

SPECIAL MEETING
Seaside Groundwater Basin Watermaster
August 25, 2009

MINUTES

I. CALL TO ORDER

Chairman Rubio called the meeting to order at 3:00 p.m. in the Monterey Regional Water Pollution Control Agency Boardroom at 5 Harris Court, Building D, Monterey.

II. ROLL CALL

City of Seaside – Mayor Ralph Rubio, Chairman

Coastal Subarea Landowner – Director Paul Bruno, Vice Chair

City of Del Rey Oaks – Mayor Joseph Russell, Treasurer

California American Water (“CAW”) – Director Craig Anthony

City of Sand City – Mayor David Pendergrass

Monterey Peninsula Water Management District (“MPWMD”) – Darby Fuerst, General Manager (Non-appointed representative)

Absent:

Monterey Peninsula Water Management District (“MPWMD”) – Director Judi Lehman, Secretary

Laguna Seca Subarea Landowner – Director Bob Costa

Monterey County/Monterey County Water Resources Agency (“MCWRA”) – Curtis Weeks (Alternate)

City of Monterey – Mayor Charles “Chuck” Della Sala

III. APPROVAL OF MINUTES

It was moved by Mayor Russell, seconded by Director Bruno, and unanimously carried to approve the minutes of the Watermaster Regular Meeting of July 1, 2009.

IV. REVIEW OF AGENDA

There were no changes to the agenda.

V. PUBLIC PARTICIPATION/ORAL COMMUNICATIONS

There were no questions or comments from the public.

VI. CONSENT CALENDAR

A. Consider Approval of Summary for Payments made during July and August 2009 totaling \$105,826.49.

B. Consider current year Financial Reports – Through July 31, 2009.

Moved by Director Anthony, seconded by Mayor Russell, and unanimously carried, to approve the consent calendar as presented.

VII. ORAL PRESENTATION

Budget and Finance Committee Chair Ray Corpuz gave an update of the City of Seaside golf course in-lieu replenishment proposal that would provide up to 400 acre feet of the City’s alternative production allocation to the basin for replenishment, stating that the committee had met several times and approved in concept the program and its basic funding. Mr. Corpuz requested that the committee be directed to

develop the memorandum of understanding between the City of Seaside and the Watermaster that would include all of the business details and implementation arrangements.

It was moved by Director Anthony, seconded by Director Bruno, and unanimously carried, to receive the proposal update and direct staff to proceed to structure a memorandum of understanding between the City of Seaside and Watermaster and provide to all board members background information on the City of Seaside golf course in-lieu replenishment proposal.

VIII. OLD BUSINESS

A. Draft letter to State Water Resources Control Board (“SWRCB”) regarding the draft Cease and Desist Order (“CDO”) against California American Water (“CAW”) – Attorney Don Freeman stated that the letter supports the City of Seaside’s comment letter; and stipulates that producers be allowed to wheel water through the CAW system without misinterpretation that wheeled water must be used to retire CAW’s 95-10 water debt. Mayor Pendergrass felt that the first paragraph was not broad enough to encompass Watermaster disagreement with rationing and moratorium, and that the letter should clearly point out that the Watermaster does not agree with the CDO as written with the negative impact it would have on health and safety. Chair Rubio suggested adding wording in the first paragraph that references the MPWMD and Monterey County Mayors’ letters that address those issues in detail.

It was moved by Mayor Russell, seconded by Director Bruno, and unanimously carried, to approve the letter to the State Water Resources Control Board with the noted addition to the first paragraph of reference to the MPWMD and Monterey County Mayors’ letters on the issue.

Director Bruno thanked the party(ies) that funded the writing of the letter; all pumpers stand to benefit from the Watermaster’s efforts in making its position known to the SWRCB.

B. Comments submitted by Watermaster on the Draft Environmental Impact Report (“DEIR”) on the CAW Coastal Water Project (“CWP”) – Technical Program Manager Robert Jaques reviewed his submitted memorandum emphasizing that the basin is in need of 2,000 acre feet of water above and beyond the 2,600 acre feet that has been over-pumped in order to ensure that seawater intrusion does not occur. Indications are that the Public Utilities Commission (“PUC”) is not intending to require that projects considered in its review of the CWP provide the additional water needed. Mr. Jaques felt that Watermaster should point out emphatically to the PUC the section in the Watermaster comments to the DEIR that it is critical to the basin that the additional water be provided for roughly 5 years and that emphasis be provided prior to the PUC’s write up of the DEIR comments after which changes to the document are harder to press SWRCB to make.

Attorney for MPWMD, David Laredo, stated that MPWMD would be supplying testimony to the PUC as a full party in the proceedings and the Watermaster issue could be woven into the MPWMD testimony to go before the administrative law judge in the matter. Mr. Jaques was directed to prepare a letter to be provided to Mr. Laredo stating that additional water should be included in any project considered by the PUC to bring the basin back to protective water

levels to guard against seawater intrusion (with no timeframe restrictions on CAW in particular in achieving these levels at this point in time).

Mayor Pendergrass felt that Watermaster needed to regard Phase II projects as very viable and more imminent than it may currently anticipate.

IX. INFORMATIONAL REPORTS (No Action Required)

- A. Timeline Schedule of Milestone Dates (Critical date monitoring)
- B. Technical Advisory Committee (“TAC”) minutes of August 12, 2009.
- C. Water Production Report for Third Quarter Water Year 2009 (April 1 – June 30, 2009)
- D. Revised Water Production Limits for Water Year 2008-09 for DBO Development and Graniterock Company.

X. DIRECTORS’ REPORTS

Director Bruno would be attending the SWRCB workshop on the CAW CDO on September 2, 2009 at 1:00 p.m. in Sacramento and would present the Watermaster comment letter noted in item VIII A. of today’s agenda to the SWRCB.

XI. EXECUTIVE OFFICER COMMENTS

CEO Evans recommended cancelling the September 2, 2009 regular board meeting and planning to have a special meeting later in September if something comes up, otherwise plan for the next regular meeting to be held on October 7, 2009. The agenda would be full for the October meeting: preliminary budgets for next fiscal year; election of board members and alternate representatives; annual report development; and replenishment assessment unit cost calculation and approval.

The next TAC meeting is scheduled for Wednesday, September 23, 2009 at 1:30 p.m.

XIII. NEXT MEETING DATE – Regular Meeting to be held on October 7, 2009, at the Monterey Regional Water Pollution Control Agency (MRWPCA) Board meeting room at 5 Harris Court, Building "D" on Ryan Ranch in Monterey at 2:00 p.m.

XIV. There being no further business, Chairman Rubio adjourned the meeting at 3:40 p.m.