

FINAL MINUTES
Regular Meeting
Board of Directors
Monterey Peninsula Water Management District
June 20, 2011

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

Directors Present:

Robert S. Brower, Sr., Chair -- Division 5
Dave Potter, Vice Chair – Monterey County Board of Supervisors
Brenda Lewis – 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: David Laredo

The assembly recited the Pledge of Allegiance.

The following comments were directed to the Board during Oral Communications. (1) **Ron Weitzman**, President of Water Plus, presented a petition signed by 74 residents of Del Mesa Carmel requesting that the District conduct a workshop no later than July 15, 2011 to examine the WaterPlus proposal that the MPWMD purchase the Monterey District of California American Water. (2) **George Riley**, representing Citizens for Public Water, encouraged the Board of Directors to move quickly to fully implement Water Project 2 (expanded Aquifer Storage and Recovery (ASR)) and, in addition, to proceed with planning and construction of two additional ASR wells.

On a motion by Director Potter and second of Director Doyle, the Consent Calendar was approved with the exception of item 8, that was deferred for consideration at the July 18, 2011 Board meeting. The motion was approved unanimously on a vote of 7 - 0.

Approved

CALL TO ORDER/ROLL CALL

PLEDGE OF ALLEGIANCE

ORAL COMMUNICATIONS

CONSENT CALENDAR

1. **Consider Approval of Minutes from May 16, 2011 Regular Board Meeting and May 26, 2011 Special Meeting/Board Workshop**

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| Approved | 2. Consider Expenditure of Budgeted Funds to Contract for Limited Term Field Positions |
| Approved | 3. Consider Expenditure of Budgeted Funds to Contract for Temporary Scanning Project Help in the Water Demand Division |
| Approved | 4. Authorize Expenditure of Budgeted Funds for Professional Services by WaterWise Inc., to Conduct Water Audits of Schools Supplied by California American Water |
| Approved | 5. Receive Notice of Appointments to Carmel River Advisory Committee |
| Approved | 6. Consider Adoption of Resolution 2011-11 Establishing Article XIII(B) Fiscal Year 2011-2012 Appropriations Limit |
| Approved | 7. Receive 2009-2010 Mitigation Program Annual Report |
| Deferred to July 18, 2011 Board meeting. | 8. Receive and File Water Year 2010 Water Project 1 Summary Report – Deferred to July 18, 2011 |
| Approved | 9. Receive and File Third Quarter Financial Activity Report for Fiscal Year 2010-2011 |
| Approved | 10. Consider Adoption of Treasurer’s Report for March 2011 |
| Approved | 11. Consider Adoption of Treasurer's Report for April 2011 |

PRESENTATIONS

- | | |
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| Chair Brower introduced Mr. Dickhaut and presented him with a plaque that expressed gratitude for his service. | 12. Acknowledge Rick Dickhaut upon his Retirement from the MPWMD |
| Chair Brower introduced Suresh Prasad, who stated that he was happy to have the opportunity to work for the District. | 13. Introduce Suresh Prasad, Chief Financial Officer |
| Chair Brower introduced Mark Dudley, who thanked the Board of Directors for the opportunity to serve the District. | 14. Introduce Mark Dudley, Information Technology Manager |
| Eric Sabolsice, Operations Manager for California American Water (Cal-Am) presented the report. A summary is on file at the District office and can be viewed on the District’s website. He noted that Cal-Am continues efforts to reduce non-revenue water production through its main replacement and water meter replacement programs. He advised that any citizen wishing to report water theft | 15. Monthly Report from California American Water General Manager, Craig Anthony |

from fire hydrants should contact Cal-Am by telephone at 1- 888-237-1333.

Darby Fuerst, General Manager, gave the presentation. A summary 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.

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 May 31, 2011, Cal-Am production from the Carmel River Basin was 492 acre-feet under the production target of 5,458 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 197 acre-feet below the production target of 1,220 acre-feet. Production from the Laguna Seca Subarea was 87 acre-feet over the production target of 130 acre-feet established by the Seaside Groundwater Basin Adjudication. Production from the City of Sand City Desalination plant was 179 acre-feet, which was 21 acre-feet below the production target. Total Cal-Am production from the Monterey Peninsula Water Resources System was 7,496 acre-feet, which is 623 acre-feet below the target of 8,119 acre-feet.

District Counsel Laredo reported that at the June 10 and June 16, 2011 closed sessions, the topic of discussion was public employment and recruitment of a General Manager. No reportable action was taken. No meeting was conducted on June 17, 2011. On June 20, 2011, District Counsel provided an update on all agenda items. No reportable action was taken.

16. Water Conservation Program Report

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

GENERAL MANAGER'S REPORT

18. 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

19. Report on June 10, June 16 and June 17, 2011 Closed Sessions of the Board, and June 20, 2011 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)

- D. Application of California American Water Company to CPUC, Application No. 10-07-007 – General Rate Case
 - E. Application of California American Water Company to CPUC, Application No. 10-09-018-San Clemente Dam Removal
4. **Public Employment, Position of General Manager (Gov. Code 56957)**

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

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

Director Doyle reported that she was asked to participate on a moderated water panel sponsored by WaterPlus on June 30, 2011; however, she must decline as she will be out of town on that date. Director Lewis reported that she participated in a tour of the San Clemente and Los Padres dams and the Sleepy Hollow Fish Rearing facility, given by District staff. She was impressed with the fish rearing facility and the dedication of MPWMD field staff that maintain the facility. Director Brower announced that he is featured in a television program to be broadcast on June 23, 2011, at 7 pm on Comcast channel 24.

On a motion by Director Pendergrass and second of Director Potter, the Board unanimously adopted the July through September 2011 Quarterly Water Supply Strategy and Budget on a vote of 7 – 0.

Dan Presser addressed the Board during the public hearing on this item. He suggested that the District fine Cal-Am if they exceed water production limits.

Director Doyle offered a motion the Board determines that the purpose of the fee is still required and that the 1.2% water use fee be continued during FY 2011-12 to fund ASR and related water supply projects. The motion was seconded by Director Lehman and approved on a unanimous vote of 7 – 0. No comments were directed to the Board during the public hearing on this item.

On a motion by Director Doyle and second of Director Lehman, the Board adopted the Fiscal Year 2011-2012 Budget along with Resolution No. 2011-10. The motion was adopted unanimously on a vote of 7 – 0. No comments were directed to the Board during the public hearing on this item.

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

PUBLIC HEARINGS

21. **Consider Adoption of July through September 2011 Quarterly Water Supply Strategy and Budget**
22. **Public Hearing to Review District Aquifer Storage Recovery (ASR) User Fees**
23. **Consider Adoption of Proposed Fiscal Year 2011-2012 MPWMD Budget and Resolution 2011-10**

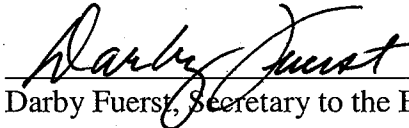
INFORMATIONAL ITEMS/STAFF REPORTS

24. **Letters Received**
25. **Committee Reports**

26. **Carmel River Fishery Report for May 2011**
27. **Water Conservation Program Report**
28. **Monthly Allocation Report**
29. **Monthly California American Water Production Report**
30. **Monthly Water Supply Status Report**

The meeting was adjourned at 8:05 pm.

ADJOURNMENT



Darby Fuerst, Secretary to the Board