



FINAL MINUTES
Regular Meeting
Board of Directors
Monterey Peninsula Water Management District
June 21, 2010

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

CALL TO ORDER/ROLL CALL

Directors Present:

Regina Doyle, Chair -- Division 4
Bob Brower, Vice Chair -- Division 5
Alvin Edwards -- Division 1 (arrived at 7:45 p.m.)
Judi Lehman -- Division 2
Kristi Markey -- Division 3
David Pendergrass -- Mayoral Representative

Directors Absent: David Potter -- Monterey County Board of Supervisors

General Manager present: Darby Fuerst

District Counsel present: David C. Laredo

The assembly recited the Pledge of Allegiance.

PLEDGE OF ALLEGIANCE

No comments were directed to the Board during Oral Communications.

ORAL COMMUNICATIONS

On a motion by Director Pendergrass and second of Director Markey, the Consent Calendar was approved unanimously on a vote of 5 - 0. Directors Edwards and Potter were absent.

CONSENT CALENDAR

Approved

Approved

Approved

Approved

1. Consider Adoption of Minutes of the May 17, 2010 Regular Board Meeting and May 20, 2010 Special Meeting/Board Workshop
2. Receive Notice of Appointments to Carmel River Advisory Committee
3. Consider Expenditure of Budgeted Funds for Construction of Fitch School Aquifer Storage and Recovery (ASR) Test Well
4. Consider Expenditure of Budgeted Funds for Hydrogeologic and Engineering Support for Fitch School Aquifer Storage and Recovery (ASR) Test Well

- | | |
|----------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Approved | 5. Consider Expenditure of Budgeted Funds to Amend Contract with Pueblo Water Resources to Provide Hydrogeologic Review for Water Distribution System Permits |
| Approved | 6. Consider Expenditure of Budgeted Funds to Amend Contract with Golden State Planning and Environmental Consulting to Assist with Water Distribution System Permit Program |
| Approved | 7. Consider Expenditure of Funds to Amend Contract for Professional Services to Evaluate Economic and Cost Allocation Issues Associated with the Proposed Regional Water Supply Project |
| Approved | 8. Consider Expenditure of Budgeted Funds to Purchase Water Conservation Equipment |
| Approved | 9. Consider Expenditure of Budgeted Funds for Landscape Irrigation Audits/Budgets (Rule 172) and Authorize the General Manager to Renew Limited Contracts with Spot Water Management, Pacific Water Management, and Waterwise Consulting Inc., for Auditing Services |
| Approved | 10. Consider Expenditure of Budgeted Funds to Contract with Monterey Regional Water Pollution Control Agency for Public Outreach Assistance |
| Approved | 11. Consider Expenditure of Budgeted Funds to Contract with JEA & Associates for Governmental Relations Services |
| Approved | 12. Consider Expenditure of Budgeted Funds to Contract for Limited-Term Field Positions |
| Approved | 13. Consider Expenditure of Budgeted Funds to Contract for Temporary Scanning Project Help in the Water Demand Division |
| Approved | 14. Consider Expenditure of Budgeted Funds to Contract for Temporary General Clerical Assistance in Water Demand Division |
| Approved | 15. Consider Authorization to Renew Two-Year Legal Services Agreement with DeLay and Laredo |
| Approved | 16. Consider Authorization to Contract with Hayashi & Wayland to Conduct Annual Financial Audits for Fiscal Years 2009-10; 2010-11 & 2011-12 |

Approved

Approved

Approved

An outline of Mr. Anthony's report is on file at the District office and can be viewed on the District's website. Mr. Anthony announced that water consumption has dropped within the District. He attributed the increased conservation to tiered rates that have been effective in reducing water use in tiers 4 and 5.

Henrietta Stern, Project Manager, presented the report. It is on file at the District office and can be viewed on the District's website.

Stephanie Pintar, Water Demand Manager, presented a report that is on file at the District office and can be viewed on the District's website.

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 May 31, 2010, Cal-Am production from the Carmel River Basin was 972 acre-feet under the production target of 6,660 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 155 acre-feet under the production target of 1,550 acre-feet established by the Seaside Groundwater Basin Adjudication. Production from the Laguna Seca Subarea was 101 acre-feet over the production target of 129 acre-feet established by the Seaside Groundwater Basin Adjudication. Therefore, total Cal Am production from the Seaside Basin was 54 AF under the adjudication target of 1,679 AF. Rainfall over the same time period was recorded as 27.5 inches, which is above the average of 21 inches.

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.

District Counsel Laredo reported that on May 20 and June 7, 2010 the Board discussed item A. No reportable action was taken. On June 21, 2010 the Board received status reports on items A, E, F, G & H and also conducted a

17. **Consider Adoption of Resolution 2010-07 Establishing Article XIII(B) 2010-2011 Fiscal Year Appropriations Limit**
18. **Receive and File Third Quarter Financial Activity for Fiscal Year 2009-10**
19. **Consider Adoption of Treasurer's Report for April 2010**

PRESENTATIONS

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

GENERAL MANAGER'S REPORT

23. **Status Report on California American Water Compliance with State Water Resources Control Board Order 95-10 and Seaside Groundwater Basin Adjudication Decision**
24. **Status Report and Discussion of CPUC Proceedings Relating to California American Water's Coastal Water Project and the Regional Water Project**

ATTORNEY'S REPORT

25. **Report on May 20, 2010 and June 21, 2010 Closed Sessions of the Board**

performance evaluation of District Counsel. No reportable action was taken.

**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. Application of California American Water Company to CPUC Application No. 10-XX-XXX – General Rate Case
- E. Amended Application (U210W) of California American Water Company to CPUC Application No. 10-05-020 – Order Authorizing Moratorium in Monterey District
- F. Seaside v. California American Water (MBSE/Cal-Am Motion) (Appellate Court #HO34335; Superior Court Case No. M 66343)
- G. MPWMD v. State Water Resources Control Board; Superior Court Case No. 1-10-CV-163328
- H. California American Water v. State Water Resources Control Board, Superior Court Case No. M102097
- I. California American Water v. MPWMD (SWRCB/SNG) (Superior Court Case No. M 99622)
- J. California American Water v. MPWMD (Ryan Ranch) (Superior Court Case No. M 101255)

**DIRECTORS' REPORTS (INCLUDING
AB 1234 REPORTS ON TRIPS,
CONFERENCE ATTENDANCE AND
MEETINGS)**

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

Director Edwards requested that the MPWMD publish an advertisement in the Monterey County Herald notifying the public about the June 28 and 29, 2010 public participation hearings on the Coastal Water Project organized by the California Public Utilities Commission (CPUC). Staff was directed to develop and publish the advertisement.

Director Brower offered a motion to adopt the July through September 2010 Quarterly Water Supply Strategy and Budget and file a notice of exemption. Director Markey seconded the motion, and it was adopted unanimously on a vote of 6 – 0. Directors Brower, Doyle, Edwards, Lehman, Markey and Pendergrass voted in favor of the motion. Director Potter was absent.

No comments were directed to the Board during the public hearing on this item.

On a motion by Director Edwards and the second of Director Markey, the Board determined that the 1.2 percent of the water user fee collected to fund ASR and related water supply projects is still required and should be continued during FY 2010-11. The motion was unanimously adopted on a vote of 6 – 0. Directors Brower, Doyle, Edwards, Lehman, Markey, and Pendergrass voted in favor of the motion. Director Potter was absent.

Director Pendergrass offered a motion to adopt the proposed Fiscal Year 2010-2011 MPWMD Budget and Resolution 2010-08. The motion was seconded by Director Lehman, and adopted unanimously on a vote of 6 – 0. Directors Brower, Doyle, Edwards, Lehman, Markey and Pendergrass voted in favor of the motion. Director Potter was absent.

The Board requested that upon completion of the Phase 1 ASR Project, staff develop an estimate of the amount of money spent to complete the project.

Director Markey offered a motion to continue this item to the July 19, 2010 Board meeting when all directors would be present. The motion was seconded by Director Brower and adopted unanimously on a vote of 6 – 0. Directors Brower, Doyle, Edwards, Lehman, Markey and Pendergrass voted in favor of the motion. Director Potter was absent.

No comments were directed to the Board during the public comment period.

There was no discussion of the Informational Items/Staff Reports.

PUBLIC HEARINGS

27. **Consider Adoption of July through September 2010 Quarterly Water Supply Strategy and Budget**

28. **Public Hearing to Review District Aquifer Storage Recovery (ASR) Fees**

29. **Consider Adoption of Proposed Fiscal Year 2010-2011 MPWMD Budget and Resolution 2010-08**

ACTION ITEMS

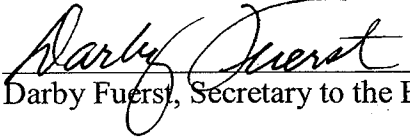
30. **Consider Taking a Position on the Safe, Clean and Reliable Drinking Water Supply Act of 2010**

INFORMATIONAL ITEMS/STAFF REPORTS

31. Letters Received
32. Committee Reports
33. Carmel River Fishery Report for March 2010
34. Water Conservation Program Report
35. Monthly Allocation Report
36. Monthly California American Water Production Report
37. Monthly Water Supply Status Report

The meeting was adjourned at 8:15 p.m. in memory of Bruce Buel, former General Manager of the MPWMD, who died in May 2010.

ADJOURN



Darby Fuersl, Secretary to the Board

U:\Ar\en\word\2010\BoardMeetings\Minutes\Minutes\FINAL20100621.doc