## EXHIBIT 14-B

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## Bill to annul water board may resurface

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A state Senate bill once aimed at killing the Peninsula's water board might be making an encore performance.

The water district still needs encouragement from the state to produce a new source of water, Sen. Bruce McPherson, R-Santa Cruz, said Monday. The senator will be discussing the bill with Monterey Peninsula Water Management District board members in a conference call some time later this week.

"I do think things are necessary," McPherson said. "There's a new majority on the water district board but the water needs haven't changed."

The Peninsula is under a state order to develop a new water source to relieve the strain on the Carmel River, home to two threatened species, steelhead trout and red-legged frogs.

Senate Bill 149, as originally proposed by McPherson, would have scrapped the district's elected board of directors and replaced it with a panel of Peninsula mayors. In revised form, it would have set a three-year deadline for the water board to find a way to reduce the Peninsula's dependence on the Carmel River. It threatened to dissolve the water board if it could not develop a new source of water.

The bill died in the Assembly Appropriations Committee last year, apparently the victim of partisan politics. It is unclear what form a new bill might take, McPherson said Monday.

However, water board Chairman Alvin Edwards said that such legislation is a bad idea now that the water district has a new board of directors. Edwards said this board is more likely to develop new water sources.

"It needs to go away," Edwards said. "We don't need the McPherson bill to put a water project out."

While McPherson acknowledged the board's new, less environmentalist makeup, he said the district has not been able to develop a new water project in its 25 years of existence.

"That hasn't been done to date," he said. "This was brought to me by the people of the Peninsula and their representatives."

The senator has discussed the issue with new board members Michelle Knight and Larry Foy. Foy said he didn't want to comment on the matter, preferring to talk about it in a closed session of the board. He said he believes the district might have legal issues relating to the bill and its refusal last year to dissolve itself after voters passed an advisory ballot measure supporting the idea of eliminating the district.

"I need to clear some of my concerns before I do anything publicly," said Foy.

But Edwards criticized Foy for apparently wanting legislation.

"I don't know what he sees in it," said Edwards. "I wish that he would give himself a chance to prove that he can get it done, without (Senate Bill) 149 sitting over his head."
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