



FINAL MINUTES

CITY OF SEASIDE
CITY COUNCIL/ SUCCESSOR
AGENCY TO THE
REDEVELOPMENT AGENCY

JOINT SPECIAL MEETING
COUNCIL CHAMBER
Thursday, January 18, 2018
5:00 PM

1. **CALL TO ORDER**

Mayor Rubio called the meeting to order at 5:00 PM.

CITY COUNCIL/SUCCESSOR AGENCY TO REDEVELOPMENT AGENCY OF THE CITY OF SEASIDE

PRESENT: Alexander, Jones, Pacheco, Rubio

ABSENT: Jones

2. **PLEDGE OF ALLEGIANCE**

Council Member Pacheco led the Pledge of Allegiance.

3. **PUBLIC COMMENT**

Mayor Rubio invited comments from the public and had no requests to speak.

4. **CONSENT AGENDA**

On motion by Council Member Jason Campbell and seconded by Council Member Dave Pacheco and passed by the following vote the City Council/Agency Board approved the Consent Agenda as presented.

RESULT: **Approved**

MOVER: Council Member Jason Campbell

SECONDER: Council Member Dave Pacheco

AYES: Ralph Rubio, Dennis Alexander, Jason Campbell, Dave Pacheco

NOES: None

ABSENT: Kayla Jones

A. **APPROVE MINUTES OF DECEMBER 21, 2017**

Action: Approved

B. **APPROVE AND FILE SUCCESSOR AGENCY CHECKS**

Action: Approved

5. **BUSINESS ITEMS**

A. **REVIEW OF THE RECOGNIZED OBLIGATION PAYMENT SCHEDULE (ROPS) 18-19 FOR THE PERIOD JULY 1, 2018 – JUNE 30, 2019 PURSUANT TO HEALTH AND SAFETY CODE SECTION 34177**

Deputy City Manager Hodgson introduced the item explaining the process of adoption of the last typical ROPS cycle for the dissolution of Redevelopment. Assistant Finance Director Foster detailed the changes in the ROPS from the previous cycle including the reduction in service debt of existing bonds and reducing of funds received for the CRAF payment. He noted that the total obligation of \$3.7 million will decrease to \$1.7 million in the next cycle. Mr. Foster answered questions on individual line items from the Council.

Mayor Pro Tem Alexander questioned the timing and process of the City's Oversight Board being transferred to the County Oversight Board to which staff responded that the goal will be to have a last and final ROPS submitted, consistent with the Long Range Property Management plan which will solidify the implementation of the plans as the City approved them.

Mayor Rubio invited comments from the public and had no requests to speak.

On motion by Council Member Jason Campbell and seconded by Council Member Dave Pacheco and passed by the following vote the Successor Agency to the Redevelopment Agency of the City of Seaside Approved the ROPS 18-19 as presented and requested that it be forwarded to the Oversight Board for approval and submission to the Department of Finance.

RESULT:	Approved
MOVER:	Council Member Jason Campbell
SECONDER:	Council Member Dave Pacheco
AYES:	Ralph Rubio, Dennis Alexander, Jason Campbell, Dave Pacheco
NOES:	None
ABSENT:	Kayla Jones

6. STUDY SESSION

A. WATER STUDY SESSION

Russ McGlothlin, Special Water Counsel for the City and Monterey Peninsula Regional Water Authority spoke to Mayor Rubio's tremendous efforts advocating for Seaside's ability to have water for economic recovery. City Engineer Rick Riedl co-presented and discussed the differences and elements of specific water supplies for the city and broader Peninsula water supply issues. Mr. Riedl explained the three water providers for the City of Seaside to include Cal Am, Marina Coast Water District (MCWD) and Seaside Municipal Water System (SMWS). He further explained the average customer in Seaside uses 4,100 gallons per month and provided a water rates comparisons for the different local providers. On question, he responded that currently, the rates for SMWS do not fully support the cost of operations and infrastructure and that rates would need to increase in the near future to ensure we are covering the costs of operations and maintenance and capital improvements. The big expense in the near future is the need for a new well, which will be over \$1 million. Mr. Riedl also explained that all the water systems are evaluated periodically by the State of California, Division of Drinking Water and the recent report indicated SMWS is in a good overall condition, the potential cross connection was noted at the tank site was repaired and the City's preventative maintenance and record keeping program has significantly improved.

The two presenters then discussed regulatory conditions to include the Seaside Ground Water Basin Adjudication which outlines rights to ground water which was entered into 2007 and mandates the full ramp down to go into effect in 2021, decreasing the amount that SMWS can pull to 40% of historical usage from 2005. Mr. Riedl continued and explained the Water Rights to the City of Seaside including production allocation rates and how that will impact demand. He outlined the

existing regulatory concerns for salt water intrusion. Mr. McLaughlin explained the monitoring of the wells that should be detecting salt water intrusion.

Mr. McGlothlin transitioned to the larger peninsula water supply opportunities explaining the demand fluctuations over time in the Cal Am system. Demand has dropped precipitously as a result of the extensive conservation efforts by users on the peninsula, infrastructure changes, landscaping and aggressively tiered water rates that incentivize using the lowest rate. He explained the regulations and impacts of the Cease and Desist Order, requiring finding an alternative supply and limiting withdraw of water to no more than 3,376 af/per year from the Carmel River. He spoke to the amended CDO that amends the maximum withdrawal of 8,310 af/yr for 2018 with the condition to meet milestones of solution finding. He further explained that the water deadline/cliff will leave a 4,000 af/y gap based on existing usage. Conservation is not an option as a solution.

Mr. Pacheco questioned the development options of Seaside and what can be done to get more water for build out. Staff responded that working with the Mayor's Water Authority and establishing relationships and agreements with the Marina Coast Water District will manifest the City of Seaside best. City Manager Malin commented that MCWD has a proposal to give Seaside residents representation if we annex the Fort Ord property through the LAFCO process. SCSD has their own interests on the sanitary side and the Mayor and Mr. Malin are trying to work with them to find a solution.

Mr. McGlothlin outlined and detailed the water supply portfolio to include desalination, Aquifer Storage and Recovery (ASR), Pure Water Monterey, Seaside basin, Los Padres Dam /Carmel River and the local Water Projects. He explained the processes of each and the quantity of water that each is expected to contribute, and how it would relate to the total peninsula water demand.

Mr. Riedl then spoke to the water service in Former Fort Ord, where most of Seaside's future development options will be. He spoke to the relationship between Seaside lands and those that are serviced by MCWD. MCWD provides water from the Salinas Basin Aquifer and Monterey County water resource agency. Since 2001 we have allocated water to different projects, and we have recently entered into agreements for developments that need water in the near future. Meetings are currently occurring to discuss how to augment water supply between MCWD, Monterey One Water and FORA.

Council Member Campbell clarified that, understanding there are years of historic legal actions about water, and acknowledged that even though the Seaside basin is a public resource and is the largest basin in the region, he expressed concern that water is quickly becoming very expensive to Seaside users because of the regional usages and requirements and feels Seaside may be getting taken advantage of. Mr. McGlothlin spoke to the historic nature and to the amount of adjudication and legal regulations on the local regional water and the regional efforts that are necessary to provide the necessary water for the peninsula. Council Member Campbell reiterated his frustration about the continuous increase in the cost of water for Seaside residents to supply water for external communities. Mr. McLaughlin restated that the goal of the MPRWA is to get the most expeditious, predictable and cost effective source of water, focusing on cost effective. He spoke to the anticipated schedule as it relates to the MPWSP, with the release of the EIR, The CPUC CPCN decision and the legal concerns for things that could impeded reaching milestones and trigger the CDO.

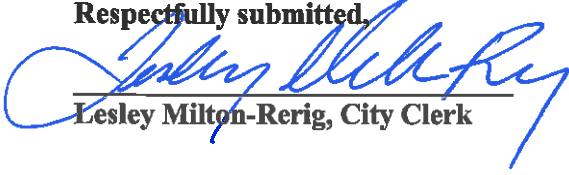
MCWD General Manager Keith Van Der Maaten spoke to the differences in the allocation portfolio of MCWD, existing allocation and that which is not yet used but allocated and what is slated for future development. On question by Council Member Pacheco, he confirmed that the MCWD has an obligation and will do what they can to assist their customers get the sources of water that they need.

Mayor Rubio closed the item by saying the City of Seaside stands to gain the most or lose the most out of the whole Peninsula. If we don't get water, we can't move forward and things will deteriorate further. If we do get the water, we must be judicious with the allocations. Suggested that staff still see if the list of those on the lots of record are still valid.

7. **ADJOURNMENT**

On motion the meeting was adjourned at 7:07 PM.

Respectfully submitted,



Lesley Milton-Rerig, City Clerk



Ralph Rubio, Mayor/Chair