

FINAL MINUTES  
Regular Meeting  
Board of Directors  
Monterey Peninsula Water Management District  
December 12, 2011

The meeting was called to order at 7:00 pm 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  
Brenda Lewis – Division 1  
Judi Lehman – Division 2  
Kristi Markey – Division 3  
Jeanne Byrne – Division 4  
David Pendergrass – Mayoral Representative

*Directors Absent:* None

*General Manager present:* David J. Stoldt

*District Counsel present:* David C. Laredo

The assembly recited the Pledge of Allegiance.

**PLEDGE OF ALLEGIANCE**

The Oath of Office was administered to Jeanne Byrne, Kristi Markey and Robert S. Brower, Sr.

**ADMINISTER OATH OF OFFICE TO  
KRISTI MARKEY, DIVISION 3;  
JEANNE BYRNE, DIVISION 4; AND  
ROBERT S. BROWER, SR., DIVISION 5**

No comments were directed to the Board under Oral Communications.

**ORAL COMMUNICATIONS**

On a motion by Director and second by Director, the Consent Calendar items were adopted unanimously on a vote of 7 – 0.

**CONSENT CALENDAR**

Approved

1. Consider Adoption of Minutes of the November 21, 2011 Board Meeting
2. Adopt Board Meeting Schedule for 2012
3. Consider Authorization for Purchase of Equipment for Retrofits at Monterey Peninsula Unified School District Schools
4. Consider Authorization to Reimburse San Carlos School for Water Saving Retrofits
5. Consider Expenditure of Budgeted Funds for Environmental Review for Water Project 2

Approved

Approved

Approved

Approved

Approved

Approved.

Approved.

David Stoldt, 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. He reported that actual production in the Carmel River Basin exceeded the target for the first two months of the year. However, pumping of the Seaside Groundwater Basin, specifically in the coastal area, is significantly below production, hence Cal-Am production is below the year-to-date target overall. General Manager Stoldt stated the District started the Water Year above average in October but slipped somewhat in November and it is anticipated that December will be below average as well. With the lack of rain in December, there have not been significant flows to initiate injection into ASR.

General Manager Stoldt provided a brief summary of the report presented as item 10 in the Board packet. He reported that item 7 on the Consent Calendar will hopefully begin a cooperative working relationship with the U.S. Navy to move forward with building a desalination plant on U.S. Navy property. With regards to the Regional Desalination Project O&M Committee, two meetings were held to discuss governance of the Regional Desalination Project on November 29, 2011. There has been no additional progress on this concept and the District will continue to participate in this discussion and report to the Board. General Manager pointed out that implementation plans for Water Projects 2-5 are shown as exhibit 10-A of the December 12, 2011 meeting packet. On November 22, 2011, Chairman Brower and General Manager Stoldt met with Rob MacLean of Cal-Am to discuss: a) the in-holding for Sleepy Hollow in conjunction with the San Clemente Dam decommissioning, b) Los Padres Dam transition and study needs, c) data sharing, d) the regional Desalination Project, and c) User Fee proceedings at the CPUC. On November 28, 2011, the Monterey Regional Water Pollution Control Agency (MRWPCA) discussed alternate governance structures for delivery of alternate water supply projects to the Regional Project. Exhibit 10-B of the

6. **Consider Authorization of Consultant Contract and Sub-Grantee Agreement for Projects to Update the Integrated Regional Water Management Plan for the Monterey Peninsula, Carmel Bay and Southern Monterey Bay**
7. **Consider Sending a Letter of Introduction and Requesting a Meeting with Local Navy Officials to Discuss Development of a Seawater Desalination Project at the Abandoned City of Monterey Wastewater Treatment Plant**
8. **Consider Approval of First Quarter 2011-2012 Investment Report**

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

9. **Status Report on California American Water Compliance with State Water Resources Control Board Order 2009-0060 and Seaside Groundwater Basin Adjudication Decision**
10. **Update on Development of Water Supply Projects**

December 12, 2011 meeting packet contains correspondence from the November 28, 2011 MRWPCA Board Meeting.

District Counsel reported that he provided status reports on items A through D listed on the Closed Session agenda. The Board provided general direction, but no reportable action was taken.

Director Lewis reported on her attendance at the November 29, 2011-December 12, 2011 Association of California Water Agencies Conference and the December 5, 2011 Orange County Reclamation Facility Tour. She stated she would like to see a similar tour implemented on the Peninsula. Director Byrne and Director Pendergrass also reported that they attended the Orange County Reclamation Facility Tour.

On a motion by Director Pendergrass and second of Director Lehman, the January through March 2012 Quarterly Water Supply Strategy and Budget was adopted unanimously by the Board on a vote of 7 – 0

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

Director Pendergrass offered a motion that and seconded by Director Potter, that the Board take no action on revising the Meeting Rules. The motion was approved on a vote of 4 – 3. Directors Pendergrass, Potter Brower and Byrne

#### ATTORNEY'S REPORT

11. **Report on 5:30 pm Closed Session of the Board**
  
3. **Conference with Legal Counsel – Existing Litigation (Gov. Code 54956.9 (a))**
  - A. MPWMD v. State Water Resources Control Board; Santa Clara Superior Court Case No. 1-10-CV-163328 -- Cease and Desist Order
  - B. Application of California American Water Company to CPUC Application No.10-01-012 – User Fee Collection ; *Cal-Am v. MPWMD*; M113336
  - C. Application of California American Water to the CPUC (Application No. 04-09-019) Coastal Water Project
  - D. Application of Cal-Am to the CPUC (App. No. 10-09-018) -- San Clemente Dam Removal

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

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

#### PUBLIC HEARINGS

13. **Consider Adoption of January through March 2012 Quarterly Water Supply Strategy and Budget**

#### ACTION ITEMS

14. **Consider Adoption of Revised Meeting Rules Regarding Board Conference Attendance/Travel**

voted in favor of the motion. Directors Lehman, Lewis and Markey were opposed.

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

On a motion by Director Byrne and second of Director Lehman, Board officers for 2012 were designated as: Chair, Director Potter; Vice Chair, Director Pendergrass; Secretary, General Manager, David J. Stoldt; and Treasurer, Administrative Services Manager/Chief Financial Officer, Suresh Prasad. The motion was approved on a vote of 6 –1. Director Markey was opposed.

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

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


The meeting was adjourned at 7:55 pm.

**15. Conduct Election of Board Officers for 2012**

**INFORMATIONAL ITEMS/STAFF REPORTS**

- 16. Letters Received**
- 17. Committee Reports**
- 18. Water Conservation Program Report for November 2011**
- 19. Monthly Allocation Report**
- 20. Monthly California American Water Production Report**
- 21. Monthly Water Supply Status Report**

**ADJOURN**

  
Arlene M. Tavani, Deputy District Secretary