



**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

July 28, 2014

MINUTES

(Double-underscored and emboldened corrections were made to the Agenda during the meeting.)

1. CALL TO ORDER/ESTABLISH QUORUM

The meeting was Called to Order at 12:03 PM.

Directors Present: Directors Richard Ortiz, Claude Hoover, Silvio Bernardi, Ken Ekelund, Mark Gonzalez, David Hart, John Huerta (@ 1:37 pm) and Mike Scattini (@ 12:11 PM)

Directors Absent: Director Deidre Sullivan

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: 12 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 Silvio Bernardi).

6. PUBLIC COMMENTS

David Armanasco, who worked with the Leadership Group LLC in preparing the \$20 million grant application for the Interlake Tunnel Project, apologized for utilizing Salinas Valley Water Coalition and Monterey County Farm Bureau logos on the grant application without their expressed permission. Mr. Armanasco stated he received verbal support from each of the entities; but, should have followed through to secure written permission. Mr. Armanasco reported by the end of the day the Agency would be notified whether it passed prequalification screening. If so, the formal application would be due in September.

Norm Groot, Monterey County Farm Bureau, thanked Mr. Armanasco for his apology; but, noted there was a gap in procedure. Mr. Groot voiced the Farm Bureau's support for the project and grant application. He also requested the revitalization of the Regional Advisory Committee (RAC) with a broadened scope.

Nancy Isakson, Salinas Valley Water Coalition, also thanked Mr. Armanasco for stepping forward with his apology. She stated this to be another misstep on the part of the Agency, especially since the grant application is in the Agency's name. Ms. Isakson emphasized the need to involve the public in garnering support for projects. Further, Ms. Isakson requested the reinstatement of the RAC, and solicited its involvement with the Interlake Tunnel and other Agency water projects.

7. PRESENTATION

Prior to General Manager David Chardavoyne's update on the Meet and Confer process, Director Claude Hoover provided historical information clarifying the process leading up to "meet and confer" related to Amendment No. 3 with the Monterey Regional Water Pollution Control Agency (PCA).

Mr. Chardavoyne discussed the proposed project where parties work jointly to develop multiple sources of water to expand CSIP and create a supply of water for the Groundwater Replenishment Project. The Project is divided into two phases:

- Phase 1: 2,200 acre-feet per year to the Growers; 4,300 acre-feet per year to the Peninsula by 2017
- Phase 2: 4,700 acre-feet per year to the Growers; Commitment to work on Phase 2 by 2022

He then provided historical information leading to the meet and confer process at hand. In early 2012, the Agency received a request from PCA to allow it to utilize contractual wastewater entitlement of the Agency. The Agency Board of Directors appointed an ad hoc committee consisting of Staff, Directors and members of the Public. In August 2013, PCA announced it was pursuing Meet and Confer as called for in Amendment No. 3 between PCA and WRA. In May 2014, PCA agreed to include representatives of the Growers and the Monterey Regional Water Management District. Discussions also included the possibility of including MCWD. Directors received drafts of the MOU from the Agency, PCA and a document comparing the two documents.

The next step is negotiating a MOU agreed upon by all Parties, followed by the negotiation of a Definitive Agreement acceptable to all Parties.

Decision Points are these:

1. Is Salinas produce wash water existing or new source water? The answer to that question has a financial impact to the Growers.
2. Is the proposed cost of Phase 1 and Phase 2 new water acceptable to the Growers?
3. Are all parties in agreement of disproportionate curtailment of water?
4. Will the Groundwater Replenishment Project always receive its allotment of water (will it have priority)?

In order to complete this agreement, a Definitive Agreement is required including firm costs, cost allocations and firm cost accounting.

Board Questions:

1. Is the deadline December 2014? ***MOU should be completed soon with Definitive Agreement completed by March 2015.***

Public Comments:

Nancy Isakson, Salinas Valley Water Coalition, requested copies of David Chardavoyne's presentation. Ms. Isakson stated that Cal-Am is not a party to this agreement, and the Coalition's hope is that they take 100% ocean water without a need for return flows. There is nothing mentioned about what happens during the growing season when the 19,500 acre-feet is not available. This points to the need for a Drought Contingency Plan. She thanked Staff for making this a part of the public process. She stated her belief that Section 2D is not appropriate for this.

Norm Groot agreed that Cal Am is not a party to this particular proceeding and there should be nothing in the document that mentions Cal-Am and the desal process. Mr. Groot noted the growing season is not defined in this document. He asked what happens if there is a drought condition like this year. With regard to the allocation for the 19,500 acre feet, wash water should be kept separate from that particular number since that water is guaranteed to CSIP.

Keith Israel, Monterey Regional Water Pollution Control Agency (PCA), stated that since no agreement has been reached with regard to source water, the Monterey Regional Water Management District (WMD) has held off on funding for the last month and PCA has been funding on a month-to-month basis. However, PCA's funding is limited and they are hopeful agreement can be reached with regard to source water by early August, stating time is of the essence.

Gary Petersen, City of Salinas Director of Public Works, stated these negotiations are fragile, difficult and tenuous; but, are important as they describe the future of water in Monterey County for several decades. There are a number of issues that include the possibility of resolving environmental issues associated with water quality; stormwater permit issues for agriculture and the City of Salinas. This is a systemic issue that involves all of Monterey County. He stated this process is enormously important, though not easy.

General Manager Chardavoyne agreed that as agreement becomes closer, more people want to be involved in the process.

8. CONSENT CALENDAR

- A. Approve purchase orders/contracts in excess of \$500 and credit card purchases over \$500 in May/June 2014.
- B. Receive Report on Salinas Valley Water Conditions for the Third Quarter of Water Year 2013-2014.
- C. Receive the sixth Five-year Part 12D Independent Consultant Report for Nacimiento Dam; and direct the General Manager to transmit the report to the Federal Energy Regulatory Commission (FERC) as part of their Inspection and Evaluation Guidelines.
- D. Approve a resolution authorizing the General Manager, or designee, to apply for Mussel Fee grant funds from the California Department of Boating and Waterways and to negotiate and execute a grant agreement with the Department to receive and expend said funds to implement the mussel prevention program at Lakes Nacimiento and San Antonio.
- E. Recommend that the Monterey County Water Resources Agency Board of Supervisors direct:
 - 1) County Counsel to certify that the Monterey County Water Resources Agency Board of Supervisors has the full authority and legal capability to perform the terms of a Federal Cost-Share Agreement between the Department of the Army and the Monterey County Water Resources Agency Board of Supervisors in connection with the General Re-Evaluation Report (GRR)/Environmental Impact Statement (EIS) for the Pajaro River; and, 2) the Chairperson of the Monterey County Water Resources Agency Board of Directors to certify against lobbying in connection with the awarding of any Federal contracts.
- F. Approve and recommend that the Monterey County Water Resources Agency Board of Supervisors approve a Budget Amendment authorizing the Auditor-Controller to amend the Monterey County Water Resources Agency's Fiscal Year 2014-2015 Budget for the reimbursement and funding Agreement between the County of Monterey and the Agency up to the sum of \$500,000 to fund preliminary engineering and design, water right analysis, and initial program management for the Inter-Lake Tunnel Project.
 - i. Increase appropriation in Fund 111 (Administration), Dept. 9300, Unit 8267, Appropriation Unit WRA001, Account 6613, (Other Professional Fees and Services) by \$500,000 financed by a decrease in Appropriations in the County of Monterey Fund 001 (General Contingency Fund), Dept. 1050, Unit 8034, Appropriation Unit CAO 020 (4/5th vote required); and,
 - ii. Authorize the Auditor-Controller's Office to incorporate approved appropriation and estimated revenue modifications to the FY 2014-15 Budget, and the County Administrative Office to reflect these approved changes in the FY 2014-15 Adopted Budget (4/5th vote required).
- G. Recommend that the Monterey County Water Resources Agency Board of Supervisors direct the Monterey County Administrative Officer to reinstate the Water Resources Agency Deputy General Manager position in order to reclassify the Acting Assistant General Manager/Chief of Water Resources Planning & Management and Assistant General Manager/Chief of Operations & Maintenance positions as Deputy General Managers to rectify "Manifest Injustice" condition relating to their "Acting" status.

Public Comments:

Norm Groot, Monterey County Farm Bureau, had questions about Consent Calendar Item G – specifically a definition of “acting” status as well as a definition of the term “Manifest Injustice” associated with this item.

Consent Calendar Items F & G were pulled for separate consideration.

ACTION:

Motion and Second by Directors Claude Hoover and John Huerta to approve Consent Calendar items A through E with necessary corrections.

Motion carried unanimously by those present.

Chair Richard Ortiz then entertained comments on Consent Calendar Item F.

Public Comments:

Ron Chesshire, Monterey/Santa Cruz Building Construction Trades Council, stated there will be a joint meeting with the Board of Supervisors on Tuesday, July 29, 2014 that will include a status report on the Interlake Tunnel Project. He questioned the awareness of the Board of Directors (BOD) with regard to the process followed with the Interlake Tunnel Project (ITP). The Project needs to be done; but, not at all costs. His questions included the following:

- Did the BOD make a decision to move forward with the ITP?
- Has the BOD hired staff to work on the ITP?
- Has the BOD hired an engineering firm to work on the ITP?

At the most recent BMP Committee meeting, it was stated an engineering firm had been hired. At the last Board of Supervisors meeting, it was stated an engineering firm had been hired to do program management. However, the BOD was unaware of these issues and never acted on them. He questioned whether the firms were sole-sourced or whether Requests for Qualifications were issued. Mr. Chesshire stated Agency and Monterey County policies were not adhered to, in violation of the Little Brooks Act. The status report will be provided to the Board of Supervisors, not the Board of Directors.

General Manager Chardavoyne responded to Mr. Chesshire, stating on June 3, 2014 at a joint Board meeting, the Funding Agreement between Monterey County and the Water Resources Agency was authorized. Once the Funding Agreement was approved, the Agency was authorized to engage a program manager to do preliminary engineering. The program manager is not an engineer. The preliminary engineering is actually hydrologic and hydrogeologic modeling analysis, which has not yet been completed. The modeler was contracted on July 11, 2014 and has had only a couple of weeks to complete their process. The meeting on Tuesday, July 29, 2014 is a joint Board meeting. There will be a public workshop that will include the modeling, followed by a report back to the Board of Supervisors on August 26, 2014. County Counsel does not believe any rules have been violated in this process.

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

1. Was the BOD involved in the hiring of the program manager? ***Yes, at the June 3, 2014 joint Board meeting. There is a Board Order to confirm this.***

2. Directors recalled the joint meeting wherein the two Boards authorized these actions.
3. Was the actual funding approved July 1? ***No, the County approved funding on June 3 and authorized the General Manager to sign the Funding Agreement. County Staff wanted to examine whether the Agency could fund the ITP, which took about one month. Options were then considered by the Board of Supervisors, and on July 1 the Board of Supervisors revalidated their decision and approved the Funding Agreement and its execution. We received approval on two different dates for the same thing.***
4. The Board of Directors did not see the EPC Agreement and/or scope of Work. ***General Manager Chardavoyne responded that in order to expedite the process, approval was secured to move forward with executing the necessary agreements to determine the amount of water available, project benefits, and whether or not water rights are available.***
5. What then is EPC's scope of work? ***To provide program management services in an amount not to exceed \$400,000. This is not an engineering contract. EPC subcontracted for the hydrogeologic modeling.***
6. Will EPC be involved in creating contracts that are let for construction? ***We will hire a design engineer to design the project and they will develop the contract documents.***
7. Will they develop the RFPs? ***The program manager will get involved; but, the Agency will put out the RFPs.***
8. Were other firms interviewed before hiring EPC? ***Yes. A total of four companies were considered.***
9. What area of the United States do they represent? ***Three of the four are based in California; one in Denver.***
10. This seems like a project in search of a process. The public should have input into processes such as this. It is recognized there is urgency surrounding this project; but, we should not forego established processes. In a sense, we have abrogated some of our responsibilities regarding the public process. We should make sure there is appropriate input, notify the public when meetings are being held and ensure appropriate public input is included early in the process.
11. The RAC was convened during the 11043 process. At that time, the BMP Committee was dormant. As Directors we must remember that an ad hoc committee cannot assume the function of a standing committee. We are experiencing problems with approval of this project because of the nature of the two-Board governance structure.

Public Comments:

Nancy Isakson, Salinas Valley Water Coalition, stated her recollection that funding was not approved in June. She remembered some change being requested with the matter being brought back for final approval in July.

General Manager Chardavoyne stated an informational Interlake Tunnel Project workshop is scheduled for August 13, 2014.

Chair Ortiz asked the General Manager not to hesitate in calling a special meeting when special issues arise.

ACTION:

Motion and Second by Directors Ken Ekelund and David Hart to approve Consent Calendar Item F with the necessary correction.

Motion carried unanimously by those present.

The Chair then considered comments on Item G.

Public Comments:

Norm Groot questioned whether this “Manifest Injustice” referred to in the Board report is a serious legal matter and whether there were costs associated with this issue. General Manager Chardavoyne responded the Agency’s two Acting General Managers have been unable to advance on the salary schedule or receive any raise in several years. The “Manifest Injustice” language was taken directly from Monterey County’s Personnel Policies and Practices Resolution. Unsuccessful efforts were made last year to remedy this situation. The new proposal is requesting the CAO to act in this matter.

A question was asked whether the manifest injustice applied to the entire Agency, to which the General Manager responded ‘no’ – just the two positions in question.

ACTION:

Motion and Second by Directors Mike Scattini and Mark Gonzalez to approve the Consent Calendar Item G.

Motion carried unanimously by those present.

8. ACTION ITEMS

(Director Scattini left the dais at 2:18 pm and returned @ 2:20 PM)

- A. Consider receiving an update on the Salinas River Lagoon Management and Enhancement Plan; and, provide direction to Staff on how to move forward with updating the Plan.

Elizabeth Krafft, Senior Hydrologist, provided historical information regarding the Salinas River Lagoon Management Plan that was completed in March 1997. That plan identified 27 management and enhancement recommendations, including a schedule and implementation lead. In 2009, the Agency and NMFS established the Salinas River Lagoon Management Working group focusing on lagoon issues such as Sandbar Management activities and the review of past Plan recommendations. Regular meetings have not been held since 2013. The Agency would like to re-initiate this multi-stakeholder effort (although no funding exists in the FY 2014-15 Budget), the purposes of which would include formalizing the Plan update process and evaluating the composition of the group. The working group would identify stakeholder concerns; develop project goals; identify needs and develop timelines to attain goals; and, investigate funding sources.

Ms. Krafft identified several options for the Board's consideration:

- Initiate the Working Group in the next FY;
- Allow staff 90 days to: flesh out the multi-stakeholder process; identify Agency needs, goals and objectives; develop schedule and budget; and determine the availability of Agency funds; or,
- Direct Staff to initiate the Working Group.

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

1. Is there a mandate for us to do this? **No.**
2. Why are we spending money on it? ***The regulatory agencies would like to see the Agency develop a long-term plan for the Lagoon.***
3. We have received many letters from the Coastal Commission stating we are performing sandbar management without a permit. Is the Agency liable? Can we receive fines for this? ***County Counsel could not provide an answer.***
4. The environmental groups are conflicting with regard to what should be done and/or how it should be done. And, the Agency has spent hundreds of thousands of dollars to comply with the conflicting regulatory requirements.
5. The Agency should do all it can to prevent flooding. It should be noted the Agency has done an amazing job managing the lagoon.
6. We might want to get the Peninsula involved in this.
7. If we do not have a permit, can we just walk away? **No.**
8. Is it possible to fold this into the long-term Salinas River Management Program? **Yes.**
9. It is critical that we resolve this issue. The CAO's office declares an emergency when sandbar management is required; but, we put our own Staff at risk.
10. Directing Staff to return in 90 days with a series of options is feasible. Options should include informing the Board of the risks of doing nothing, doing everything, etc.
11. Staff should consider meeting with the Coastal Commission to determine what is required to complete the process to receive a permit.
12. Local representatives should be included in the Working Group.
13. When the plan is returned, the Board could also consider including a recommendation to include this in the FY 2014-15 Budget.

General Manager Chardavoyne stated there are two options: 1) proceed as usual with threats of arrest and/or jail time levied against Agency Staff; or, 2) develop a long-term lagoon management plan and fold that in with the Salinas River Management Program (long-term). In a meeting with regulatory agencies held in fall 2013, it was agreed emergency sandbar management would be allowed to continue with the understanding the Agency would establish a long-term lagoon management program.

Public Comments:

Darlene Din, Monterey County resident, stated the process should be public and transparent; but, the lagoon should have a separate plan since it has a separate mainstem. Ms. Din stated strong, sound science should be employed to generate good decisions. She recommended that Staff be directed to return with a draft of the process that outlines how the general public will be involved.

Steve Shimek, Monterey Otter Project, encouraged Agency to move forward with the goal of receiving a completed Coastal Commission permit. Mr. Shimek stated the conflicting regulatory agencies work together all the time, and believes this is doable. The Coastal Commission has no part in the planning; but, merely provides review. He encouraged moving forward.

Finance Manager Paladini requested the Board to also determine what would not be done if this is added to the Budget.

ACTION:

Motion and Second by Directors Ken Ekelund and Silvio Bernardi to receive an update on the Salinas River Lagoon Management and Enhancement Plan; and, direct staff to return in 90 days to: flesh out the multi-stakeholder process; identify funding options for the 2015-16 Budget; determine risks; determine what funded tasks will not be performed; and, determine what is necessary to complete the Coastal Commission (and/or other commissions) permit along with associated costs.

Motion carried unanimously by those Directors present.

-
- B. Consider: 1) Receiving a report on the status of AB 155: 2) The recommendation of the Basin Management Plan Committee that **AB 155** be pulled, and that the design-bid-build method of procurement be utilized for the Interlake Tunnel Project; and, 3) Providing direction to Staff.

David Chardavoine, General Manager, discussed the original draft legislation associated with AB 155. He then discussed the legislation as revised and approved by the Senate Finance Committee on June 17, 2014, which included some cumbersome procedures and requirements associated with bidding and awarding the design-build project. The project management consultant for the Interlake Tunnel Project concluded the design-build method of procurement with a project labor agreement and P.L. 20133 requirements lost any advantage over the traditional design-bid-build method of procurement for this Project. The BMP Committee recommended that the full Board approve pulling AB 155 and utilizing the design-bid-build method of procurement for the Interlake Tunnel Project.

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

1. Does wording in the legislation say that the Agency may use AB 155 or will? *It says may.*
2. Is the Board of Supervisors considering this issue tomorrow? *It is not on tomorrow's agenda with the Board of Supervisors.*
3. Politicians seem to be adding things to our request and we have no control.
4. Who originally asked for the design-build legislation to be approved? *The County.*
5. Why would the County initiate this request? *The original idea was a good one; but, Agency Staff then stated if P.L. 20133 language was included, it was not attractive.*
6. Sometimes Design-Build is questionable. Maybe we should do nothing.
7. When do we need to know what method of procurement will be utilized for the project? *If it is decided to proceed with the project, we will apply for the permits and that process should begin in September.*
8. If we take no action, does that mean we will receive no money from the State? *No, there are no monies associated with AB 155.*

9. Taking no action may not be the best action since legislators have done much to assist in securing the legislation.
10. If we approve this action today, we might be precluded from receiving future grant funding.
11. This Board did not make the decision to pursue AB 155, and we should let the bill proceed through the legislature.

General Manager Chardavoyne stated the Agency is being criticized for not having an open process; but, Staff at this Agency did not originate this process. He also stated if the project is designed but delayed because of heavy rain, there is more flexibility by utilizing design-bid-build than design-build.

Public Comments:

Ron Chesshire, Monterey/Santa Cruz Construction Building Trades Council, stated he was called into a meeting on May 22, 2014 regarding Design-Build legislation. At that meeting, he noted an EPC brochure on the table. Mr. Chesshire noted it is important the Agency follow public processes. He added that established processes were not being followed and decisions were being made without the Board's knowledge.

Nicole Goehring submitted two public records requests, and stated she has not received any information regarding the Project Labor Agreement attached to this bill. Ms. Goehring asked the Board to follow the BMP Committee's recommendation. She also submitted a letter from Don Chapin advising the Agency to pull AB 155.

Kevin Dayton, Labor Solutions LLC, stated this bill includes the mandate that project labor agreements be included in the legislation and added this would be a tremendous coup d'état for labor unions.

Bob Perkins, Salinas resident and agricultural land consultant, stated the public was excluded from these discussions. He added this is a gut and amend bill, and the Agency cannot remain neutral.

Nancy Isakson voiced her appreciation for Mr. Perkins' comments; but, stated the legislation considered at the June 2 Board of Directors meeting included the project labor agreement language. She stated the Board should weigh in on this legislation. Ms. Isakson asked several questions: 1) If the Agency asks to have AB 155 pulled, what is the guarantee that it will be pulled. 2) Who is paying for the legislative advocate? Ms. Isakson added the original language would have allowed the transfer of water from the Valley to the Peninsula.

Jose Mendez, Salinas resident, discussed "low and responsible" bidders and the importance of considering the "responsible" side of bidding.

John Huerta left the dais at 3:37 PM and returned at 3:40 PM.

Dick Johnson, San Luis Obispo County Builders Exchange, stated the design-bid-build method of procurement gives the Agency control over the process.

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

1. Contracts should be awarded fairly with local preference. It is the Agency's duty to make a decision; even though it would be ideal if the BOS would make the ultimate call.

2. The Agency should follow the recommendation of the BMP Committee. In addition, there should be serious discussion about what actually took place along with the underlying issues.
 3. We should pass on the responsibility for this problem to its origin.
 4. The Bill is wrong in many ways, and the Board should recommend pulling it.
 5. We need to make sure local people are on the job: local workers and providers. We should continue working with AB 155.
 6. All the Agency needed was a pipe to connect the reservoirs; but, we ended up with a pipe bomb.
 7. There is great concern over the Agency being associated with this Bill.
 8. We need a workshop to discuss these issues.
 9. The Agency's name should not be associated with this Bill.
 10. We need to make policy recommendations to staff regarding legislation, lobbying and budgetary issues.
 11. The process has not been good.
-

ACTION:

Motion and Second by Directors Claude Hoover and David Hart to: 1) Receive a report on the status of AB 155: and, 2) Approve the recommendation of the Basin Management Plan Committee that AB 155 be pulled.

Ayes: Directors Silvio Bernardi, Ken Ekelund, David Hart, Claude Hoover and Mike Scattini

Noes: Directors Richard Ortiz, Mark Gonzalez and John Huerta

Absent: Director Deidre Sullivan

Motion carried.

ACTION:

Motion and Second by Directors David Hart and Claude Hoover to reconsider the previous Action.

Ayes: Directors Richard Ortiz, Claude Hoover, Silvio Bernardi, Ken Ekelund, David Hart, John Huerta and Mike Scattini

Noes: Director Mark Gonzalez

Absent: Director Deidre Sullivan

Motion carried.

ACTION:

Motion and Second Directors Claude Hoover and David Hart to request the Monterey County Water Resources Agency Board of Supervisors to request that AB 155 be pulled without any recommendation regarding the method of procurement.

Ayes: Directors Silvio Bernardi, Ken Ekelund, David Hart, Claude Hoover and Mike Scattini

Noes: Directors Richard Ortiz, Mark Gonzalez and John Huerta

Absent: Director Deidre Sullivan

Motion carried.

9. KEY INFORMATION AND CALENDAR OF EVENTS – The Reservoir Operations Committee will not meet in August.

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

- a) Two meetings among the Growers, Pollution Control Agency, Water Management District and the Agency were held during the month.
- b) Interlake Tunnel Project update – will be provided on Tuesday, July 29, 2014.
- c) Water Rights Permit #11043 EIR – Two public meetings were held regarding the Notice to Proceed: one at the Agency and the other in the City of Soledad. The comment period on the NOP ends August 11, 2014 @ 4 PM.
- d) Agency Staff met with lobbyists and Assembly member Mark Stone to discuss the Salinas River Stream Maintenance Program, Salinas River Management Program, Interlake Tunnel Project; ongoing discussions with the Pollution Control Agency and the Water Management District and Water Rights Permit #11043.
- e) Efforts to investigate Blanco Drain Water (eight cfs which is equivalent to not running one well) being place upstream of Rubber Dam and pumping into treatment plant at the Pollution Control Agency.
- f) Attended Monterey County Business Council as guest of Director Hoover re: Peninsula water issues. Audience informed of new conservation rules from SWRCB. Questions arose regarding enforcement of the new rules.
- g) All Hands Staff meeting held.

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

1. Could the Agency get verification that the Agency is not liable? ***County Counsel will investigate this matter.***
2. The Agency should go on record in support of pervious concrete which would eliminate runoff. We could recommend this to developers for implementation.
3. The Agency should support local hiring, local suppliers and local vendors with regard to contracts and agreements.

Public Comments:

Margie Kay, North County resident, asked whether the Agency had responded to communications received from the Elkhorn Slough Foundation. Rob Johnson, Acting Asst. General Manager,

stated the Agency has been in contact with Mr. Silberstein and Staff is looking for other funding options due to budget restrictions.

Jose Mendez stated there are municipalities throughout the country adopting language into their codes that new developers utilize pervious concrete.

11. COMMITTEE REPORTS – Committee Chairs had nothing new to report.

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

Nancy Isakson asked that reactivating the Regional Advisory Committee be agendized as a way of involving stakeholders - especially in regard to the \$20 million grant.

13. CORRESPONDENCE – Directors asked the General Manager to notify them regarding approval for the preliminary qualification for the \$20 grant.

14. BOARD OF DIRECTORS' COMMENTS – CASGEM is an unfunded mandate; but, fees cannot be raised arbitrarily to do the work – a Prop 218 vote is required. We now need to show a monitoring plan for all the basins in our area. Submission of this information to the State is required in order to be eligible for IRWM grant money. Many entities in the State have protested this requirement for grant fund consideration. The Agency seeks to be eligible for IRWM grants in 2015 (monies related to the Drought Proclamation); but, the State maintains its position on funding eligibility.

15. ADJOURNMENT @ 4:35 PM.

SUBMITTED BY: Wini Chambliss
APPROVED ON: August 25, 2014

Wini Chambliss, Clerk to the Board