

FINAL MINUTES  
**Regular Meeting**  
**Board of Directors**  
**Monterey Peninsula Water Management District**  
*September 20, 2010*

The meeting was called to order at 7:00 p.m. in the District Conference Room.

**CALL TO ORDER/ROLL CALL**

*Directors Present:*

Regina Doyle, Chair -- Division 4  
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:*

*Bob Brower, Vice Chair – Division 5*

*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 Edwards and second of Director Lehman, the Board voted to add an emergency Action Item to the agenda: Authorize Expenditure of Funds for Construction and Testing of the ASR Test Well at Seaside Middle School. The motion was adopted on a vote of 5 – 0. Directors Doyle, Edwards, Lehman, Markey and Pendergrass voted in favor of the motion. Directors Potter and Brower were absent. Counsel Laredo explained that emergency action was needed because payment was due to the driller that installed the well. California American Water was prohibited from releasing funds to pay the costs until the Monterey Peninsula Unified School District approved an agreement for use of the project site. Approval of the agreement had been unexpectedly delayed. When the agreement is finalized, Cal-Am will reimburse the District for the project costs.

On a motion by Director Pendergrass and second of Director Edwards the Consent Calendar was adopted unanimously on a vote of 5 – 0. Directors Doyle, Edwards, Lehman, Markey, and Pendergrass voted in favor of the motion. Directors Potter and Brower were absent.

**CONSENT CALENDAR**

Approved

- 1. Consider Adoption of Minutes of the August 16, 2010 Regular Board Meeting**

Approved

Approved

**Director Potter joined the meeting during Mr. Anthony's presentation under item 4.**

A summary of Mr. Anthony's report 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. Director Edwards requested that the District publish a newspaper advertisement congratulating the community on water savings achieved in Water Year 2010.

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

A summary of Mr. Israel's report 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 proposed Groundwater Replenishment Project (GRP) will be partially funded by grants and loans. In addition, an entity such as Cal-Am must be identified to purchase the water. If the price for the GRP water can be maintained at \$2,000 per acre-foot, it will be considered cost effective for the community. The water delivery pipes can be shared with Regional Urban Water Augmentation Project (RUWAP) facilities. However, if the GRP were to be expanded beyond its present scope, additional distribution pipes will need to be installed. A public education program on the GRP will begin in early 2011. On a motion by Director Markey and second of Director Pendergrass, the Board agreed to refer this issue to the Water Supply Planning Committee, and requested that staff invite Mr. Israel to the next committee meeting. The motion was adopted on a vote of 6 – 0. Directors Brower, Doyle, Edwards, Lehman, Markey and Pendergrass voted in favor of the motion. Director Brower was absent.

2. **Consider Extension of Cooperative Agreement with the United States Geological Survey for Streamflow Gaging in Water Year 2011**
3. **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**

#### PRESENTATIONS

4. **Monthly Report from California American Water General Manager, Craig Anthony**
5. **Water Conservation Program Report**
6. **Update on Development of Water Supply Project Alternatives Including Recycled Water**
7. **Status Report Regarding Water Recycling Projects on the Monterey Peninsula from Keith Israel, General Manager of the Monterey Regional Water Pollution Control Agency**

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 August 31, 2010. Cal-Am production from the Carmel River Basin was 1,624 acre-feet under the production target of 9,566 acre-feet established as a result of State Water Resources Control Board (SWRCB) Order 2009-0060. Production from the Coastal Subareas of the Seaside Basin was 230 acre-feet under the production target of 3,072 acre-feet established by the Seaside Groundwater Basin Adjudication. Production from the Laguna Seca Subarea was 164 acre-feet over the production target of 216 acre-feet established by the Seaside Groundwater Basin Adjudication. Therefore, total Cal Am production from the Seaside Basin was 66 AF under the adjudication target of 3,288 AF.

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 the Board authorized defense in item K. As to all other items on the agenda, he provided updates to the Board but no reportable action was taken.

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

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

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

#### **ATTORNEY'S REPORT**

**10. Report on 5:30 PM Closed 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. Application of California American Water Company to CPUC Application No. 10-07-007 – 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)
- K. Sierra Club v. MPMWD, SNG & CAW, Real Parties (Sup. Ct. Case M 108149)

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

No reports from the directors.

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

Director Edwards offered a motion that was seconded by Director Lehman, to adopt the second reading of Ordinance No. 145, and file a Negative Declaration with the Monterey County Clerk. The motion was approved on a vote of 6 – 0. Director Brower was absent.

**PUBLIC HEARINGS**

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

- 12. **Consider Second Reading and Adoption of Ordinance No. 145 -- An Ordinance of the Monterey Peninsula Water Management District Clarifying Regulations Pertaining to Permits, Conservation and Enforcement**

Director Potter offered a motion that was seconded by Director Edwards, to adopt the October through December 2010 Quarterly Water Supply Strategy and Budget, and file a Notice of Exemption with the Monterey County Clerk. The motion was adopted unanimously on a vote of 6 – 0. Director Brower was absent.

- 13. **Consider Adoption of October through December 2010 Quarterly Water Supply Strategy and Budget**

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

**ACTION ITEMS**

On a motion by Director Markey and second of Director Potter, the Board directed that: (a) the expanded study be conducted; (b) Hutnak Hydrologic Consultant Services be retained for a not-to-exceed amount of \$26,000 for 530 hours; (c) six automatic data loggers be purchased at a cost of \$600 each for a total of \$3,600; and (d) report findings from the study to the Water Demand Committee at a future

- 14. **Consider Expenditure of Funds to Expand Pilot Fractured Rock Investigation**

meeting (mid-2011). The motion was adopted unanimously on a vote of 6 – 0. Director Brower was absent.

During the public comment period on this item, John Ramirez, Director of Monterey County Environmental Health Department, spoke in support of the expanded study because it will enhance research efforts already undertaken by the County. He noted that the County does not have funds to contribute, but his staff will provide assistance as time allows.

On a motion offered by Pendergrass and second of Potter, the Board voted unanimously to authorize an expenditure of \$962,000 to fund costs associated with construction and testing of the ASR test well at Seaside Middle School. The motion was adopted unanimously on a vote of 6 – 0. Director Brower was absent.

No comments were received during the public comment period on this item.

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

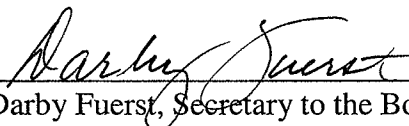
The meeting was adjourned at 9:00 p.m.

- 15X. Authorize Expenditure of Funds for Construction and Testing of the ASR Test Well at Seaside Middle School**

**INFORMATIONAL ITEMS/STAFF REPORTS**

- 15. Letters Received
- 16. Committee Reports
- 17. Carmel River Fishery Report for August 2010
- 18. Water Conservation Program Report
- 19. Monthly Allocation Report
- 20. Monthly California American Water Production Report
- 21. Monthly Water Supply Status Report

**ADJOURN**

  
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Darby Fuerst, Secretary to the Board