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**DRAFT**

**MINUTES**  
of the  
**Special Meeting**  
**MRWPCA Board of Directors**  
and the  
**Ad Hoc Water Committee**  
**March 23, 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 7:06 p.m., on Monday, March 23, 2009 at the Seaside Community Center, 220 Coe Avenue, Seaside, California

**ROLL CALL**

**BOARD MEMBERS PRESENT:**

Lou Calcagno, Chair  
Gloria De La Rosa, Vice Chair  
Ramiro Cortez  
Ron Stefani  
Joseph Russell  
Kenneth Nishi  
Libby Downey  
Chris Orman  
Dan Cort  
Dave Pendergrass  
Ralph Rubio

Monterey County, Supervisor  
Salinas, Mayor Pro Tem  
Boronda County Sanitation District  
Castroville Community Services District  
Del Rey Oaks, Mayor  
Marina Coast Water District, Member  
Monterey, Councilmember  
Moss Landing County Sanitation District  
Pacific Grove, Mayor  
Sand City, Mayor  
Seaside, Mayor

**PUBLIC OFFICIALS PRESENT:**

Dave Potter  
Chuck Della Sala  
Dan Burns  
Dave Hart  
Steve Collins

Supervisor, Monterey County  
Mayor, Monterey  
Director, Marina Coast Water District  
Board Member, MCWRA  
Board Member, MCWRA

**STAFF MEMBERS PRESENT:**

Keith Israel	General Manager, MRWPCA
Brad Hagemann	Assistant General Manager, MRWPCA
Lew Bauman	Chief Executive Officer, Monterey County
Curtis Weeks	General Manager, MCWRA
Jim Heitzman	General Manager, MCWD
Fred Meurer	City Manager, Monterey
Ray Corpuz	City Manager, Seaside
Carl Niizawa	Public Works, Salinas

**Committee Member Absent:**

Bruce Delgado	Mayor, Marina
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**PLEDGE OF ALLEGIANCE**

**WELCOME BY SUPERVISOR CALCAGNO**

Chair Calcagno welcomed the MRWPCA Board, Ad Hoc Water Committee and the public and explained that this meeting was an opportunity to bring all the parties together and to focus on bringing reclaimed water from the Castroville Seawater Intrusion Project (CSIP) to the Monterey Peninsula encompassing Marina, Fort Ord, Seaside, Del Rey Oaks, Sand City, Pacific Grove and Monterey. He stated how important is it to have the three agencies working together: Monterey County Water Resources Agency (MCWRA), Marina Coast Water District (MCWD) and Monterey Regional Water Pollution Control Agency (MRWPCA).

**ORAL COMMUNICATIONS (Public Comments)**

Ms. Jan Shriner, Marina Public Works Commission, clarified that the Marina representatives were unable to attend this meeting due to a scheduled budget meeting. She understood that Black Horse and Bayonet private golf courses will be supplied reclaimed water in Phase 1 with the new backbone pipeline and asked why no laterals would be supplied for any regions in Marina. She also inquired about a March 19 MCWD Board meeting where the Directors in attendance discussed the MOU with Cal Am for only 12 minutes with only 30 hours notification to the public. Lastly she asked if future special and regularly scheduled meetings like this could be taped and made accessible to all citizens.

**DISCUSSION OF MEETING PURPOSE AND GOALS**

Mr. Lew Bauman, Chief Executive Officer for the County of Monterey, stated the intent of this meeting was to hear presentations from staff and to initiate a dialog that could lead to development of several integrated water supply

projects for Northern Monterey County and ultimately to agreements to implement those projects between MRWPCA, MCWD and the MCWRA. He continued by describing the region's history of self reliance, ingenuity and water independence.

Mr. Bauman explained that Cal Am had submitted an application to the California Public Utilities Commission (CPUC) in 2004 to supply 12,500 AFY of water for urban users on the peninsula as well as injection in the sea water basin. The Draft EIR for that report has been distributed and is available for public review. The Draft EIR includes Cal Am desal facilities in Moss Landing, the North Marina project facilities and a larger regional project that will serve as an alternative. Mr. Bauman stressed the importance for the community to reach consensus on a series of water supply projects to mitigate the overdraft in the Carmel Basin as well as the seawater intrusion along our coast. He cautioned that if there is no clear message to the State of our preferred projects, we should fear that the State PUC and Cal Am by order of law will have no choice but to make a decision on our behalf.

### **PRESENTATIONS/UPDATES**

Chair Calcagno introduced Curtis Weeks, General Manager of MCWRA, to provide a presentation to explain the elements of the Water Coastal Project – the ocean desal at Moss Landing, the North Marina brackish desal element with water supply wells that will require an ocean outfall and MCWD's distribution system to move the water into the Monterey Peninsula and the third alternative that has been described as the regional project that brings together several integrated projects:

- MPWMD's ASR project to bring excess river water from the Carmel watershed to put into the Seaside Groundwater Basin
- Sand City's desal plant
- Urban recycled water for irrigation, either winter or groundwater replenishment
- Brackish water desal plant with wells south of any agriculture areas (a key consideration for MCWRA)
  - MCWD will be treater and developer of this project
  - MCWRA has existing annexation agreement
  - Groundwater basin water for Marina and Fort Ord
  - MCWRA will own the wells and build the plant.
  - Ocean water will go to Peninsula for distribution
  - Groundwater will be managed by MCWRA
  - Agreement between MCWD and MRWPCA to use ocean outfall

Mr. Weeks explained that Cal Am continues to look at the ocean desal at Moss Landing to create a water supply that will satisfy the Order 95-10 and the Seaside Groundwater Basin overdraft. In order for the community to demonstrate to the CPUC that we have a viable plan, we need to put agreements in place to define the alternative water supply plan.

- Cal Am and MCWD water purchase or reimbursement agreement for development of the brackish water desal plant and ultimately a water purchase agreement
- MRWPCA and MCWD for reject disposal through the outfall
- MCWD and MCWRA to monitor the groundwater basin and to develop the wells
- Three-way agreement among MCWRA, MCWD and MRWPCA regarding recycled water

Regarding the recycled water component, Mr. Weeks explained there would be water available to the urban areas for use during the irrigation season. A partnership between MCWRA and MRWPCA resulted in a project to develop water for agriculture that was paid for by Salinas Valley (CSIP). An agreement has been crafted to set aside some of that water (1,500 AF) dependent on improvements to filtration and increased capacity which are now in place. Additionally, during the non-irrigation time (winter), water is available that can be used for either replenishment or additional storage for an expansion of the urban irrigation project. Mr. Weeks continued by discussing the urban customers who would be interested in having this water available and ultimately being able to improve the availability of potable water throughout the Seaside Groundwater Basin.

Mr. Weeks stated the MCWRA Board of Directors has given him instructions to schedule meetings and get the needed agreements in place and tonight's meeting is a start to that end.

Mr. Israel, MRWPCA General Manager, commented that the presentation given provided a thorough outline of the local regional water program and fully concurred that the importance of working together to put the necessary agreements in place will insure our ability to keep control over all our water supply. He added that an annual regional meeting, such as the one tonight, would be helpful to be sure we meet all needs and that things are done in a way that the entire community supports.

Mr. Heitzman, MCWD General Manager, confirmed Marina Coast's willingness to participate and to look regionally on how to solve problems. He

stated he has already begun to get this work moving forward and agreed that 30 days is an appropriate amount of time to get these agreements in place.

**DISCUSSION**

Mr. Rubio described this meeting as a significant water moment in our history with all the policymakers in one place talking about the same issue with all the facts presented at the same time – a guarantee for success. There are four agreements needed that are critical to the success of this project, and Mr. Rubio confirmed his willingness to help develop the agreements within 30 days and present them to the CPUC.

Chair Calcagno then called on each member of the group to speak. Each member, in turn, commented on the importance of this meeting and their commitment to assist in the process that has been outlined this evening.

Chair Calcagno called for a motion and Mr. Rubio proposed the following:

**To select the Monterey Regional Water Supply Program as our solution and recommend implementation of the institutional agreements identified in the presentation:**

- **source water agreement between MCWD and MCWRA**
- **purchase agreement between Cal Am and MCWD,**
- **outfall agreement with MCWD and MRWPCA, and**
- **three-way agreement covering recycled water, winter water, and groundwater replenishment between MCWRA, MRWPCA and MCWD, and,**

**formation of a Negotiating Committee consisting of the Executive Director, the Board Chair, and a Board Member from each of the respected agencies, and a neutral counsel to construct the agreements.**

Chair Calcagno confirmed the members who would be working as a committee to construct these agreements: MRWPCA, Chair Calcagno, Mayor Rubio and General Manager Keith Israel; MCWRA, Board members Steve Collins, Dave Hart and General Manager Curtis Weeks; MCWD, Board members Kenneth Nishi, Dan Burns and General Manager Jim Heitzman.

Ms. Downey suggested a time line for the action be included in the motion; Mr. Rubio agreed and amended the motion to include: **an expectation of completed agreements in 30 days.** Ms. Downey seconded the motion.

**ORAL COMMUNICATIONS**

Chair Calcagno reopened Oral Communications (Public Comments):

Ms. Janet Brennan asked if the Groundwater Replenishment Project's inclusion in Phase 1 would result in a reduced size of the desal plant. Mr. Weeks stated both technologies are for removing salts, whether recycled water or brackish water supply, and could be interchangeable – the supply water is the issue.

Mr. George Riley, representing Citizen Republic Water, commented that costs need to be fair to the rate payers but also fair between the agencies and that resources ought to be shared. He also suggested that the Monterey Peninsula Water Management District and the Seaside Basin Adjudication Group (Seaside Water Master Board) ought to be involved in the technical discussions.

Mr. Jim Smith, District Manager for the California Water Service, stated that Cal Water has been a major supporter of what MCWRA has done through the Castroville Seawater Intrusion Project (CSIP). Cal Water hired a consulting firm to do a long-term study of future water supply through 2030 with an unbiased view of various projects considering environmental concerns, costs, permeability, litigation and desal was at the bottom of the list. He confirmed his concern for his 28,000 connections supporting over 100,000 people in Salinas, but is willing to be involved and will continue to work with MCWRA because someday there may be an urban project not only for Salinas, but for every city in the Salinas Valley.

With no additional public comments, Chair Calcagno closed Oral Communications.

Chair Calcagno asked for further discussion on the motion and stated the first meeting of the nine-member committee, would not include legal counsel but, would draw up basic rules on how to proceed.

**RECOMMENDATION(S) AND ACTION**

Chair Calcagno called for the motion and a vote. Mr. Rubio made the motion that Ms. Downey seconded, as follows:

**To select the Monterey Regional Water Supply Program as our solution and recommend implementation of the institutional agreements identified in the presentation:**

- source water agreement between MCWD and MCWRA
- purchase agreement between Cal Am and MCWD,
- outfall agreement with MCWD and MRWPCA, and
- three-way agreement covering recycled water, winter water, and groundwater replenishment between MCWRA, MRWPCA and MCWD, and,

formation of a Negotiating Committee consisting of the Executive Director, the Board Chair, and a Board Member from each of the respected agencies, and a neutral counsel to construct the agreements with an expectation of completed agreements in 30 days.

With a roll call vote, the motion carried unanimously.

#### **ADJOURNMENT**

Chair Calcagno expressed his commitment to see that this process continue in a positive way and that there would another opportunity to share information with the public on this proposed regional water plan approach. With no further business, the meeting was adjourned at 8:15 pm.

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

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Louis Calcagno, Chair  
MRWPCA Board of Directors