



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

**BOARD OF DIRECTORS:**

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

**STAFF:**

David E. Chardavoyne, General Manager  
Robert Johnson, Assistant General Manager  
Brent Buche, Assistant General Manager  
Cathy Paladini, Finance Manager  
Wini Chambliss, Clerk to the Board  
Patrick McGreal, Deputy County Counsel

**December 16, 2013**

**MINUTES**

**1. CALL TO ORDER/ESTABLISH QUORUM**

Director Ekelund convened the Regular Board of Directors Meeting @ 11:32 AM.

Directors Present: Ken Ekelund, Claude Hoover, Silvio Bernardi, Mark Gonzalez, David Hart, Richard Ortiz, Mike Scattini and Deidre Sullivan (@ 11:40 AM)

Directors Absent: Director Fred Ledesma

A quorum was established.

**2. PUBLIC COMMENTS - None**

**3. ADJOURN TO CLOSED SESSION @ 11:33 AM**

**4. RECONVENE MEETING**

The meeting reconvened @ 1:07 PM

Deputy County Counsel Patrick McGreal reported the Board gave direction on a partial settlement in the matter of MCWRA v. Boyle Engineering (Monterey County Superior Court Case No. M122078); received updates in the matter of People v. McDonnell (Monterey County Superior Court Case No. M98919) and one matter of potential initiation of litigation; accepted information on the General Manager's goals and gave direction on the further formulation of those goals; and, received updates on two matters of employee discipline.

General Manager David Chardavoyne requested that Item 9B be pulled from the day's Agenda.

**5. PLEDGE OF ALLEGIANCE (led by Director Deidre Sullivan).**

**6. PUBLIC COMMENTS - None.**

**7. PRESENTATION**

- A. Board Chair Ken Ekelund introduced Monterey County Risk Manager Steve Mauck who explained that Risk Management is now a division of County Counsel. He then discussed the areas of responsibility for Risk Management: self-insurance, insurance and excess insurance placement; risk management and contract review; and, risk tolerance.

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

1. The Finance Committee Chair invited Mr. Mauck to make a presentation to the Finance Committee to provide the Board with detailed information related specifically to the Agency.
2. Does the increase in the Agency's premium reflect our share of the aggregate insurance charge or general liability only? ***The increase reflects general liability only.***

**8. CONSENT CALENDAR**

- A. Approve purchase orders/contracts in excess of \$500 for October 2013 and credit card purchases over \$500 in September/October 2013.

Public Comment: None.

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**ACTION:**

**Motion and Second by Directors Richard Ortiz and Claude Hoover to approve the Consent Calendar.**

**Motion carried unanimously by those members present.**

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**9. ACTION ITEMS**

- A. Consider approving the Minutes of the Regular Board of Directors meeting held October 28, 2013.

Public Comment: None

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**ACTION:**

**Motion and Second by Directors Claude Hoover and Richard Ortiz to approve the Minutes of the Regular Board of Directors meeting held October 28, 2013.**

**Motion carried unanimously by those members present.**

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~~B. Consider approving a one-year professional services agreement with FISHBIO in the amount of \$392,603 for fish monitoring in support of the Salinas Valley Water Project (SVWP); and, authorize the General Manager to execute the agreement.~~

This item was removed from the day's Agenda.

C. Consider approving Amendment No. 1 to the professional services agreement with Salinas Pump Company in the amount of \$50,000 to provide water well and pump maintenance, repair services and well logging services for the Castroville Seawater Intrusion Project; and, authorize the General Manager to execute the Amendment.

Manuel Saavedra, Water Resources Engineer, reviewed this item, stating the purpose of this amendment is to provide as-needed repair work and regular maintenance of the CSIP supplemental wells and pumps.

Public Comments:

Chris Bunn questioned if the scope of work included retiring failed supplemental wells or demolition of failed wells. Mr. Bunn also asked whether a schedule had been developed for demolition of failed wells. ***The purpose of this amendment is to provide repair services.***

Norm Groot, Monterey County Farm Bureau, questioned whether Fund 131 referred to the Operations and Maintenance fund for CSIP. He requested that staff provide descriptions instead of (or in addition to) fund numbers for the benefit of members of the public. ***Yes...Fund 131 is the CSIP Operations and Maintenance Fund.***

John Baillie, member of the Reservoir Operations Committee, stated at the last CSIP meeting 19 supplemental wells were identified for future use. Are they included in this amendment? ***This amendment could be used for some of these wells; however, the purpose of this amendment is routine maintenance work.***

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

1. Have we budgeted the destruction of any wells? ***The approved budget does not include money for well destruction.***
2. The report notes other equipment being available (i.e., crane, backhoe and dump truck available); but, are we being charged for this equipment? ***This is an ala carte menu. No fee for the equipment is included in the fee schedule; so, the assumption is there will be no charge for it.***

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**ACTION:**

**Motion and Second by Directors David Hart and Claude Hoover to approve Amendment No. 1 to the professional services agreement with Salinas Pump Company in the amount of \$50,000 to provide water well and pump maintenance, repair services and well logging services for the Castroville Seawater Intrusion Project; and, authorize the General Manager to execute the Amendment.**

**Motion carried unanimously.**

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- D. Consider approving a professional services agreement with Ron Adhya Consulting, LLC, in the amount of \$36,000, which is included in the approved FY 2013-14 Budget, to prepare the Sixth Five-Year Part 12D Independent Consultant Report for Nacimiento Dam; and, authorize the General Manager to execute the Agreement.

Chris Moss, Senior Water Resources Engineer, reported this agenda item deals specifically with Federal Energy Regulatory Commission (FERC) requirements. The required outside consultant will conduct an onsite inspection and reviews all new data since completion of the last Part 12D Safety Report - January 2008. The independent consultant will meet with Agency staff to discuss operation and maintenance procedures and make recommendations as part of a report on the Dam Safety Performance Monitoring program. This report, which should be completed by April 2014, will detail how the Agency plans to monitor and evaluate Dam performance and will include potential failure scenarios. The Agency solicited proposals from 11 qualified engineering firms and two were received.

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

1. What does FERC mean by a high risk dam? *A high risk dam measures over 32 feet high; possesses a capacity of over 2,000 acre-feet of water stored; or meets the high hazard criteria of the U.S. Bureau of Reclamation looking at downstream potential loss of life or damage. Both of the Agency's dams are categorized as high hazard.*

Deputy County Counsel Patrick McGreal requested the motion include the following language: upon the approval of County Counsel.

Public Comments: None

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**ACTION:**

**Motion and Second by Directors Richard Ortiz and Silvio Bernardi to approve a professional services agreement with Ron Adhya Consulting, LLC, in the amount of \$36,000, which is included in the approved FY 2013-14 Budget, to prepare the Sixth Five-Year Part 12D Independent Consultant Report for Nacimiento Dam upon the approval of County Counsel; and, authorize the General Manager to execute the Agreement.**

**Motion carried unanimously.**

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- E. Reconsider recommending that the Board of Supervisors hold a Public Hearing to consider certifying the Salinas River Stream Maintenance Program (SMP) Environmental Impact Report.

Shaunna Juarez, Associate Water Resources Engineer, reviewed prior actions related to this agenda item and reviewed the direction provided by the Board of Directors at their regular meeting on September 30. Activities that have occurred since the September 2013 Board meeting, when this item was continued, include:

1. Meetings with individuals who submitted comments on the EIR in an effort to provide clarity regarding issues raised;

2. Meetings with stakeholders in various communities;
3. Meeting with The Nature Conservancy (TNC) with regard to their Demonstration Project; and,
4. Outlined necessary steps to implement a Program, including CEQA, Program and Permitting.

Ms. Juarez discussed the need to determine the right project to move ahead, followed by describing the process for Project implementation. She then then discussed staff recommendations and next steps, including: continuing to work with TNC; developing activities and design sites in relation to the current EIR; refining SMP guidelines; and, finally presenting the information to the Board of Directors.

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

1. What is actual role of Agency at this point? Does the Agency hold the permit in the program as it is currently envisioned? ***The Agency is the lead agency on CEQA. We are meeting with the Army Corps and Regional Board to determine permit types and who would hold the permit. We are in a holding pattern until a specific project is determined.***
2. What is the relationship between the TNC's Demonstration Project and the long-term project? Is the long-term project an expansion of the short-term project? ***It is an entirely different project than the short-term project. It is a holistic approach looking at a number of other factors that are still under development.***
3. At some point we will need a comprehensive watershed management plan.

Public Comments: None

Norm Groot, Monterey County Farm Bureau, submitted a letter (attached) on behalf of the Farm Bureau and the Salinas Valley Water Coalition in opposition to taking today's action. Mr. Groot stated much confusion still exists regarding the program and the EIR as it currently stands. The Agency needs to: clarify that the program is designed to meet short-term needs; expand the short-term program to include removal of obstructions from drainage ditches and culverts and remove non-native vegetation, for example. Mr. Groot stated not enough is known about The Nature Conservancy's project and additional time is required to further discuss this issue and determine if modifications can be made to the EIR before a recommendation is made to the Board of Supervisors.

Nancy Isakson, Salinas Valley Water Coalition, voiced her appreciation to the Agency for holding stakeholder meetings. At the last stakeholder meeting, comments were voiced that while consensus is achievable, it would be premature to move ahead at this point. Ms. Isakson asked whether the Resource Conservation District could be incorporated into the short-term project while looking at the EIR to determine how it could be modified. Ms. Isakson reported the Salinas Valley Water Coalition does not support moving forward with staff's recommendation.

County Counsel Patrick McGreal stated the recommendation presented in the PowerPoint presentation does not represent staff's recommended action. Staff recommends that this item be brought back to the Board of Directors after the following: 1) continued work with The Nature Conservancy on the Demonstration Project to develop activities and design sites;

determining how the Demonstration Project relates to the current EIR; and, the TNC presents their project at a January or February BOD meeting. In addition, the SMP guidelines outlining roles and responsibilities will continue to be refined, along with developing BMPs and Mitigation Measures; and, determining the process and steps.

Darlene Din stated the Salinas River Channel Coalition and Grower-Shipper Association have submitted a letter requesting more time to review the issues. Ms. Din requested Agency staff please work with stakeholder groups to determine if multi-objectives (flood risk, environment, conservation, etc.) can be achieved. A short-term resolution is mandatory. With regard to a long-term approach, she recommended reviewing the Action Pajaro Valley process as a good model based upon science and technology – although it would need to be adapted to Monterey County.

Christopher Bunn asked the Board to remember the entire river is private property. Mr. Bunn stated stream maintenance is a local problem requiring a local solution. When the flood arrives, \$150,000 liability insurance (as mentioned in the Risk Management presentation) will be insufficient and advised the Board to consider increasing that amount.

Paul Robbins, Resource Conservation District (RCD), spoke regarding the RCD's arundo treatment program and offered their availability as a resource.

Steve Shimek, Otter Project and Monterey Coastkeeper, supports staff's recommendation to delay taking any action, and discussed the necessity of achieving compromise to resolve the many existing issues and problems in order to move ahead collectively.

Abby Taylor-Silva, Grower-Shipper Association, presented the letter mentioned previously by Ms. Darlene Di. The letter requested a several-month delay in certifying the EIR. In regard to a long-term program, other models have been successful that can serve as resources in developing a joint long-term solution.

Christopher Bunn stated water is being lost because of the mismanagement of the river due to the drought. The Agency should consider a long-term program to deal with the amount of water we are losing at this time.

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

1. Agency staff should develop a matrix of the following: elements of TNC proposal (i.e., removal of obstructions, arundo, etc.); are any of those activities outside the scope of the EIR; elements of the stream maintenance program; what is the nature of the stream maintenance program...it is long-term and comprehensive; what are the elements of the Sacramento option...is it viable...why. A simple two-page matrix will be helpful to everyone.
2. The Agency needs assistance from stakeholder groups in making this decision.
3. The EIR is for the short-term project.
4. The long-term project is more comprehensive, and the Sacramento option should be determined by the community.
5. Are short-term projects incorporated into the current EIR? ***The EIR does incorporate drainage ditches and culverts. The purpose of the EIR originally was to deal with choke points and sediment removal.***

6. It is imperative that something be done in the short-term.
  7. Timetables should be included in this discussion. Because of the drought, we have the opportunity to get some work done in the river now.
  8. Leadership and clear expectations are needed at this time.
  9. Within two months, we should have an outline of what the TNC is proposing; how it comports with the original EIR; and, guiding principles to assist us in achieving our goals.
  10. Make certain the appropriate people are in the discussions... including the RCD.
  11. Receive an update at the January 2014 Board of Directors meeting as to public input that has been provided.
  12. The Board should act upon certification in February 2014.
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**ACTION:**

**Motion and Second by Directors Claude Hoover and David Hart to continue consideration of certifying the EIR for two months with an interim meeting in January to consider the input provided by the public and to receive staff updates on the progress of possible projects.**

**Motion carried unanimously by those members present.**

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*Mike Scattini left the dais @ 2:47 PM.*

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**10. KEY INFORMATION AND CALENDAR OF EVENTS**

Special Board meeting tentatively scheduled for January 13, 2014.

Water Quality and Operations Committee will be held on January 16, 2014 @ 10 AM.

The Personnel and Administration Committee meeting was moved from Friday, January 17, 2014 to Thursday, January 16, 2014 @ 8:30 AM.

The Finance Committee Meeting was moved from Friday, January 10, 2014 to Friday, January 17, 2014 @ 10 AM.

A Joint Board meeting with the Board of Supervisors is tentatively scheduled on Tuesday, January 28, 2014 at noon at the Government Center.

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**11. GENERAL MANAGER'S REPORT –**

General Manager David Chardavoyne reported briefly on the following issues:

- a) Meet and Confer with Monterey Regional Water Pollution Control Agency – Attended two meetings (October 31, 2013 and December 5, 2013) in efforts to resolve their source water issues while protecting interests of the Agency and growers with respect to recycled water amounts.
- b) Meeting with Regulatory Agencies – A very important meeting was held on November 6 with NOAA, US Fish & Wildlife, Regional Board, and the US Army Corps of Engineers and others regarding the sandbar management program. What was agreed upon was they would fully consider issuing a short-term permit for this year if we submitted an application by the end of December. That paperwork has been completed in draft form and will be submitted. We need to develop an intermediate plan for sandbar management as well as a plan for the need to eliminate the need for sandbar management.
- c) Agency Staffing – With the aid of an outside recruiter, two Associate Water Resources Engineer positions were filled: Shaunna Juarez and Mark Foxworthy.
- d) California Public Utilities Commission Hearings - Held in San Francisco November 11-



- 13, 2013 wherein Staff provided testimony to approve the Settlement Agreement between Monterey County, Cal-Am and the Agency.
- e) Strategic Planning Workshop – Held November 14, 2013 investigating strategic requirements in terms of projects as related to funding.
  - f) Board of Supervisors/Department Heads Workshop – Held December 12, 2013 at the Marina Library. Topic discussions included economic development in the County; water; violence reduction; health care; and, roads, financial planning and service delivery. With respect to water, the output of this retreat was that the Agency needs to develop a Salinas River Management plan along with a Monterey County Water Management Plan. Some of the subareas of this water management plan include: implementing Water Right Permit #11043; developing projects to harness the Salinas River water; maximizing use of reclaimed water; developing and implementing a plan to utilize winter recycled water to recharge the Salinas River groundwater basin; develop and construct a pipeline between Lake Nacimiento and San Antonio Reservoir; harness the Blanco Drain and Reclamation Ditch by developing a plan to capture, treat and reuse that water.
  - g) Power Purchase Agreement – Staff continues to work on a long-term agreement which is vital to the economic health of the Agency.
  - h) Press Conference – Attended conference called by Senator Canella wherein he indicated he will sponsor legislation to push forward the short-term Salinas River Channel Maintenance program.
  - i) Water Right #11043 – Staff continues to work on this issue.

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

- 1. Was there any discussion at the workshop regarding how the development of these plans would be financed? ***No. Without financial resources, we cannot plan nor execute the best plans in the world.***

Public Comments: None

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- 12. COMMITTEE REPORTS** – Finance Committee Chair Claude Hoover voiced his appreciation of the presentation provided by the Risk Manager. He also indicated his concern over the increases in general liability cost allocation. In addition, he informed Directors and the public that 2014 will be an important year with regard to Agency finances.
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- 13. INFORMATION ITEMS** – Mention was made of the report regarding mudsnails. Staff must develop a plan (best management practices) geared at slowing spread of the invasive species.
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- 14. CORRESPONDENCE** – Directors had no questions or comments regarding items submitted.
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- 15. BOARD OF DIRECTORS' COMMENTS** -- Board Chair Ken Ekelund reminded Directors of the Joint Meeting of the Water Resources Agency Board of Supervisors and Board of Directors scheduled for Tuesday, December 17, 2013 at the Government Center.
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**16. ADJOURNMENT**

The meeting was adjourned @ 4:36 PM

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SUBMITTED BY: Wini Chambliss

APPROVED ON: January 27, 2014

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Wini Chambliss, Clerk to the Board

APPROVED