



**MONTEREY COUNTY WATER RESOURCES AGENCY
BOARD OF DIRECTORS**

BOARD MEMBERS:

Richard Ortiz, Chair
Claude Hoover, Vice Chair
Silvio Bernardi
Ken Ekelund
Mark Gonzalez
David Hart
John Huerta
Mike Scattini
Deidre Sullivan

STAFF:

David Chardavoyne, General Manager
Robert Johnson, Assistant General Manager
Brent Buche, Assistant General Manager
Cathy Paladini, Finance Manager
Wini Chambliss, Clerk to the Board
Jesse Avila, Deputy County Counsel

August 25, 2014

REVISED MINUTES

(Revisions are emboldened, italicized and double underscored.)

1. CALL TO ORDER/ESTABLISH QUORUM

The meeting was Called to Order at 12:04 by Vice Chair Claude Hoover.

Directors Present: Richard Ortiz (@ 12:05 PM), Claude Hoover, Ken Ekelund, David Hart, John Huerta, Mike Scattini (@ 12:30 PM) and Deidre Sullivan
Directors Absent: Silvio Bernardi and Mark Gonzalez

A quorum was established.

2. PUBLIC COMMENTS ON CLOSED SESSION ITEMS – None.

3. ADJOURN TO CLOSED SESSION @ 12:05 PM

4. RECONVENE MEETING/REPORT FROM CLOSED SESSION

Chair Richard Ortiz reconvened the meeting after lunch and Closed Session @ 1:02 PM

A quorum was again established.

Deputy County Counsel Jesse stated there were no reportable actions taken in Closed Session.

5. PLEDGE OF ALLEGIANCE (led by Director John Huerta). Chair Ortiz requested the observance of a moment of silence in memory of BMP Committee Member and Water Resources Agency advocate Bob Antle.

6. PUBLIC COMMENTS – None.

7. PRESENTATION

Benny Young, Director of the Resource Management Agency (RMA), presented information regarding Monterey County's possible purchase of the old HSBC facility (approximately 300,000 square feet) located in Salinas. Mr. Young stated this facility became available at a greatly reduced price on very short notice, and its purchase is less expensive than the existing plan to renovate the East and West wings of the former Government Center.

He enumerated the following benefits in purchasing the facility:

- Saving taxpayers \$20+ million over the next 30 years;
- Consolidating records storage;
- Providing greater efficiency through consolidating and co-locating departments;
- Moving operations out of modular offices sooner;
- Owning rather than leasing; and,
- Providing additional parking

Mr. Young also discussed challenges and concerns associated with the potential purchase, along with the studies that have occurred in the due diligence process. He noted the condition of the facility is generally good; however, some maintenance is required. Of major issue is replacing the roof on one of the buildings. Improvements are estimated at \$16 million, with a total move-in cost of approximately \$23 million. If the Board of Supervisors approves moving forward, a 30-day escrow period would be initiated with closing by the end of September. If the Board of Supervisors does not approve moving forward, the process ends and the County's \$100,000 deposit would be refunded.

Mr. Young requested the Agency to consider the Schilling facility for the Agency's long-term facility needs if the County approves moving forward, and also stated comprehensive material can be found on the RMA website.

Board Questions/Comments (*Responses are emboldened and italicized*):

- a. Is there adequate space for employee parking and Agency vehicles/equipment? *There is ample room to provide secured parking for Agency needs.*
- b. What is the initial analysis as to how rents would be calculated? *The thought is that Monterey County will be able to save the Agency money over time.*
- c. Does that mean, for example, if the Agency requires a separate entrance, we will not be asked to pay any costs up front and those costs will be absorbed in future rent? *The County would cover those up-front costs through a COPs debt issuance. The savings to the Agency have been credited in the financial analysis. So, those costs have essentially been covered.*
- d. The Board of Supervisors will make a decision on Tuesday, and then we will find out the costs to the Agency.
- e. When will we know what the Agency's costs will be? *Within a few months as we proceed with the finalization of the costs and the architectural workers come up with a final layout.*

There will be shared facilities whose amenities will most likely be an upgrade from those currently existing at the Agency.

- f. How soon will an architect be selected? *It might take a couple of months. The County may use the same firm that did the space planning.*
- g. Will the Board of Supervisors be located in the new facility? *No.*
- h. Will you build a Board Room for the Agency? *Yes.*
- i. If the Agency's Board of Directors decides whatever is being offered is not a good deal, does that cause a change in the financial analysis in this project to make it a no-go project? *It does change the financial analysis and the savings may not be as extensive as estimated; but, the project will go forward.*

Public Comments: None

8. CONSENT CALENDAR

- A. Approve the Minutes of the following meetings: Special Joint Meeting of the Monterey County Water Resources Agency Board of Supervisors and Board of Directors on June 3, 2014; Special Board of Directors meeting on June 30, 2014; and, Regular Board of Directors meeting on July 28, 2014.

Public Comments: None.

ACTION:

Motion and Second by Directors John Huerta and Ken Ekelund to approve the Consent Calendar.

Motion carried unanimously by those members present.

9. ACTION ITEMS

- A. Consider adoption of the Monterey Peninsula, Carmel Bay and Southern Monterey Bay Integrated Regional Water Management Plan (IRWMP) Update.

Rob Johnson, Assistant General Manager, provided historical information regarding the Agency's participation in the IRWMP program, stating this update provides an opportunity to meet additional guidelines set by the California Department of Water Resources (since 2006) and formally add new members. Mr. Johnson reminded Directors that in order to be eligible for grant funds, Regional Water Management Group members must adopt the 2014 Plan update (deadline September 16, 2014). He indicated the Monterey Peninsula IRWMP has submitted an application for drought round of funds.

Board Questions/Comments (*Staff responses are emboldened and italicized*):

- 1. Is there a problem with not being fully compliant with CASGEM? ***Mr. Johnson indicated he would answer the question when CASGEM is considered later on the agenda.***
- 2. Is there a prioritization of projects and a group that reviews the projects? ***Yes to both questions. Projects are ranked as to which will make the best project.***

Public Comments:

Norm Groot, Monterey County Farm Bureau, stated there are more proposals than available funding. In that light, are there any Agency projects that are affected by this plan? ***There is no***

specific project currently from the Agency that would be affected by that plan. There are many projects in these IRWM plans; but, they are simply wish lists. When funding becomes available, specific plans have already been submitted and then become eligible for funding.

ACTION:

Motion and Second by Directors Ken Ekelund and Deidre Sullivan to adopt Monterey Peninsula, Carmel Bay and Southern Monterey Bay Integrated Regional Water Management Plan Update.

Motion carried unanimously by those Directors present.

B. Consider adoption of the Monterey County Floodplain Management Plan (FMP) 2014 Update.

Rob Johnson, Assistant General Manager, reported this update (funded through a grant) is required for continued participation in the National Flood Insurance Program (NFIP) Community Rating System. Monterey County has maintained a Class 5 rating for several years in this voluntary program that encourages communities to adopt higher regulatory standards. The Class 5 rating has resulted in a 25% discount for NFIP policy holders.

The Floodplain Management Plan was developed to identify the flooding sources affecting 109 repetitive loss properties (RLPs) that result in \$7.1 million in flood insurance claims and establish an implementation plan to reduce flooding Repetitive Loss Areas (RLAs). Any community with ten or more RLPs must focus the FMP on RLAs.

This update includes the following changes:

- Updated background information;
- Updated tables & figures;
- New maps; and,
- Updated implementation plan.

The public comment period on this plan will begin sometime after the Board of Directors adopt the Draft 2014 FMP Update. Comments will be received from the general public, FEMA Region IX; California Office of Emergency Services; and, the Insurance Services Office.

Mr. Johnson then discussed the proposed schedule:

- August 2014 – adopt Draft FMP and apply for Grant extension;
- Late 2014 – release FMP for public and regulatory review;
- Mid 2015 – incorporate comments and submit to governing bodies for adoption of final FMP.

Board Questions/Comments (*Staff responses are emboldened and italicized*):

1. What are some of the changes in the updated version? ***It has been rewritten; the graphics have been improved; and, the GIS maps have been revamped.***
2. With so many hydrological projects being interconnected, was any information from the Stream Maintenance and/or Management Programs included that provided greater understanding or transfer of information? ***The Channel Maintenance Project was specifically mentioned; but, there was no real integration of moving toward the River***

Management program. However, that could be added before the final FMP is developed.

General Manager Chardavoyne asked whether Staff expected FEMA to make CRS rating criteria more stringent or more flexible in the future. Staff responded the criteria have changed completely and are more stringent. The Agency is working diligently to maintain at least a Class 7 rating which is still in the top ten percent in California. Consideration is also being given as to whether the Agency remains in the program at all.

Additionally, Mr. Chardavoyne inquired whether the potential implementation of the Interlake Tunnel Project would be beneficial to the Agency's rating since the number of flood occurrences would be reduced by about 50%. Staff responded implementation will provide some benefit there is no way to know the effect on the Agency's rating. The majority of the properties are on the Carmel River system or the Pajaro River system..

Public Comments: None

ACTION:

Motion and Second by Directors David Hart and John Huerta to adopt the draft Monterey County Floodplain Management Plan 2014 Update.

Motion carried unanimously by those members present.

- C. Consider receiving a report on the status of the Agency's compliance with the California Statewide Groundwater Elevation Monitoring (CASGEM) Program; and, providing direction to Staff.

Rob Johnson, Assistant General Manager, stated the financial impact of compliance *and* non-compliance with CASGEM is unknown at this time. This unfunded State mandate requires:

- entities to monitor groundwater wells and report that data to the State;
- entities to develop monitoring plans for areas they are required to monitor, even where there are no funding resources; and,
- disqualification of entities from receiving State grants if not CASGEM-compliant.

In 2010, the Agency sent a letter to the State indicating the need for funding to perform compliance-related efforts, to which we have received no response. With the knowledge that CASGEM compliance is an eligibility requirement for State grants, the Agency submitted information on Agency-owned wells ONLY. Mr. Johnson noted since compliance requirements have expanded over time, Staff is working with State staff to understand what is needed to be compliant. Mr. Johnson then reviewed a list of efforts made by the Agency in attempts to comply with CASGEM requirements.

Mr. Johnson then outlined possible options available to the Agency:

- Continue working with the State regarding current efforts to achieve compliance;
- Ask current well owners if they want their data released;
- Choose not to be compliant – Agency would not be eligible for State grants;
- Prioritize CASGEM work over other tasks (identifying what other work will not be performed); and,
- Other options....

In summary, Mr. Johnson reminded Directors that: CASGEM compliance is an eligibility requirement for State grants; it is an unfunded mandate; and, the Agency is experiencing budget issues.

Board Questions/Comments (*Staff responses are emboldened and italicized*):

1. Is there some legislative mandate that states the Agency is responsible for this monitoring and no one else? Can some environmental organization take on this responsibility of collecting the data? ***The Agency has been tagged as the monitoring entity for the County by the State.***
2. What does the Agency need to do to be compliant? ***One well per ten square miles. We do monitor wells; but, well data is proprietary.***
3. Of all the wells in the valley, what percentage is being monitored? ***On an annual basis we measure about 400 wells.***
4. Do we have any sense of why some areas are compliant and why some are not? ***Initial response is that the wells are State-sponsored wells.***
5. Could you contact a similar county to determine what they have done to determine? ***Staff can research compliant entities and what they are doing.***
6. We should not make any decision to comply or not comply until we receive more information.
7. The trend over time is to provide increased monitoring. Groundwater is a community resource.
8. It would be interesting to determine how many of the 400 well owners would publish their well data.
9. It would be beneficial to the Agency to joint with groups that are already performing this function (i.e. Grower-Shippers, etc.).
10. Hopefully you will receive the information you requested regarding the compliance requirements.

Public Comments:

Margie Kay, North County resident, recalled a meeting held in Watsonville several years back where ~~the residents those attending the meeting~~ complained about this unfunded mandate. This is a common problem...especially with diminishing revenues.

Norm Groot, Monterey County Farm Bureau, stated the groundwater monitoring program in this county is voluntary and has been successful. Mr. Groot also advised Staff that members of the public may not be amenable to disclosing their well data.

Darlene Din, Monterey County resident, recommended contacting our legislators to assist in securing information regarding compliance requirements.

ACTION:

Motion and Second by Directors Ken Ekelund and David Hart to receive a report on the status of the Agency's compliance with the California Statewide Groundwater Elevation Monitoring (CASGEM) Program; work with the State to obtain a definition of compliance; discuss with compliant entities to determine their steps in achieving compliance; and, determine the financial impacts of compliance and non-compliance and whether it is achievable.

Motion carried unanimously by those members present.

10. KEY INFORMATION AND CALENDAR OF EVENTS – The Reservoir Operations Committee will meet September 4, 2014.

11. GENERAL MANAGER’S REPORT – General Manager David Chardavoyne reported on the following:

- a) PCA Meet & Confer – Several meetings were held among the Growers, PCA, the City of Salinas, Water Management District and the Agency regarding the development of an MOU agreeable to all parties ultimately resulting in a Definitive Agreement. Discussions have been tenuous; but, cautious optimism remains in reaching agreement
- b) Met with Senator Bill Monning to provide updates on the Interlake Tunnel Project, Salinas River Stream Maintenance Program and the Stream Management Program.
- c) Met with FORA to discuss FORA’s programs and water rights in general. The Agency signed off on the transfer of five acre-feet of water for the Veterans Cemetery that will be run by the State. The State required a letter of concurrence from the Agency. This transfer also involved Representative Sam Farr’s office.
- d) Absences during the month due to personal matters.
- e) Pajaro River Levee Project – at the request of Santa Cruz County, the City of Watsonville and the City of Monterey, Bill Phillips has been engaged as a consultant (paid through grant funding). Mr. Phillips and Manuel Quezada will attend a Charrette in San Francisco to develop strategies regarding the Pajaro River Levee Project.
- f) Espinosa Booster Station – Staff made a presentation to the Water Quality and Operations Committee regarding CSIP well repairs. The presentation was well received. Next steps include hiring experts to complete design analysis; finalizing design recommendations; selecting an approach; and, proceeding with modifications. Agency Staff are now tasked with considering scheduling options, approaches and prioritizing projects to correct issues within the CSIP system.

Public Comments: None.

12. COMMITTEE REPORTS – BMP Committee Chair Richard Ortiz requested Staff to provide an update on AB 1739 and SB 1168. Chair Ortiz also requested Board input regarding filling the BMP Committee vacancy.

13. INFORMATION ITEMS – Directors had no questions/comments regarding the Information Items.

14. CORRESPONDENCE – With regard to the letter to Keith Israel, Directors commended Agency Staff for continued follow up on this issue.

15. BOARD OF DIRECTORS’ COMMENTS – By consensus, Chair Ortiz and the Board determined to fill the vacancy on the Basin Management Committee. Directors will submit names of candidates to Chair Ortiz, and the selection of a replacement will be placed on the next regular Board agenda (September 22, 2014). The following names were submitted for consideration: Dennis Sites, Mike Antle, Dale Huss and Chris Bunn Jr.

16. ADJOURNMENT @ 3:18 PM

SUBMITTED BY: Wini Chambliss
APPROVED ON: September 22, 2014

Wini Chambliss, Clerk to the Board

APPROVED 9-22-14