

FINAL MINUTES
Regular Meeting
Board of Directors
Monterey Peninsula Water Management District
December 13, 2010

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

CALL TO ORDER/ROLL CALL

Directors Present:

Regina Doyle, Chair -- Division 4
Bob Brower, Vice Chair -- Division 5
Vacant -- 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.

PLEDGE OF ALLEGIANCE

No comments.

ORAL COMMUNICATIONS

Ron Weitzman of Water Plus gave a presentation on the potential for a public agency to purchase California American Water (Cal-Am). A summary of the presentation is on file at the District office and can be viewed on the District's website.

PRESENTATION FROM WATER PLUS

During the public comment period on this item, Paul Bruno stated that public ownership of Cal-Am would not solve the water problem.

Director Markey offered a motion to adopt the Consent Calendar with an amendment to item 11, that would specify Director Lehman as the District's representative to the Monterey County Special Districts' Association and appoint Director Brower to serve as alternate. The motion was seconded by Director Brower and approved unanimously on a vote of 6 - 0.

CONSENT CALENDAR

Approved

1. **Consider Adoption of Minutes of the November 15, 2010 Regular Board Meeting**

Approved

2. **Consider Expenditure of Budgeted Funds to Contract with Lapkoff & Gobalet Demographic Research to Provide Demographic Redistricting Services**

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| Approved | 3. Consider Expenditure of Budgeted Funds for Site Restoration at Seaside Middle School Aquifer Storage and Recovery (ASR) Project Well |
| Approved | 4. Consider Approval of Request for Proposals to Conduct Recruitment for Position of General Manager |
| Approved | 5. Authorize Division Change for Chief Technology Officer and GIS Specialist Positions and Title Change for Chief Technology Officer Position |
| Approved | 6. Consider Authorization of a Limited-Term Contract with the Current Administrative Services Manager/Chief Financial Officer after His Official Retirement |
| Approved. | 7. Appoint Representative and Alternate to the Seaside Groundwater Basin Watermaster |
| Approved. | 8. Receive Alternative Measurement Method Report for Determining Annual Costs for Post-Employment Medical Benefits |
| Approved. | 9. Consider Transmittal of Letter to Monterey Regional Water Pollution Control Agency Regarding Proposed Groundwater Replenishment Project |
| Approved. | 10. Adopt Board Meeting Schedule for 2011 |
| Approved with amendment to specify Director Lehman as the District's representative to the Monterey County Special Districts' Association and appoint Director Brower to serve as alternate. | 11. Ratify Board Committee Assignments for Calendar Year 2011 |
| Approved. | 12. Consider Adoption of Resolution 2010-15 -- Amending Rule 24, Table 1, Residential Fixture Unit Count Values and Table 2, Non-Residential Water Use Factors |
| Approved. | 13. Consider Adoption of Treasurer's Report for July 2010 |

Eric Sabolsice, Operations Manager for California American Water, addressed the Board. A summary of his presentation is on file at the District office and can be viewed on the District's website. He noted that residential water use in tiers 4 and 5 has been reduced as a result of increased water rates and conservation measures.

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.

Andy Bell, District Engineer/Planning & Engineering Manager, presented the report. A summary 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, 2010 through November 30, 2010, California American Water (Cal-Am) production from the Carmel River Basin was 28 acre-feet under the production target of 1,134 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 164 acre-feet under the production target of 976 acre-feet established by the Seaside Groundwater Basin Adjudication. Production from the Laguna Seca Subarea was 26 acre-feet over the production target of 40 acre-feet established by the Seaside Groundwater Basin Adjudication. Production from the Sand City Desalination plant was 15 acre-feet under the year to date target. Total Cal Am production from the Monterey Peninsula Water Resources System was 2,019 acre-feet, which is 181 acre-feet below the target of 2,200 acre-feet.

During the discussion on this item, Director Markey requested that the chart on page 151 of the Board packet be modified to change the line designated as SC Desalination, to Sand City Desal. In response to a question from the Board, Eric Sabolsice explained that production from the Sand City Desalination plant was less than anticipated in November due to operational problems related to turbidity that have since been addressed. Average production at the plant should be maintained at 25 to 30 acre-feet of water per month.

An outline of General Manager Fuerst's report is on file at the District office and can be viewed on the District's website.

PRESENTATIONS

14. Monthly Report from California American Water General Manager, Craig Anthony

15. Water Conservation Program Report

16. Update on Development of Water Supply Project Alternatives Including Recycled Water

GENERAL MANAGER'S REPORT

17. Status Report on California American Water Compliance with State Water Resources Control Board Order 2009-0060 and Seaside Groundwater Basin Adjudication Decision

18. Status Report on CPUC Proceedings Relating to the Regional Water Project

Mr. Laredo reported that the Board considered all twelve items listed on the Closed Session agenda. Status reports were provided to the Board and no reportable action was taken.

ATTORNEY'S REPORT

19. Report on 5:30 pm Closed Session of the Board

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

- A. Application of California American Water Company to the California Public Utilities Commission Application No. 04-09-019 – Coastal Water Project
- B. Application of California American Water Company to CPUC 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. Application of California American Water Company to CPUC Application No. 10-09-018 – San Clemente Dam Removal
- G. Seaside v. California American Water (MBSE/Cal-Am Motion) (Appellate Court #HO34335; Superior Court Case No. M 66343)
- H. MPWMD v. State Water Resources Control Board; Superior Court Case No. 1-10-CV-163328
- I. California American Water v. State Water Resources Control Board, Superior Court Case No. M102097
- 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)

4. Conference with Real Property Negotiators (Gov Code 54956.8) Property: 990 Coe Avenue, Seaside, CA 93955 Agency Negotiators: Darby W. Fuerst & David C. Laredo

5. Public Employment, Position of General Manager (Gov. Code 54957)

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

Director Potter thanked agencies that coordinated on breaching of the Carmel River Lagoon, and also for their acknowledgement that a coordinated effort is needed to develop a long-term solution to this issue. Director Brower reported that in November 2010, he joined Chair Doyle, General Manager Fuerst and District Counsel Laredo in a meeting with staff at the California Public Utilities Commission (CPUC) to discuss the regional water project. In addition, Director Brower attended the December 13, 2010 public participation hearing on Cal-Am's application No. 10-05-020 to the CPUC for an order authorizing a water permit moratorium. Director Lehman thanked Director Brower for agreeing to serve as alternate to the Monterey County Special Districts' Association so that she could fulfill her obligation as President of the Association in 2011. Director Doyle reported that she and Director Lehman attended the December 2, 2010 meeting of the Seaside City Council in which former Division 1 Director, Alvin Edwards, was sworn in as a Seaside City Councilmember.

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

On a motion by Director Pendergrass and second of Director Potter, the January through March 2011 Quarterly Water Supply Strategy and Budget was adopted unanimously by the Board on a vote of 6 – 0.

PUBLIC HEARINGS

21. Consider Adoption of January through March 2011 Quarterly Water Supply Strategy and Budget

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

No formal action was required on this item. Staff will schedule a public hearing to consider first reading of an ordinance as soon as possible following CEQA review, possibly in February 2011.

No comments were presented to the Board during the public comment period on this item.

On a motion by Director Markey and second of Director Lehman, the Board agreed to: (1) adopt Resolution No. 2010-16 calling for a mail-ballot election in Voter Division 1 on May 3, 2011; (2) authorize the Chair and Vice Chair to determine if a special Board meeting should be called to consider consolidation of the May 3, 2011 election with a June 7, 2011 election, should the Governor call a special election; and (3) authorize funding in the amount of \$157,400 to conduct a mail-ballot election and if later

ACTION ITEMS

22. Provide Direction to Staff on Process and Timeline for Consideration of First Reading of Ordinance No. 146 – An Ordinance Tolling the Expiration Date for Water Credits for the Duration of Any Moratorium Precluding their Use

23. Consider Adoption of Resolution 2010-16 Ordering an Election in Voter Division 1 and Consider Approval of Funding to Conduct the Election

determined to be appropriate, a polling-place ballot. The motion was approved unanimously on a vote of 6 – 0.

The following comments were directed to the Board during the public comment period on this item. (1) **George Riley**, a resident of Monterey, expressed support for consolidation with a June election date. (2) **Alvin Edwards** expressed support for consolidation with a June election date. (3) **Paul Bruno** stated that the Board should have appointed a representative to Division 1, instead of scheduling a costly special election on May 3, 2011. (4) **Andy Clark**, resident of Del Rey Oaks, asked if the Board could avoid the cost of an election and appoint a representative to Division 1. (5) **Brian Consecie**, resident of Carmel, asked that the Board reconsider the decision to conduct an election, and avoid the cost of an election by appointment of a representative to Division 1.

On a motion by Director Pendergrass and second of Director Markey, Board officers for 2011 were designated as: Chair, Director Brower; Vice Chair, Director Potter; and Secretary/Treasurer, General Manager Darby Fuerst. The motion was approved unanimously on a vote of 6 – 0.

During the public comment period on this item, Alvin Edwards congratulated the incoming Chair and Vice Chair. He thanked the Directors for the assistance they provided during his tenure on the Board.

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

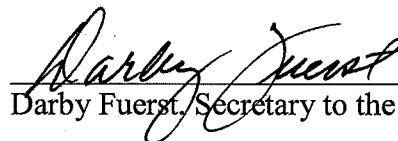
The meeting was adjourned at 8:25 pm.

24. Conduct Election of Board Officers for 2011

INFORMATIONAL ITEMS/STAFF REPORTS

- 25. Letters Received
- 26. Committee Reports
- 27. Carmel River Fishery Report for November 2010
- 28. Water Conservation Program Report
- 29. Monthly Allocation Report
- 30. Monthly California American Water Production Report
- 31. Monthly Water Supply Status Report

ADJOURN



Darby Fuerst, Secretary to the Board