	<u>\$ 215,967.00</u>	<u>\$ 189,793.56</u>	<u>\$ 152,277.51</u>
Total Available	<u>-</u>		180,964.60

*As amended 9/2/20 \$10,000 budget transfer from Contingency to Technical Program Manager

Seaside Groundwater Basin Watermaster
Budget vs. Actual Administrative Fund
 Fiscal Year (January 1 - December 31, 2021)
 Balance through March 31, 2021

	<u>2021 Adopted Budget</u>	<u>Contract Amount</u>	<u>Year to Date Revenue / Expenses</u>
Available Balances & Assessments			
Dedicated Reserve	-		-
FY (Rollover)	38,000.00		54,000.00
Admin Assessments	<u>62,000.00</u>		<u>62,000.00</u>
Available	<u>100,000.00</u>		<u>116,000.00</u>
Expenses			
Contract Staff	50,000.00	50,000.00	13,400.00
Legal counsel	25,000.00	25,000.00	7,587.00
Filing fees and postage			-
Total Expenses	<u>75,000.00</u>	<u>75,000.00</u>	<u>20,987.00</u>
Total Available	25,000.00		
Dedicated Reserve	<u>25,000.00</u>		<u>25,000.00</u>
Net Available	<u><u>-</u></u>		<u><u>70,013.00</u></u>

Seaside Groundwater Basin Watermaster
Budget vs. Actual Monitoring & Management - Operations Fund
 Fiscal Year (January 1 - December 31, 2021)
 Balance through March 31, 2021

	2021 Adopted Budget	2021 Adopted Budget Amended 05/05/21*	Contract Encumbrance	Year to Date Revenue/Expenses
Available Balances & Assessments				
Operations Fund Assessment	\$ 220,000.00	\$ 220,000.00	\$ -	\$ 220,000.00
Pass Through FY 2020 Rollover	64,047.00	64,047.00	3,915.00	-
Total Available	\$ 284,047.00	\$ 284,047.00	\$ 3,915.00	\$ 180,964.60
Appropriations & Expenses				
GENERAL				
Technical Project Manager*	\$ 60,000.00	\$ 95,000.00	\$ 95,000.00	\$ 27,225.00
Contingency @ 10% (not including TPM)	16,368.00	6,029.50	-	-
Total General	\$ 76,368.00	\$ 101,029.50	\$ 95,000.00	\$ 27,225.00
CONSULTANTS (Montgomery; Web Site Database)				
Program Administration	\$ 25,320.00	\$ 25,320.00	\$ 19,720.00	\$ 9,687.50
Production/Lvl/Qlty Monitoring	2,400.00	2,400.00	-	-
Basin Management	76,000.00	41,000.00	-	-
Seawater Intrusion Analysis Report	26,310.00	26,310.00	26,310.00	-
Total Consultants	\$ 130,030.00	\$ 95,030.00	\$ 46,030.00	\$ 9,687.50
MPWMD				
Production/Lvl/Qlty Monitoring	\$ 49,906.00	\$ 49,906.00	49,926.00	-
Pass Through 2021	-	-	3,915.00	-
Basin Management	-	-	-	-
Seawater Intrusion	1,192.00	1,192.00	1,192.00	-
Direct Costs	-	-	-	-
Total MPWMD	\$ 51,098.00	\$ 51,098.00	\$ 55,033.00	\$ -
CONTRACTOR (Martin Feeney)				
Hydrogeologic Consulting Services	\$ -	\$ -	4,000.00	-
Production/Lvl/Qlty Monitoring	22,551.00	32,889.50	28,839.00	10,297.90
	\$ 22,551.00	\$ 32,889.50	\$ 32,839.00	\$ 10,297.90
CONTRACTOR (Todd Groundwater)				
Hydrogeologic Consulting Services	\$ 4,000.00	\$ 4,000.00	\$ 4,000.00	991.25
Total Appropriations & Expenses	\$ 284,047.00	\$ 284,047.00	\$ 232,902.00	\$ 48,201.65
Total Available	-	-	-	352,762.95

Seaside Groundwater Basin Watermaster										ITEM V.L.D.
Replenishment Fund										5/5/21
Water Year 2021 (October 1 - September 30) / Fiscal Year (January 1 - December 31, 2021)										PAGE ONE
Proposed 2021 Budget										
	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	\$2,702 / \$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	3,710.00	4,059.90	3,862.90	2,966.02	3,713.52	3,416.04	3,070.90	3,076.61	3,232.10	
Cal-Am Water NSY Over-Production (AF)	1,862.69	2,266.32	2,092.16	1,241.27	1,479.47	1,146.71	820.48	856.42	1,032.77	
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	
Cal-Am Water OY Over-Production (AF)	-	71.50	13.70	-	-	-	222.97	260.51	416.01	
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	332.00	287.70	294.20	293.44	282.87	240.68	233.72	257.73	223.64	
City of Seaside NSY Over-Production (AF)	194.07	153.78	161.99	153.06	113.21	50.84	58.82	85.17	52.71	
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	
City of Seaside OY Over-Production (AF)	44.60	0.30	6.80	21.47	29.77	0.00	222.97	38.86	4.77	
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	464.70		593.00	562.93	100.61	0.01	0.13	0.05	0.57	
City of Seaside NSY Over-Production (AF)	-	-	53.00	22.93	-	-	-	-	-	
Exceeding Natural Safe Yield - Alternative Producer	-	-	131,705	69,701	-	-	-	-	-	
City of Seaside OY Over-Production (AF)	-	-	53.00	22.93	-	-	-	-	-	
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							ITEM VLD.		
Replenishment Fund							5/5/21		
Water Year 2021 (October 1 - September 30) / Fiscal Year (January 1 - December 31, 2021)							PAGE TWO		
Proposed 2021 Budget									
Replenishment Fund	2015	2016	2017	2018	2019	2020	Totals WY 2006 Through 2020	Budget WY 2021	Projected Totals Through WY 2021
Assessments:	WY 14/15	WY 15/16	WY 16/17	WY 17/18	WY 18/19	WY 19/20		WY 20/21	
Unit Cost:	\$2,702 / \$675.50	\$2,702 / \$675.50	\$2,872 / \$718	\$2,872 / \$718	\$2,872 / \$718	\$2,872 / \$718		\$2,947 / \$737	
Cal-Am Water Balance Forward	\$ (3,102,221)	\$ (676,704)	\$ (676,704)	\$ (491,747)	\$ (48,797,949)	\$ (47,979,851)		\$ (46,855,120)	
Cal-Am Water Production	2,764.73	1,879.21	2,029.51	2,229.45	2,120.22	2,245.88	44,376.99		
Cal-Am Water NSY Over-Production (AF)	782.17	-	64.40	374.65	284.85	334.21	14,638.57		
Exceeding Natural Safe Yield Considering Alternative Producers	2,113,414	-	184,957	1,075,995	818,097	959,859	\$ 33,550,034	100,000	\$ 33,650,034
Cal-Am Water OY Over-Production (AF)	462.03	-	-	-	-	229.63	1,676.35		
Operating Yield Overproduction Replenishment	312,103	-	-	-	-	164,872	1,122,753	20,000	1,142,753
Total California American	\$ 2,425,516	\$ -	\$ 184,957	\$ 1,075,995	\$ 818,097	\$ 1,124,731	\$ 34,672,787	\$ 120,000	\$ 34,792,787
CAW Credit Against Assessment	-	-	-	(49,382,196)	-	-	(81,527,907)		(81,527,907)
CAW Unpaid Balance	\$ (676,704)	\$ (676,704)	\$ (491,747)	\$ (48,797,949)	\$ (47,979,851)	\$ (46,855,120)	\$ (46,855,120)	\$ (46,735,120)	\$ (46,735,120)
City of Seaside Balance Forward	\$ (2,889,325)	\$ (3,346,548)	\$ (3,232,420)	\$ (3,142,500)	\$ (3,022,249)	\$ (2,919,806)		\$ (2,802,831)	
City of Seaside Municipal Production	185.01	195.16	188.31	184.63	178.40	181.65	3,559.14		
City of Seaside NSY Over-Production (AF)	25.77	37.87	30.47	32.46	27.82	32.06	1,210.10		
Exceeding Natural Safe Yield Considering Alternative Producers	69,630	102,330	87,512	93,225	79,893	92,089	\$ 2,785,045	100,000	\$ 2,885,045
City of Seaside OY Over-Production (AF)	0.06	17.70	3.35	37.64	31.41	34.66	494.36		
Operating Yield Overproduction Replenishment	38	11,959	2,409	27,026	22,550	24,886	174,929	10,000	184,929
Total Municipal	69,667	114,290	89,920	120,251	102,443	116,975	2,959,974	110,000	3,069,974
City of Seaside - Golf Courses	311.73	458.44	439.36	511.90	490.42	537.00	4,470.85		
City of Seaside NSY Over-Production (AF)	-	-	-	-	-	-	75.93		
Exceeding Natural Safe Yield - Alternative Producer	-	-	-	-	-	-	201,406	-	201,406
City of Seaside OY Over-Production (AF)	-	-	-	-	-	-	75.93		
Operating Yield Overproduction Replenishment	-	-	-	-	-	-	50,353	-	50,353
Total Golf Courses	-	-	-	-	-	-	251,759	-	251,759
Total City of Seaside*	\$ 69,667	\$ 114,290	\$ 89,920	\$ 120,251	\$ 102,443	\$ 116,975	\$ 3,211,733	\$ 110,000	\$ 3,321,733
City of Seaside Late Payment 5%							88,887		88,887
In-lieu Credit Against Assessment	(526,890)	(162)	-	-	-	-	(6,103,451)	-	(6,103,451)
City of Seaside Unpaid Balance	\$ (3,346,548)	\$ (3,232,420)	\$ (3,142,500)	\$ (3,022,249)	\$ (2,919,806)	\$ (2,802,831)	\$ (2,802,831)	\$ (2,692,831)	\$ (2,692,831)
Total Replenishment Fund Balance	\$ (4,023,252)	\$ (3,909,125)	\$ (3,634,247)	\$ (51,820,198)	\$ (50,899,657)	\$ (49,657,951)	\$ (49,657,951)	\$ (49,427,951)	\$ (49,427,951)
Replenishment Fund Balance Forward	\$ (5,991,546)	\$ (4,023,252)	\$ (3,909,125)	\$ (3,634,247)	\$ (51,820,198)	\$ (50,899,657)		\$ (49,657,951)	
Total Replenishment Assessments	2,495,183	114,290	274,877	1,196,246	920,540	1,241,707	37,973,408	230,000	38,203,408
Total Paid and/or Credited	(526,890)	(162)	-	(49,382,196)	-	-	(87,631,358)	-	(87,631,358)
Grand Total Fund Balance	\$ (4,023,252)	\$ (3,909,125)	\$ (3,634,247)	\$ (51,820,198)	\$ (50,899,657)	\$ (49,657,951)	\$ (49,657,951)	\$ (49,427,951)	\$ (49,427,951)

**SEASIDE GROUNDWATER BASIN
WATERMASTER**

TO: Board of Directors

FROM: Robert S. Jaques, Technical Program Manager

DATE: May 5, 2021

SUBJECT: MPWMD Water Supply Committee Meeting Agenda Items

RECOMMENDATIONS:

Consider having the Watermaster Board Chair send a letter to MPWMD (1) asking them to either repair FO-9 if it is confirmed that it is leaking, or to replace it if it needs to be destroyed, and (2) to begin Board-level discussions about obtaining replenishment water from the Pure Water Monterey Expansion Project, if that project moves forward into implementation.

BACKGROUND:

On April 5, 2021 MPWMD's Water Supply Committee met and discussed two items that pertain to the Seaside Basin. These two items from the agenda packet for that meeting are attached. Watermaster Board members Riley and Adams are members of that Committee and may be able to provide further information on those items.

DISCUSSION:

The first agenda item discusses the topic of replenishment water to help the Seaside Basin achieve protective water levels. It concludes that the Pure Water Monterey Expansion project could provide all of the replenishment water that is estimated to be needed to achieve protective water levels. This differs from the conclusion of the Watermaster's analysis and comparison of the MPWSP with the Pure Water Monterey Expansion Project in terms of providing the needed replenishment water. Since the MPWMD and Watermaster analyses both used the same set of supply and demand figures for each year, the difference apparently is because the MPWMD projection of "Excess Available Water" in Exhibit 2A of the agenda item assumes that the Pure Water Monterey Expansion Project is already in operation (current demand of 9,825 AFY was for 2019), whereas the Watermaster's analysis estimates the Pure Water Monterey Expansion Project would not become operational until 2023 following completion of design, permitting, and funding. MPWMD General Manager Stoldt confirmed this orally during the TAC's April 14, 2021 meeting, at which this topic was discussed.

With a 2023 startup date for the Pure Water Monterey Expansion Project and a 2024 startup date for the MPWSP Desalination Plant, Figure 1 in previous Item VIII.B. of today's Board meeting agenda packet (on page 50) provides a visual comparison of the two projects' replenishment water production capabilities. Figure 1 indicates that the Pure Water Monterey Expansion Project would provide slightly less replenishment water than is currently estimated to be needed, and that it would take many years for it to provide all of the replenishment water that it can provide. Figure 1 shows that the MPWSP's Desalination Plant would be able to provide all of the replenishment water that is currently estimated to be needed in the matter of just a few years. The principal finding is that while the Pure Water Monterey Expansion Project could provide a good portion of the currently-estimated amount of replenishment water that will be needed, it will take many years to do so, during which the Basin would remain vulnerable to seawater intrusion. The MPWSP Desalination Plant could greatly reduce this risk by providing the replenishment water in a much shorter period of time.

The second agenda item discusses the findings of investigation into the rising chloride levels in monitoring well FO-9 Shallow. It indicates MPWMD staff is recommending that this monitoring well be destroyed, and that MPWMD does not need it for its monitoring purposes. Thus, if a monitoring well in that location were needed, a new well would need to be installed which MPWMD estimates would cost over \$100K. (Note: This cost is considerably lower than the estimate provided in the recent past by Martin Feeney to install a new monitoring well between FO-9 and the Seaside Golf Course wells.) It is interesting to note that Table 2 in the contract between the Watermaster and MPWMD to perform monitoring work lists the wells to be monitored, and identifies which wells are part of which party's monitoring network. Table 2, and Footnote 1 in that table, shows FO-9 Shallow to be a well that is in MPWMD's Monitoring Well Network, and is a well that MPWMD monitors monthly for water level as part of its own monitoring program. That information was provided by MPWMD when Table 2 was created some years ago, and that assignment of monitoring responsibilities has not changed over the years. Other than to avoid the cost of installing a shallow aquifer monitoring well to replace the existing damaged well, there is no explanation in the agenda about why MPWMD feels it no longer needs to monitor groundwater levels in this well. At the Watermaster TAC's April 14, 2021 meeting MPWMD representatives elaborated that MPWMD did not want to have the liability for a well that could be allowing seawater to intrude into a lower aquifer (the Paso Robles) and therefore intended to destroy the well if internal video inspection confirmed it was leaking, and if it could not be repaired.

The second attachment to this Agenda Transmittal is a map showing the locations of all of the monitoring and production wells that are within or adjacent to the Seaside Basin (taken from the 2019 Basin Management Action Plan Update). As that map shows, if FO-9 Shallow was destroyed there would be no source of water level or water quality data in that part of the Basin. The data obtained from the recent induction logging of FO-9 indicates that the dune sand deposits overlying the Paso Robles aquifer have already been seawater intruded this far inland. This means that there is a risk for intrusion into the Paso Robles aquifer to occur in this area, either through openings (gaps) in the clay layer that separates the dune sands from the Paso Robles, or through other wells that might have leaks. A properly operating monitoring well at the location of FO-9 could provide an early alert to such an occurrence.

ATTACHMENTS:

1. Agenda items from MPWMD Water Supply Committee meeting of April 5, 2021
2. Map showing location of monitoring wells

**SEASIDE GROUNDWATER BASIN
WATERMASTER**

TO: Board of Directors

FROM: Robert S. Jaques, Technical Program Manager

DATE: May 5, 2021

SUBJECT: Consider Board Actions Concerning Possible Detection of Seawater Intrusion (SWI) in Monitoring Wells FO-9 and FO-10 Shallow

RECOMMENDATIONS:

1. Start Board-level negotiations with both California American Water (Cal Am) and MPWMD/M1W to establish terms and conditions under which replenishment water could be provided by the Desalination Project or the PWM Expansion Project, respectively.
2. Direct Staff to:
 - a. Determine how the cost to install a new monitoring well to replace the existing Monitoring Well FO-9 Shallow can be funded.
 - b. Obtain scope-of-work and cost proposals from Montgomery & Associates to:
 - i. Update the 2013 groundwater modeling to provide a more accurate indication of current replenishment water needs.
 - ii. Update the SIRP to provide site-specific indicators of SWI (e.g., chloride threshold levels) for additional wells.
 - iii. Develop flow direction and flow velocity maps.
 - c. Research financial consultants that could develop a plan to finance the cost of obtaining such replenishment water for the Basin and provide recommendations to the Board.

BACKGROUND:

At its February 3, 2021 meeting the Board asked the TAC to undertake a number of actions regarding the possible detection of seawater intrusion in Monitoring Wells FO-9 and FO-10 Shallow, including:

1. Informing the Board what the TAC envisions if:
 - No Basin replenishment projects are constructed
 - The Cal Am Desalination Project is constructed
 - The Pure Water Monterey (PWM) Expansion Project is constructed
2. Recommending what the Watermaster should do right now if it is determined that SWI is occurring
3. Reviewing the Seawater Intrusion Response Plan (SIRP) to determine if it is up-to-date and adequate
 - Clarifying why the four criteria were selected in the SIRP to make the determination as to whether or not SWI is occurring
 - Providing more detail on SIRP response actions (listed only in general terms in the SIRP) e.g., specific steps to take, timelines for taking them, etc.
4. Performing induction logging of Monitoring Wells FO-9 and FO-10 so that data can be compared to the electrical logs when the wells were constructed to see what information that may provide regarding SWI in those wells
5. Having Montgomery & Associates perform an analysis of groundwater flow directions and velocities to determine where groundwater in the vicinity of Monitoring Well FO-9 Shallow is moving and at what speed

6. Revisiting the previously discussed topics of (1) lowering the Natural Safe Yield (NSY) to match the lower NSY value in the Basin Management Action Plan (BMAP) Update of July 2019, and (2) changing from using NSY to using Sustainable Yield for Basin management purposes
7. Preparing a Gantt Chart showing the timing for actions that should be taken if it is determined that SWI is occurring

Attached is a Discussion Paper which responds to the Board's requests. It reflects comments and suggested edits made by the TAC at its March 10 and April 14, 2021 meetings.

DISCUSSION:

The Discussion Paper provides a wide range of information regarding actions that have already been taken, future actions the Board could take, and what is involved in implementing the Watermaster's Seawater SIRP if the Board determines that SWI has in fact been detected within the Basin. The principal findings and conclusions from the Discussion Paper are:

- Replenishing the Basin in order to raise groundwater levels to protective elevations is necessary in order to prevent SWI from occurring.
- If no potential replenishment projects such as the MPWSP Desalination Plant or the PWM Expansion Project are constructed, there will be no way of achieving protective groundwater levels, short of drastically reducing pumping from the Basin and waiting for natural recharge from rainfall to begin to raise groundwater levels.
- Both the PWM Expansion Project and the MPWSP Desalination Plant could provide a good deal of replenishment water. The MPWSP Desalination Plant would be able to provide the full amount of replenishment water that is currently estimated to be needed in just a few years. However, it would take the PWM Expansion Project many years to provide the full amount of replenishment water that it could provide, and that amount would fall short of the current estimate of the amount that will be needed. Compared to the Desalination Plant, the PWM Expansion Project would leave the Seaside Basin vulnerable to seawater intrusion for a substantially longer period of time.
- Groundwater modeling performed in 2013 found that it would take approximately 1,000 acre-feet-per-year (AFY) of replenishment water, injected for a period of 25 years, in order to achieve protective elevations in all six of the protective elevation wells. This would be a total replenishment water volume of approximately 25,000 AF. This modeling needs to be updated to reflect the impacts of changes in ASR injection quantities, injection of water through the Pure Water Monterey Project, changes in groundwater levels that have occurred since 2013, and other factors, so that it will provide a more accurate indication of current replenishment water needs.
- Implementing the SIRP would be a complex, time consuming, and costly undertaking and should only be undertaken in the event that it is certain that SWI has been detected.
- Mapping could be prepared that would show flow directions and flow velocities in the Basin's aquifers. This would enable the Watermaster to estimate when seawater intruded water would move toward production wells.

Based on the information provided in the Discussion Paper, Watermaster staff makes the following recommendations to the Board:

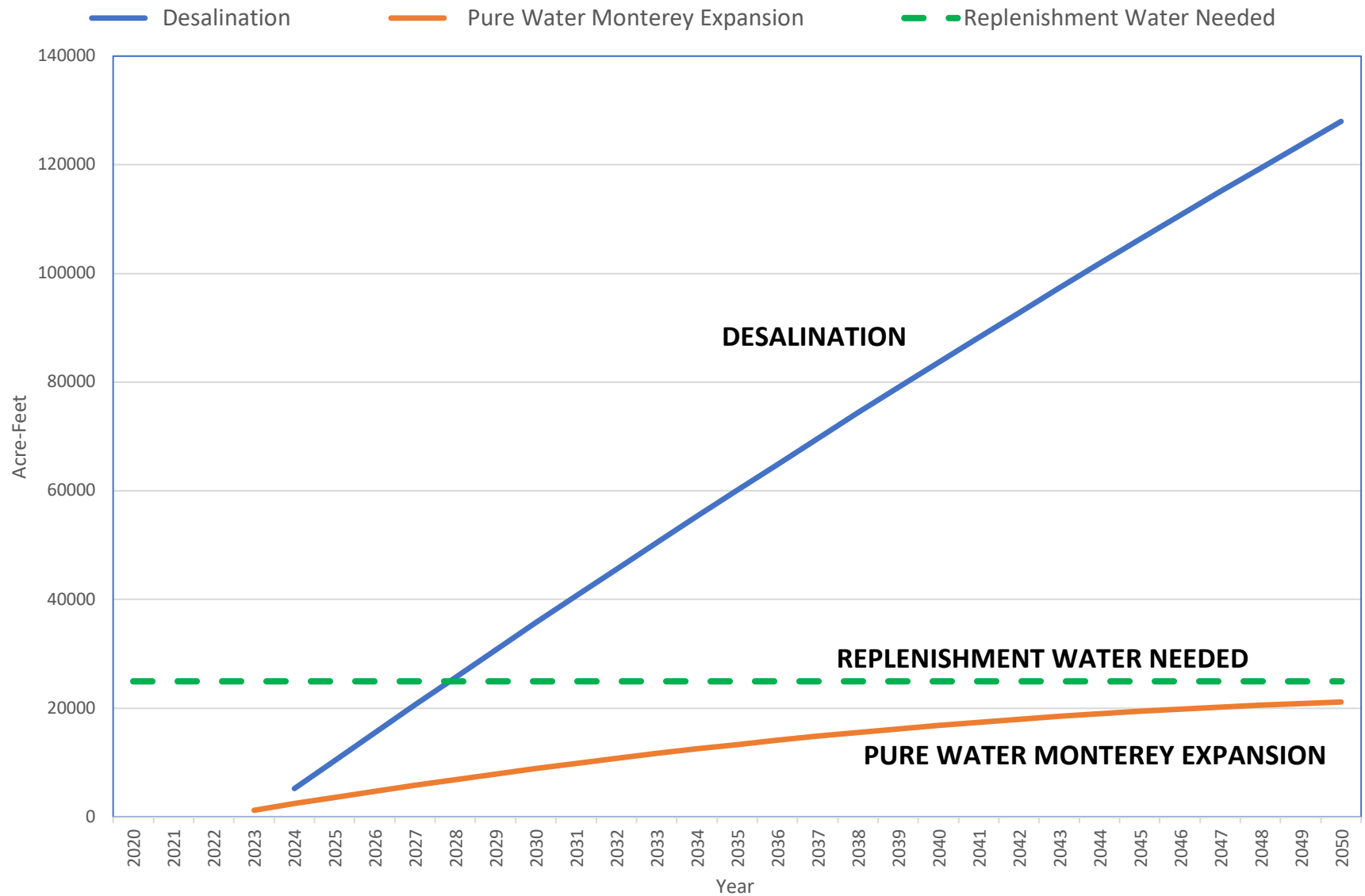
1. The Watermaster should right now:
 - a. Start negotiating with both Cal Am and MPWMD/M1W to establish terms and conditions under which replenishment water could be provided by the Desalination Project or the PWM Expansion Project, respectively. Because of the highly political nature of local water issues, staff believes this process should be conducted at the Board level, not at the staff level, and that this could best be done by forming a committee comprised of Board representatives of each of these entities.

- b. Determine if a new monitoring well should be installed to replace Monitoring Well FO-9 Shallow, and if so, how the cost to do that would be funded. Because Monitoring Well FO-9 is part of the Watermaster's monitoring well network, is a well that Marina Coast Water District intends to use as part of the monitoring well network for the Monterey Subbasin Groundwater Sustainability Plan, and is a well that has historically been used by MPWMD for monitoring purposes, a cost-sharing agreement among these parties may be possible.
2. In the near future the Watermaster should:
 - a. Update the 2013 groundwater modeling to provide a more accurate indication of current replenishment water needs.
 - b. Start developing a plan to finance the cost of obtaining such replenishment water for the Basin.
 - c. Update the SIRP to provide site-specific indicators of SWI (e.g., chloride threshold levels) for additional wells.
 - d. Consider developing flow direction and flow velocity maps

ATTACHMENTS:

Discussion Paper on Board-Requested Actions Regarding the Possible Detection of Seawater Intrusion (SWI) in Monitoring Wells FO-9 and FO-10 Shallow

Figure 1. Comparison of Cumulative Excess Capacity Available with Pure Water Monterey Expansion and Desalination Under the Average of All 5 Growth Rate Scenarios



SEASIDE GROUNDWATER BASIN WATERMASTER

TO: Board of Directors

FROM: Robert S. Jaques, Technical Program Manager

DATE: May 5, 2021

SUBJECT: Consider Action in Response to Water Quality Sampling Results from Security National Guarantee (SNG) Well

RECOMMENDATIONS:

Send a letter to the owner of the SNG well requesting that this well either (1) be video inspected to determine whether or not it is leaking and allowing overlying seawater intruded water to go into the lower Paso Robles aquifer, in which case the well should be properly destroyed, or (2) simply be assumed to be leaking based on the high chloride level found from water quality sampling and due to corrosion based on its age, and that it should be properly destroyed.

BACKGROUND:

The SNG well, which is owned by Ed Ghandour and is located in the dunes area in the northern portion of Sand City, was recently sampled for the first time for water quality. Attached are the analytical results from that sample. The very high chloride level (8,660 mg/L) is a strong indicator that this well is sea water intruded.

DISCUSSION:

The TAC discussed this matter at its April 14, 2021 meeting. During that meeting Georgina King of Montgomery & Associates provided this info: Apparently this is the first water quality sample taken from this well [Note: Up until recently this was an inactive well and therefore not required to collect water quality samples; only recently has it started to be pumped thus making it an active well from which water quality samples are to be collected]. Since the well is screened from 200 – 630 ft below ground it is likely screened through most of the Paso Robles and the Purisima. This assumption is made based on the depths of the different formations Martin Feeney logged for nearby Sentinel Well #4 (see table below from his Sentinel Well report). The PCA-W shallow and deep wells are also near the SNG well. The PCA-W shallow well (525 – 575 ft below ground) is screened in the Purisima Formation and deeper than the majority of the SNG well's screens. This is reflected in the water quality from the PCA-W shallow well (chloride = 50 mg/L) clearly not being the same as water quality in the SNG well (chloride = 8,660 mg/L). The PCA-W deep well is screened 195 ft deeper than the SNG well (825-875 ft below ground) and has a chloride concentration around 150 mg/L.

This suggests that the high chloride level in the SNG well is either (1) caused by seawater that has already intruded the Paso Robles aquifer in this location or (2) caused by the intruded Beach Sands and Aromas Sands (which overlie the Paso Robles aquifer) recharging the underlying Paso Robles with saline water by traveling downward through this well. This is not totally unexpected, because as Martin Feeney reported in his Sentinel Well construction report in 2007: "Geophysical data reveal significant seawater intrusion in the upper portions of Sentinel Well #1 borehole to depths of approximately 350 feet. The existence of seawater intrusion in the shallow Dune Sands/Aromas Sands units in this area has been known for decades." The problem pertaining to the SNG well is that it appears either the Paso Robles aquifer is intruded at that location, or that leakage of intruded water from the shallow beach sands it is now leaking into and impacting water quality in the underlying Paso Robles aquifer.

The Well Completion Report from the construction of this well (in 1966, some 55 years ago) shows that the casing is made of welded steel with a wall thickness of 0.25". The following information was provided by Martin Feeney

regarding corrosion of steel well casings: *Average service life for a well constructed of carbon steel casing is 30 years. The corrosion rate of carbon steel has been found to be between 0.1 and 0.2 mm/year. This is an average corrosion rate, with some portions of the steel corroding faster, some slower, due to other contributing factors. Given the 55-year age of this well and the cited average corrosion rate of 0.15 mm/year, the blank sections of the well's casing, in some locations, may have lost most or even all of its total thickness (55 years x 0.15mm/year = 8.25 mm of estimated corrosion loss; the casing thickness is only 6.35 mm).*

At its April 14 meeting the TAC recommended that a letter be sent to the well owner requesting that this well either be (1) video inspected to determine whether or not it is in fact leaking and allowing overlying intruded water to go into the lower Paso Robles aquifer, in which case it should be properly destroyed, or (2) simply assumed to be leaking based on the high chloride level found from water quality sampling and due to corrosion based on its age, and that it should be properly destroyed.

There will be a cost to the well owner to carry out either of these options, and he would lose the use of the well for producing water to meet his needs. Nonetheless, if contamination of the Paso Robles aquifer is being caused by this well, these actions are necessary.

There does not appear to be any language in the Adjudication Decision that speaks directly to this type of situation. However, the Decision does speak to the need to manage the Basin such that Material Injury (as defined in the following language) does not occur (highlighting added): *"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. Pursuant to a request by any Producer, or on its own initiative, Watermaster shall determine whether a Material Injury has occurred, subject to review by the Court. The Decision also contains this language: Water Quality. The Watermaster will take any action within the Seaside Basin, including, but not limited to, capital expenditures and legal actions, which in the discretion of Watermaster is necessary or desirable to accomplish any of the following:*

- *Prevent contaminants from entering the Groundwater supplies of the Seaside Basin, which present a significant threat to the Groundwater quality of the Seaside Basin, whether or not the threat is immediate;*
- *Remove contaminants from the Groundwater supplies of the Seaside Basin presenting a significant threat to the Groundwater quality of the Seaside Basin;*
- *Determine the existence, extent, and location of contaminants in, or which may enter, the Groundwater supplies of the Seaside Basin;*
- *Determine Persons responsible for those contaminants*

In addition Section 15.8.010 of the Monterey County Code contains this language (highlighting added): *It is the purpose of this Chapter to provide for the construction, repair, and reconstruction of all wells, including cathodic protection wells, test wells, observation wells, and monitoring wells, to the end that the groundwater of this County will not be polluted or contaminated and that water obtained from such wells will be suitable for the purpose for which used and will not jeopardize the health, safety or welfare of the people of this County. It is also the purpose of this Chapter to provide for the destruction of abandoned wells, monitoring wells, observation wells, test wells, and cathodic protection wells found to be public nuisances, or when otherwise appropriate, to the end that all such wells will not cause pollution or contamination of groundwater.*

Therefore, it appears that the Decision gives the Watermaster the authority to make this request of the well owner, and that doing so would be consistent with the applicable sections of the Monterey County Code.

FISCAL IMPACT: No impact to the Watermaster, cost impact to the well owner.

ATTACHMENTS:

Water quality analytical results from sampling of the SNG well.

SEASIDE GROUNDWATER BASIN WATERMASTER

TO: Board of Directors

FROM: Laura Paxton, Administrative Officer
Robert S. Jaques, Technical Program Manager

DATE: May 5, 2021

SUBJECT: MPWMD Contracting Issues

RECOMMENDATIONS:

Concurrently seek to (1) Negotiate a resolution to MPWMD's issues of concern regarding their contract with the Watermaster, and (2) Investigate the potential benefit of having another party take over MPWMD's Monitoring and Management Program work for the Watermaster

BACKGROUND:

On April 26, 2021 the Watermaster received the letter in Attachment 1 from MPWMD describing concerns they have with their current contract with the Watermaster. Prior to that MPWMD sent a letter dated March 22 (Attachment 2) and the Watermaster sent its March 26 response letter (Attachment 3).

DISCUSSION:

The attached letters illustrate recent difficulties the Watermaster is experiencing in its contract dealings with MPWMD. The most recent of those letters (Attachment 1) notifies the Watermaster of MPWMD's intent to no longer provide services unless a new contract is negotiated. Although requested to, MPWMD has not identified any language in the existing contract with which it has concerns, and on March 28 informed the Watermaster that it will prepare its own new contract to replace the existing one, and is unwilling to continue using the existing contract even with edits that would address its concerns. MPWMD has clarified via email that it will carry out the currently-contracted work for 2021, but will not enter into future agreements to perform further work beyond an Amendment No. 1 without first negotiating a new contract. The current contract format has been in use with MPWMD since 2008, and is the same format the Watermaster uses for all of its consultants and contractors, none of whom have had any problems with it.

In addition to these recent contractual difficulties, MPWMD has sometimes informed the Watermaster that it would be unable to perform certain work the Watermaster was considering undertaking, due to a lack of available staff at MPWMD. Currently, the Watermaster has no other resource to perform the type of field work that MPWMD performs for us, so that could leave us unable to carry out new work that the Watermaster may feel needs to be done. Also, MPWMD's billings to the Watermaster for services rendered have been very late, which has made it difficult for the Watermaster's Administrative Officer to prepare annual budgets, since the amount of any remaining carryover from one fiscal year to another could not be calculated until after MPWMD's billings were received. This has sometimes been after the time the Watermaster Board needed to approve the budget for the upcoming fiscal year. These issues were raised in Attachment 3, but were not commented on in either of MPWMD's letters.

While it would be less disruptive in the near-term to have MPWMD continue providing the types of services it has for many years, it may be beneficial both financially and from the standpoint of Watermaster staff workload, to have another party perform this work. This topic was briefly discussed at the Watermaster

Budget and Finance Committee meeting on April 27, 2021 and there was support to have staff investigate this potential, while concurrently seeking to negotiate a resolution of MPWMD's concerns.

FISCAL IMPACTS:

The significant increase in MPWMD's hourly rates (about 30%), and their addition of charges that are not in their current contract with the Watermaster, would significantly increase the Watermaster's cost of having MPWMD perform this work. The exact amount of this increase is not currently known.

ATTACHMENTS:


1. April 26, 2021 letter from MPWMD
2. March 22, 2021 letter from MPWMD
3. March 26, 2021 response letter from the Watermaster

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March 25, 2021

Ms. Kate McKenna
Monterey County LAFCO
132 W. Gabilan St. #102
Salinas, CA 93901

Re: Monterey Peninsula Water Management District
2021 Sphere of influence, Annexation and
Latent Power Activation Proposal


Christopher L. Campbell
Attorney at Law

ccampbell@bakermanock.com

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Dear Ms. McKenna:

I am the General Counsel for the Seaside Groundwater Basin Watermaster. I am submitting this letter on the Watermaster's behalf.

The Watermaster does not take any position on the Monterey Peninsula Water Management District 2021 Sphere of influence, Annexation and Latent Power Activation Proposal.

The Watermaster does advise LAFCO that the Seaside Groundwater Basin is an adjudicated water basin (Superior Court of California, County of Monterey Case M66343 California American Water vs. City of Seaside, et al, intervenor Monterey Peninsula Water Management District) that is subject to oversight by the Court. In the event that any portion of the LAFCO decision conflicts with any of the Court Judgement, the Judgement shall take precedence.


Thank you for your attention. Please let me know if you have any questions or concerns.

Very truly yours,

Christopher L. Campbell
BAKER MANOCK & JENSEN, PC

CLC:tlw

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MEMORANDUM

TO: Seaside Groundwater Basin Watermaster
Post Office Box 51502
Pacific Grove, California 93950

FROM: Christopher L. Campbell
BAKER MANOCK & JENSEN, PC

DATE: April 29, 2021

RE: Report on the MPWMD LAFCO Filing and Watermaster Legal Counsel
Discussion with the General Counsel of MPWMD

Laura Paxon notified me that the MPWMD applied to the Local Agency Formation Commission (LAFCO) to activate its latent power to provide water production and distribution services for retail customers throughout the District, and to amend its sphere of influence to annex 58 parcels currently outside the District's jurisdictional boundary (application link: <https://www.co.monterey.ca.us/home/showpublisheddocument/99982/637502177676500000>). The application is a minor but essential step to allow the MPWMD to achieve its goal of acquiring all assets of Cal Am.

Myself and Ms. Paxton felt it necessary that a letter be submitted to LAFCO on Watermaster's behalf in response to the application submitted by the District, advising LAFCO that the Seaside Groundwater Basin is an adjudicated water basin (Superior Court of California, County of Monterey Case M66343 California American Water vs. City of Seaside, et al, intervenor Monterey Peninsula Water Management District) that is subject to oversight by the Court. In the event that any portion of the LAFCO decision conflicts with any of the Court Judgement, the Judgement shall take precedence.

To gain additional information about what the MPWMD has in mind in regards to acquiring Cal Am, I called the MPWMD General Counsel, David Laredo, to discuss what he expects will occur.

My main question was whether the District understands and agrees that they will be subject to the terms of the judgement and the Court's oversight. He responded that nothing will change, at least at first. As he put it, they will paint the trucks with a different logo and continue serving water as usual. He also emphasized that it will be quite a while, if ever, that the District acquires Cal Am, but It is doing the voters bidding to the best of its ability.

David's main message is that the District is required to proceed with the acquisition per the vote of the people. He knows that Cal Am will challenge the takeover of its system. As a result, the District is moving very methodically to ensure that each step is executed carefully. So, the process will be slow.

David made it very clear that he understands the significant District role in the Watermaster if and when Cal Am is acquired. Extensive dialogue between the Watermaster and the District would then be necessary.

CLC:sdg