



APPROVED
July 27, 2009

MINUTES
of the
Special Meeting
MRWPCA Board of Directors
and the
Ad Hoc Water Committee
July 9, 2009

CALL TO ORDER

The Special Meeting of the Board of Directors of the Monterey Regional Water Pollution Control Agency and the Joint Ad Hoc Water Committee was Called to Order by Chair Calcagno at 7:03 p.m., on Thursday, July 9, 2009 at the Seaside Community Center, 220 Coe Avenue, Seaside, California.

ROLL CALL

MRWPCA BOARD MEMBERS PRESENT:

Lou Calcagno, Chair	Monterey County, Supervisor
Gloria De La Rosa, Vice Chair	Salinas, Mayor Pro Tem
Ramiro Cortez	Boronda County Sanitation District
Ron Stefani	Castroville Community Services District
Joseph Russell	Del Rey Oaks, Mayor
Kenneth Nishi	Marina Coast Water District, Director
Libby Downey	Monterey, Councilmember
Chris Orman	Moss Landing County Sanitation District
Deborah Lindsay	Pacific Grove, Councilmember
Dave Pendergrass	Sand City, Mayor
Ralph Rubio	Seaside, Mayor

PUBLIC OFFICIALS PRESENT:

Jane Parker	Monterey County Supervisor, District 4
Kristi Markey	MPWMD Board Chair
Bob Brower	MPWMD Board Member
Don Rochester	North County Regional Ad Hoc Water Com.
Dave Hart	MCWRA Board Member
Steve Collins	MCWRA Board Member

STAFF MEMBERS PRESENT:

Keith Israel	MRWPCA General Manager
Lew Bauman	Monterey County Administrative Officer
Curtis Weeks	MCWRA General Manager
Jim Heitzman	MCWD General Manager
Joe Oliver	MPWMD Interim Water Resources Manager
Carl Niizawa	City of Salinas Public Works

PLEDGE OF ALLEGIANCE

WELCOME BY SUPERVISOR CALCAGNO

Chair Calcagno welcomed the MRWPCA Board, Ad Hoc Water Committee and the public back after 108 days of working to achieve two principal issues: 1) three agencies put together a plan to bring reclaimed water into the former Ft. Ord and into the Monterey Peninsula – the foundation is laid; 2) the mandate of the group was to find a regional project that would give a long-term water supply not only to the Monterey Peninsula, but also to North County. Chair Calcagno announced that information presented tonight would be a review of what was done, what the plan is and what has been agreed.

ORAL COMMUNICATIONS (Public Comments)

Mr. George Riley, Citizens for Public Works, stated that Monterey Peninsula Water Management District wanted to be part of these discussions and he would like to have their role clarified tonight.

Mr. Frank Pierce urged the group to “keep it simple,” – direct and to the point. Technical solutions are available, but the politics are what kills us on everything we try to do.

DISCUSSION OF MEETING PURPOSE AND GOALS

Mr. Bauman, Chief Executive Officer for the County of Monterey, acknowledged the work of the elected officials who participated on the Ad Hoc Water Committee: Mr. Rubio (Seaside), Ms. Downey (Monterey), Mr. Nishi (MCWD), Mr. Collins (MCWRA), Mr. Hart (MCWRA) and Supervisor Calcagno. He also recognized the work by the general managers of the three agencies: Mr. Israel, MRWPCA, Mr. Weeks, MCWRA, and Mr. Heitzman, MCWD. Mr. Bauman stated that after 108 days of work by the Committee, on June 16th the Board of Supervisors unanimously approved two MOUs with MRWPCA, MCWD and MCWRA (Planning and Analysis MOU and the 3-Way Agreement MOU. Mr. Bauman commended the efforts to bring agreement in a short period of time to such a complex issue like water supply that sets a course for our community. He provided a historical look at the accomplishments of the County and the history of self reliance and ingenuity

regarding water solutions for the area and concluded that with the establishment of these memoranda, the County will not have to rely on State or Federal projects but will be able to plan and implement independent solutions to our water issues.

Chair Calcagno thanked Mr. Bauman for his comments and introduced Ms. Jane Parker (sitting in for Supervisor Potter) representing the 4th District, an area desperately in need of a long-term water supply.

PRESENTATIONS/UPDATES

Chair Calcagno introduced Mr. Steve Collins, former Chairman for the Monterey Country Water Resources Agency (MCWRA) who provided a presentation to the Board of Supervisors at their June 16th meeting. Mr. Collins stated he would present information on the regional planning process, the concepts under consideration, the institutional issues and settings that we face at this point in time and what the next steps are. There are serious water issues in the County of Monterey: the 95-10 issue with Monterey Peninsula, the Carmel River, the Seaside Aquifer, and the northern part of the county. Although CSIP, SVRP, work on the reservoirs and the nearly completed rubber dam project will basically bring our basin into balance, we still have serious water issues for the Peninsula, Prunedale and Salinas.

Mr. Collins introduced the purpose of the regional MOU's is to work cooperatively to identify options and solutions that could lead to a future project or projects and is not the REPOG proposal. This action is a proposal to engage together in a process to address water supply needs in Monterey County. Cal Am has been working towards a new water supply solution since 2004 including the proposed Moss Landing Desal facility. The CPUC Draft EIR is considering the Moss Landing Desal, North Marina Desal and the Regional Project and held hearings/workshop early this week to consider costing issues. Public hearings will be held on July 13 and 14 here in Monterey and we plan to present the MOU's to the Administrative Law Judge at that time.

Regarding the regional planning approach, Mr. Collins addressed the existing regulatory and resource impacted water supplies including the Carmel River groundwater system, the Seaside groundwater basin overdraft and the Fort Ord Reuse Plan. The combination of elements being planned include brackish water desal, ASR, recycled water and building on existing infrastructure. The brackish water desal, which builds on existing infrastructure, would be ocean water taken via pumps close to the ocean; this has been done successfully in other places in California. Mr. Collins provided maps showing the proposed locations for the intake wells, the pipeline alignment and the desal plant location, as well as the proposed pipelines for the RUWAP. The recycled water component, based on agreements in

place since 1992, provides about 1,700 AFY of recycled water that will be made available to Peninsula interests.

Mr. Collins continued by stating that the regional approach requires funding and, therefore, reimbursements or purchase agreements will have to be developed. There is an agreement between MCWD and MRWPCA regarding the use of the MRWPCA outfall for brine disposal from the desal facility. Mr. Collins stressed there is no project yet; there is simply a process in place to determine the best project possible. He stated the brackish water supply is newly developed water that does not appear to injure existing groundwater pumpers. It will, however, require a monitoring system and the pumping, treatment, well construction and hydro-geology will all require additional evaluation.

The final slides Mr. Collins presented illustrated that seawater intrusion had slowed since implementation of the Castroville Seawater Intrusion Project (CSIP), and he stated that continuing work including the river diversion project (rubber dam) and the reoperation of the dams will make additional progress in getting the 95-10 removed from the Salinas Valley.

In closing, Mr. Collins commented that participation by the Monterey Peninsula Water Management District was welcomed because he felt there is role for the District in this program. He introduced Mr. Curtis Weeks, General Manager for MCWRA, who provided more technological information about the brackish water desalination process.

Mr. Curtis stated one of the key issues around the brackish water supplies is how it will impact the groundwater basin and provided several slides that illustrated the seawater intrusion in the Salinas Groundwater Basin as well as a cross section view of the aquifer. He described how the lowered groundwater elevations allowed seawater to intrude; but how CSIP recycled water deliveries have improved groundwater levels and slowed intrusion. Additional slides showed that while pumping has lowered groundwater elevation near the coast, implementation of CSIP has reduced pumping and helps to correct the problem. He further explained that implementing the Salinas Valley Water Project (rubber dam) will further halt seawater intrusion and increase groundwater elevations.

Mr. Weeks illustrated that the impact of desalination intake wells is limited to their location and affect groundwater elevations in the immediately surrounding area. In fact, the intake wells create a local trough and a further barrier to seawater intrusion. -Mr. Weeks went into some detail about the water quality data and "stiff" diagrams that compare water "fingerprints" and provided a slide illustrating Alameda County

Water District operation of a similar facility. They pump out brackish water and fresh water is drawn in – that is fairly consistent with our thinking.

With these components being considered, Mr. Weeks stated there is a lot of planning yet to do. He echoed Mr. Collins' comments about MPWMD joining the process, especially because there is an element in the overall plan for aquifer storage and recovery (ASR). We have a lot of institutional issues yet to work out, but the group has made a great first step. We are now involved in developing a planning approach and determining what kind of CEQA considerations need to be addressed. While there are certainly continuing water problems for North Monterey County, Pajaro Valley Water Management Agency and Prunedale, Mr. Weeks stated the MCWRA is working with the Supervisors to develop a Granite Ridge distribution system and feels that the regional plan may even eventually bring some additional water supply to that area. Tonight, however, the focus is on the MOU's that primarily address this urban project that is mostly a benefit to the Peninsula.

Chair Calcagno thanked Mr. Weeks for his presentation and opened Public Comments for discussion and questions.

PUBLIC COMMENTS

Mr. Pierce suggested a pipeline in the ocean along the coast from wherever the desal is started to carry water to Monterey and Pacific Grove. He continued by saying that seaweed could grow along the pipeline and increase the health of the environment of the ocean while delivering water. This would eliminate the need to chop up the ground, roads, etc.

Mr. Riley expressed some confusion about the difference between REPOG and the regional coalition and also questioned if the CEQA requirements dictated that you cannot talk about a project until the final EIR is delivered.

Mr. Weeks explained the planning process has been "squishy" since the beginning and still is. The main difference with the REPOG and the regional plan is that there will be no water taken off the Salinas River.

Chair Calcagno continued by saying that if water is going to come out of the Salinas Valley and/or from the Salinas Valley aquifer, whether it is salt water or fresh water, it is going to be monitored by the Salinas Valley and MCWRA. Taking water out of the Salinas River and moving it to the Peninsula was also being considered; however, that is not an option. REPOG didn't acknowledge that and so we couldn't agree.

DISCUSSION

Chair Calcagno announced the opportunity for members of the panel to make comments.

Ms. Markey expressed thanks to the committee for bringing the District into the discussions. She explained the District has had a long history of watching Cal Am chart and generate a new water supply. District members had attended some REPOG meetings, but were hesitant about participation because some in the Salinas Valley expressed concern with plans being discussed. The District has always been sensitive to salt water into the aquifers and with individual's water supply. The District would not support a project that would damage somebody else's water supply; however, at this time, the District is very interested in participating in a project/process that might have regional benefit. Mr. Collins added that the County is very cognizant of recognizing existing water rights – the brackish wells will be strategically located and the MOU's were carefully developed in order to allow collaboration in this process to solve water issues without harming anyone's water rights, whether in Seaside, Marina, Salinas Valley or Castroville or elsewhere.

Mr. Russell discussed the MOU's between MCWD and MRWPCA for the "Regional Urban Water Augmentation Project" and "Use of MRWPCA Outfall for Brine Disposal" and expressed hope that the work could proceed without too much delay. Mr. Hart added that it is not just about developing fresh water but it is equally important to make the best possible use of the recycled water.

Mr. Rubio stated that the group has managed to build a foundation for cooperation that is not limited to water issues. He committed to continuing work to identify projects and address CEQA requirements. For an area that conserves water better than anywhere else in the state, we deserve this opportunity to be successful. Everyone in this room deserves credit for putting aside differences, because we now have a start for something that will be for the good of the whole community – all of Monterey County.

Mr. Brower stated his agreement with the regional approach but cautioned that there would be some who might work against the plan. He mentioned the District is pursuing a desal project independent of this regional plan, but confirmed the District needs to be a part of the regional process because it is the regulator for the Monterey Peninsula. He acknowledged the MPWMD Board's appreciation for being invited to participate.

Mr. Israel stated this is a real achievement to get local agencies and people together to solve the problem. Sometimes the local solution takes a longer, but in the long

term, it may be the best solution. Everyone should be congratulated on a great local solution.

Mr. Rochester stated that after almost 25 years of trying to solve North Monterey County water problems, this regional approach is definitely the best opportunity. North County needs to be involved and as a result there will be more support for the process. He suggested that public relations/outreach would help educated people on what we are trying to do and with that we would gain their support as well.

Supervisor Parker commended the group for having publicly elected entities involved in the planning to find solutions that are sustainable over time and to heal the overdraft situations. She stated that while there will be challenges, there is a spirit of cooperation to seek solutions that will avoid environmental issues we worry about but that will succeed in getting water for us now and into the future.

The remaining members of the panel voiced support for the regional process and expressed thanks to the members of the group who worked so tirelessly to get agreements in place within a short period of time.

RECOMMENDATION(S) AND ACTION

- **Review and consider endorsement of MOU studies**

Chair Calcagno noted that the item to review and consider endorsement of MOU studies has been pretty thoroughly completed during tonight's proceedings.

- **Discuss California Public Utilities Commission Public Hearings scheduled for July 13 and 14 (Monday and Tuesday)**

Mr. Weeks stated the public hearings are scheduled in the afternoons on July 13 and 14. The hearing process is that the Administrative Law Judge (Minkin) and the PUC staff will be available to hear testimony from local residents of this area.

- **A Letter of Transmittal under signature of Chair Calcagno to the Public Utilities Commission submitting the copies of the MOUs with copies to all local agencies.**

Chair Calcagno asked for consensus of the panel to proceed with a Letter of Transmittal to submit copies of the MOUs. Mr. Rubio moved that Chair Calcagno sign and submit a Letter of Transmittal to the PUC; Supervisor Parker seconded. The motion passed unanimously.

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ADJOURNMENT

Chair Calcagno expressed his commitment to see that this process continues in a positive way. He thanked everyone for their participation and expressed appreciation to staff for organizing the evening's event. With no further business, the meeting was adjourned at 8:45 pm.

/s/ Keith E. Israel

Keith E. Israel, General Manager
Secretary to the MRWPCA Board

/s/ Louis R. Calcagno

Louis R. Calcagno, Chair
MRWPCA Board of Directors