

FINAL MINUTES
Regular Meeting
Board of Directors
Monterey Peninsula Water Management District
February 24, 2011

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

CALL TO ORDER/ROLL CALL

Directors Present:

Robert S. Brower, Sr., Chair -- Division 5
Dave Potter, Vice Chair -- Monterey County Board of Supervisors
Vacant -- Division 1
Judi Lehman -- Division 2
Kristi Markey -- Division 3
Regina Doyle -- Division 4
David Pendergrass -- Mayoral Representative

Directors Absent: None

General Manager present: Darby Fuerst

District Counsel present: Heidi Quinn

The assembly recited the Pledge of Allegiance.

PLEDGE OF ALLEGIANCE

No comments.

ORAL COMMUNICATIONS

Director Potter offered a motion to adopt the Consent Calendar with the exception of Item 3, that was pulled for separate consideration. The motion was seconded by Director Markey and approved unanimously on a vote of 6 to 0.

CONSENT CALENDAR

Approved

1. Consider Adoption of Minutes of the January 27, 2011 Regular Board Meeting
2. Consider Expenditure of Budgeted Funds for Green Gardener Program
3. Consider Adoption of Resolution 2011-04 -- Adopting Guidelines for and Lifting the Suspension of the Lawn Removal Rebate Program

Approved

Director Brower offered a motion to adopt Resolution 2011-04 with an amendment stating that all applications in process before the new guidelines were adopted should be processed under the guidelines in effect when they were submitted. The motion was seconded by Director Markey and adopted on a vote of 5 – 1. Directors Brower, Doyle, Lehman, Pendergrass and Potter voted in favor of the motion. Director Markey was opposed.

During the public comment period on this item, Christine Kemp, representing the Mann family, addressed the Board. She requested that her client's application be processed under rules currently in place, as the lawn removal and artificial turf installation had been completed according to

regulations which allowed 120 days to submit an application.

Approved

4. Consider Adoption of Resolution 2011-05 Declaring March 14-20, 2011 to be Fix a Leak Week

Approved

5. Consider Approval of First Quarter Fiscal Year 2010-2011 Investment Report

Approved

6. Receive and File First Quarter Financial Activity Report for Fiscal Year 2010-2011

Approved

7. Consider Adoption of Treasurer's Report for September 2010

Approved

8. Consider Adoption of Treasurer's Report for October 2010

Mr. Anthony reported that in January 2011, residential tiers 4 and 5 combined water use was 20.8 acre-feet, which is significantly lower than the January 2010 use of 48.8 acre-feet. January 2010 was the last month in which the previous rate structure based on lower water rates was in effect. Mr. Anthony explained that there is a discrepancy in the methodology used to measure water production and consumption. Water production is measured on a day-to-day basis. Water consumption measured at any given day at the meter reflects consumption for the previous 30-day period. Mr. Anthony reported that as of February 23, 2011, the injection rate for Water Project 1 (underground storage) reached the maximum allowed by law of 3,000 gallons-per-minute. In response to a question from the Board, Mr. Anthony explained that California American Water (Cal-Am) has studied the possibility of increasing production from the Sand City Desalination plant beyond the 300 acre-feet per year capacity. Cal-Am concluded that it would not be advisable due to environmental safety concerns associated with drilling additional wells that would be needed, and the increase in reject water that would occur.

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.

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

PRESENTATIONS

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

10. **Water Conservation Program Report**

11. **Update on Development of Water Supply Project Alternatives Including Recycled Water**

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 ending January 31, 2011, Cal-Am production from the Carmel River Basin was 104 acre-feet under the production target of 2,425 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 258 acre-feet under the target of 270 acre-feet. Production from the Laguna Seca Subarea was 44 acre-feet over the production target of 64 acre-feet established by the Seaside Groundwater Basin Adjudication. Production from the City of Sand City Desalination plant was 81 acre-feet. Total Cal-Am production from the Monterey Peninsula Water Resources System was 3,634 acre-feet, which is 337 acre-feet below the target of 3,971 acre-feet.

District Counsel Quinn reported that the Board discussed all three items listed on the agenda. No reportable action was taken.

No reports.

Director Pendergrass made a motion to adopt Ordinance No. 147 on second reading with the following changes: (1) modify the title of the ordinance to include the term "roll-over" water allocation; and (2) correct Finding 13 to cite CEQA Guideline 15282(v), instead of (w). The motion was seconded by Director Doyle and approved unanimously on a vote of 6 – 0. No comments were

GENERAL MANAGER'S REPORT

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

ATTORNEY'S REPORT

13. **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 CPUC Application No.10-01-012 –Mitigation Cost Reimbursement
 - B. MPWMD v. State Water Resources Control Board; Superior Court Case No. 1-10-CV-163328
 - C. Sierra Club v. MPWMD, Security National Guaranty & California American Water, Real Parties (Superior Court Case No. M 108149)

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

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

PUBLIC HEARINGS

15. **Consider Second Reading and Adoption of Ordinance No. 147 -- An Ordinance of the Monterey Peninsula Water Management District Amending Regulation XV, Expanded Water Conservation and Standby Rationing Plan, to**

directed to the Board during the public hearing on this item.

Director Potter offered a motion to continue this item to a future meeting. The Technical Advisory Committee (TAC) should review the ordinance. Their comments should be forwarded to the Water Demand Committee for consideration along with comments received at the February 24, 2011 Board meeting. The motion was seconded by Director Pendergrass and approved unanimously on a vote of 6 – 0.

The following comments were received during the public comment period on this item. (1) **Craig Anthony**, Cal-Am, stated that it is not clear as to whether or not water credits will be available for use if the moratorium is lifted, or if they will only be available when a new water supply is developed. (2) **Paul Bruno** expressed concern over the proposed requirement that water credits would only be available for use after a water supply project is developed. (3) **Jason Retterer** expressed support for the previous version of the ordinance that allowed use of water credits when a moratorium is lifted, and would not disallow water credit for retrofits required by state law. (4) **Christine Kemp** expressed support for the tolling of water credits during a moratorium. She stated that the additional requirements of the ordinance impose an overlay of government that jeopardizes the water credits that property owners had relied on. She suggested the Board should address the issue of property owners that have water permits that could expire during a moratorium.

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

The meeting was adjourned at 8:30 pm.

Implement Water Banking in Stages 5 – 7 Water Rationing

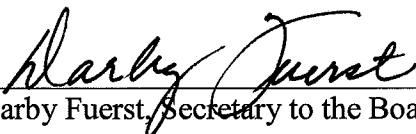
ACTION ITEMS

16. **Review Initial Study and Provide Direction to Staff on Preparation of a Mitigated Negative Declaration for Ordinance No. 146 -- An Ordinance Tolling the Expiration Date of Affected Water Use Credits for the Duration of Any Moratorium Precluding Their Use**

INFORMATIONAL ITEMS/STAFF REPORTS

17. **Letters Received**
18. **Committee Reports**
19. **Carmel River Fishery Report for January 2011**
20. **Water Conservation Program Report for January 2011**
21. **Monthly Allocation Report**
22. **Monthly California American Water Production Report**
23. **Monthly Water Supply Status Report**
24. **Semi-Annual Groundwater Quality Monitoring Report**

ADJOURN



Darby Fuerst, Secretary to the Board