

FINAL MINUTES  
Regular Meeting  
Board of Directors  
Monterey Peninsula Water Management District  
April 19, 2010

The meeting was called to order at 7:03 PM in the District Conference Room.

*Directors Present:*

Regina Doyle, Chair -- Division 4  
Bob Brower, Vice Chair -- Division 5  
Alvin Edwards -- Division 1  
Judi Lehman -- Division 2  
Kristi Markey -- Division 3  
David Pendergrass -- Mayoral Representative  
David Potter -- Monterey County Board of Supervisors

*Directors Absent: None*

*General Manager present: Darby Fuerst*

*District Counsel present: David C. Laredo*

The assembly recited the Pledge of Allegiance.

No comments were directed to the Board during Oral Communications.

On a motion by Director Edwards and second of Director Pendergrass, the Consent Calendar was approved, except for item 3 that was pulled for separate consideration. The motion was approved unanimously on a vote of 7 - 0.

Approved.

Chair Doyle deferred the item to the May 17, 2010 Board meeting, and requested that the Legislative Advocacy Committee review the item prior to May 17.

Approved.

Approved.

Approved.

**CALL TO ORDER/ROLL CALL**

**PLEDGE OF ALLEGIANCE**

**ORAL COMMUNICATIONS**

**CONSENT CALENDAR**

1. **Consider Adoption of Minutes of the March 15, 2010 Regular Board Meeting and the Special Board Meetings of March 25, 2010 and April 5, 2010**
2. **Consider Adoption of Resolution No. 2010-04 Declaring May as Water Awareness Month**
3. **Consider Adoption of Resolution No. 2010-05 Expressing Support for the Safe, Clean and Reliable Drinking Water Supply Act of 2010**
4. **Consider Expenditure of Budgeted Funds to Install Two California Irrigation Management Information System (CIMIS) Stations in Zones 2 and 3 on the Monterey Peninsula**
5. **Consider Expenditure of Budgeted Funds to Contract for Temporary Help in the Water Demand Division**
6. **Consider Approval of Treasurer's Report for February 2010**

An outline of Mr. Anthony's report is on file at the District office and can be viewed on the District's website. He noted that on slide 5 the title should be corrected to read, "Five Year Average (2005-2009)." Mr. Anthony stated that over the past five years, 88 percent of residential water use within the California-American Water (Cal-Am) system has been in Tier 1 and Tier 2.

Henrietta Stern, Project Manager, presented the report. An outline of Ms. Stern's presentation is on file at the District office and can be viewed at the District's website. In response to a question from the Board, Joe Oliver, Water Resources Manager, stated that staff is coordinating with the Monterey Peninsula Unified School District, the City of Seaside and Cal-Am on development of a full-scale test injection well for Phase 2 of the Aquifer Storage and Recovery project. Funding for test wells associated with this project will be included in the fiscal year 2010-2011 MPWMD Budget.

Stephanie Pintar, Water Demand Manager, presented the report. An outline of Ms. Pintar's presentation is on file at the District office and can be viewed at the District's website. In response to a concern expressed by the Board of Directors, Ms. Pintar stated that the District's website will include links to information on mosquito suppression, which may be helpful to persons that have installed rainwater catchment systems.

Darby Fuerst, General Manager, presented the report. An outline of the presentation is on file at the District office and can be viewed at the District's website. Mr. Fuerst reported that for the period of October 1, 2009 through April 12, 2010, Cal-Am production from the Carmel River Basin was 976 acre-feet under the production target of 5,589 acre-feet established as a result of State Water Resources Control Board (SWRCB) Order 95-10. Production from the Coastal Subareas of the Seaside Basin was 170 acre-feet under the production target of 1,090 acre-feet established by the Seaside Groundwater Basin Adjudication. Production from the Laguna Seca Subarea was 83 acre-feet over the production target of 95 acre-feet established by the Seaside Groundwater Basin Adjudication. Therefore, total Cal Am production from the Seaside Basin was 87 AF under the adjudication target of 1,185 AF. Rainfall over the same time period was recorded as 25.3 inches, which is above the average of 20.6 inches. Mr. Fuerst stated that at a future meeting, he would provide the Board with a chart illustrating water use reductions achieved within the Laguna Seca Subbasin.

#### **PRESENTATIONS**

7. **Monthly Report from California American Water General Manager, Craig Anthony**
  
8. **Update on Development of Water Supply Project Alternatives Including Recycled Water**
  
9. **Water Conservation Program Report**

#### **GENERAL MANAGER'S REPORT**

10. **Status Report on California American Water Compliance with State Water Resources Control Board Order 95-10 and Seaside Groundwater Basin Adjudication Decision**

General Manager Fuerst reported that the Administrative Law Judge (ALJ) has scheduled evidentiary hearings on the settlement and implementing agreements for May 10 through May 14, 2010 in San Francisco. Workshops to share water project cost information are reserved for May 10 and June 1, 2010. Hearing dates are reserved for the week of June 7, 2010. The workshops are open to the public, but only parties to the proceeding can comment. The ALJ has tentatively scheduled public participation hearings on June 28 and 29, 2010 that will likely convene in the Monterey area. The public has the opportunity to comment at the public participation hearings. The ALJ intends to issue a proposed decision before December 25, 2010, for subsequent consideration by the Public Utilities Commission. Phase 2 of the proceeding, focused on selecting a project and approving a financing mechanism, should be completed before October 2011. All matters in the proceeding should be settled by October 2011.

District Counsel Laredo reported that the Board received status reports on all agenda items and provided general direction. No reportable action was taken.

**11. Status Report and Discussion of CPUC Proceedings Relating to California American Water's Coastal Water Project and the Regional Water Project**

**ATTORNEY'S REPORT**

**12. Report on 5:PM Session of the Board**

**Conference with Legal Counsel – Existing Litigation (Gov. Code 54956.9)**

**(a)**

- A. Application of California American Water Company to the Public Utilities Commission Application No. 04-09-019 – Coastal Water Project
- B. Application of California American Water Company to PUC Application No. 10-01-012 – Mitigation Cost Reimbursement
- C. Application of California American Water Company regarding Reimbursement Balancing — CPUC Application No. 09-04-015
- D. Seaside v. California American Water (MBSE/Cal-Am Motion) (Appellate Court #HO34335; Superior Court Case No. M 66343)
- E. MPWMD v. State Water Resources Control Board; Superior Court Case No. 1-10-CV-163328
- F. California American Water v. State Water Resources Control Board, Superior Court Case No. M102097
- G. California American Water v. MPWMD (SWRCB/SNG) (Superior Court Case No. M 99622)
- H. California American Water v. MPWMD (Ryan Ranch) (Superior Court Case No. M 101255)

**DIRECTORS' REPORTS (INCLUDING**

No comments from the Directors.

Director Edwards offered a motion that was seconded by Director Pendergrass, to approve the staff recommendation to Adopt Findings of Approval for Application #200912090CE, and authorize issuance of MPWMD Permit #M12-04-L4 with the Conditions of Approval.

The motion was amended with the consent of Director Edwards as follows. (1) Condition of Approval No. 13 – sentence # 4 should be amended to read: Permittee may apply in writing to the MPWMD board for extensions to the 120-day time limit, each to be approved by the board upon a finding of good cause, and each to be limited to a period of 120 days. (2) Condition of Approval No. 13 – add a sentence that reads: Applicant shall adopt and implement CC&R's to require individual units to reduce water use by 50% during periods that the CSD relies upon trucked water due to interruption in desalination plant water production. (3) Condition of Approval No. 13 – add to the end of sentence #5 that refers to Rule 173 (trucked in water) the words: "provided however, that the number of trucks used to transport water shall be minimized to the extent practicable."

The amended motion was adopted unanimously on a vote of 7 – 0.

Anthony Lombardo, representing the applicant, addressed the Board during the public hearing on this item. A summary of his comments is on file at the District office and can be viewed on the District's website. In response to questions from the Board he stated that the desalination plant would be constructed during the first phase of the project. In the event of a disruption in desalination plant production, mandatory water conservation at the site would be required and in some circumstances businesses and residents would be required to vacate the premises. Water could also be trucked to the site, but the applicant preferred to not set a limit on the number of trucks that could serve the project. He preferred that Conditions of Approval for the application not be amended to limit the amount of water available to the project, if the desalination component were not operational.

No Action Items were submitted to the Board for consideration.

There was no discussion of the Informational Items/Staff

**AB 1234 REPORTS ON TRIPS,  
CONFERENCE ATTENDANCE AND  
MEETINGS)**

13. **Oral Report on Activities of  
County, Cities, Other  
Agencies/Committees/ Associations**

**PUBLIC HEARINGS**

14. **Consider Application to Create  
Ocean View Community Services  
District Water Distribution System  
-- APN 001-021-010 et al; Cannery  
Row, City of Monterey**

**ACTION ITEMS**

**INFORMATIONAL ITEMS/STAFF**


Reports.

**REPORTS**

15. Letters Received
16. Committee Reports
17. Carmel River Fishery Report for March 2010
18. Water Conservation Program Report
19. Monthly Allocation Report
20. Monthly California American Water Production Report
21. Monthly Water Supply Status Report
22. Quarterly Water Supply Project Status Report
23. Quarterly Irrigation Program and Riparian Projects Report
24. Quarterly Carmel River Erosion Protection and Restoration Projects Report
25. Quarterly Water Use Credit Transfer Status Report

The meeting was adjourned to closed session at 9:10 PM.

**ADJOURN TO CLOSED SESSION**

  
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Darby Fuerst, Secretary to the Board