



**MONTEREY PENINSULA  
WATER MANAGEMENT DISTRICT**

5 HARRIS COURT, BLDG. G  
POST OFFICE BOX 85  
MONTEREY, CA 93942-0085 • (831) 658-5600  
FAX (831) 644-9560 • <http://www.mpwmd.dst.ca.us>

# **SUPPLEMENT TO 05/21/07 MPWMD BOARD PACKET**

Attached are copies of letters received between April 6, 2007 and May 9, 2007. These letters are also listed in the May 21, 2007 Board packet under item 18, Letters Received.

<b>Author</b>	<b>Addressee</b>	<b>Date</b>	<b>Topic</b>
David Potter	David A. Berger	4/10/07	Existing and Future Water Needs Estimates
Catherine A Raynor, CMC	David A. Berger	4/26/07	MOU and Request for \$5,000 to Defray Expenses for Analytical Services for the Monterey Bay Regional Water Solutions Leadership Taskforce
Dick Butler	David A. Berger	5/2/07	MPWMD Recommended Spending Priorities for Restoration of the Steelhead Resource in the Carmel River Watershed
Dorothy Rice	Lauren Cohen & Derek Steere	5/3/07	Response to Correspondence Questioning the Performance of the MPWMD

# MONTEREY COUNTY

## THE BOARD OF SUPERVISORS

FERNANDO ARMENTA, *Vice Chair*

LOUIS R. CALCAGNO

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JERRY C. SMITH

DAVE POTTER, *Chair*



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APR 12 2007

MPWMD

April 10, 2007

Mr. David Berger, General Manager  
Monterey Peninsula Water Management District  
5 Harris Court, Bldg. #G  
Monterey, CA 93940

Re: Existing and Future Water Needs Estimates

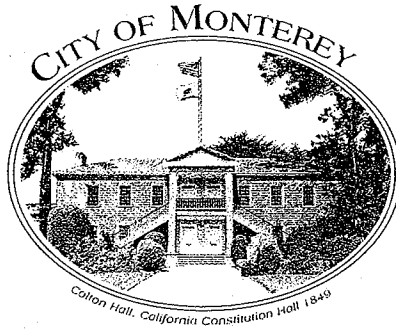
Dear Mr. Berger:

The Monterey County Board of Supervisors supports the 12,500 acre feet per year for replacement needs and the 4,500 acre feet per year for future water needs of the cities, agencies, and the unincorporated area of Monterey County within the jurisdiction of the Monterey Peninsula Water District.

The Monterey County Water Resources Agency continues to believe that any regional water project should also include capacity for existing and future potable water supply needs for the former Fort Ord, Castroville, Salinas and areas of North Monterey County.

Sincerely,

Dave Potter  
Chairman, Board of Supervisors



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APR 30 2007

MPWMD

April 26, 2007

David Berger  
 Monterey Peninsula Water Management District  
 P O Box 85  
 Monterey, CA 93942

Subject: Memorandum of Understanding and Request for \$5,000 to Defray  
 Expenses for Analytical Services for the Monterey Bay Regional Water  
 Solutions Leadership Taskforce

Dear Mr. Berger:

At its April 17, 2007 meeting, the City Council of Monterey approved the memorandum of understanding and request for \$5,000 to defray expenses for analytical services for the Monterey Bay Regional Water Solutions Leadership Taskforce.

Further communication will be forthcoming but in the meantime, should you have any questions regarding this matter, please call Bill Reichmuth, Director of Plans, Engineering and Environmental Compliance Public Works, at (831) 646-3921.

Sincerely,

Catherine A. Reynor, CMC  
 Senior Assistant City Clerk

c: Director of Plans, Engineering and Environmental Compliance  
 City Clerk's file



UNITED STATES DEPARTMENT OF COMMERCE  
National Oceanic and Atmospheric Administration  
NATIONAL MARINE FISHERIES SERVICE  
Southwest Region  
777 Sonoma Ave., Room 325  
Santa Rosa, CA 95404-6528

May 2, 2007

In response refer to:  
SWR/F/SWR3:JEA

David Berger, General Manager  
Monterey Peninsula Water Management District  
5 Harris Court, Bldg. G  
P.O. Box 85  
Monterey, California 93942-0085

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MAY 7 2007

MPWMD

Dear Mr. Berger:

Thank you for sending us the Monterey Peninsula Water Management District's (MPWMD) Recommended Spending Priorities for Restoration of the Steelhead Resource in the Carmel River Watershed. In your letter, you noted that MPWMD understands funding for these proposed restoration projects would be available under the California American Water Company's Settlement Agreement (Agreement) with NOAA. You also asked when this agreement would be finalized and implemented.

We are currently working closely with our General Counsel to finalize the Agreement; however, it is difficult to predict how soon we will obtain the Department of Commerce's final approval so we can move forward. I will keep you informed as to the status of the Agreement as we are updated. Please be advised that any proposed projects will have to pass rigorous screening before being awarded funding. Depending on project design, cost, etc., we cannot assure you at this time that all your prioritized projects would be funded under this Agreement.

Thank you for your interest in recovery of steelhead in the Carmel River. We look forward to working with you on restoration projects to improve the habitat and the population of steelhead in the Carmel River.

If you have any questions, please contact Ms. Joyce Ambrosius at (707) 575-6064 or [joyce.ambrosius@noaa.gov](mailto:joyce.ambrosius@noaa.gov).

Sincerely,

Dick Butler  
Santa Rosa Area Office Supervisor  
Protected Resources Division



cc: R. Strach, NMFS, Sacramento  
N. Moeller, NOAA GC, Seattle  
R. Mannix, NOAA OLE, Silver Spring  
R. Thomas, CRSA, Carmel



Linda S. Adams  
Secretary for  
Environmental Protection

# State Water Resources Control Board

## Executive Office

Tam M. Doduc, Board Chair  
1001 I Street - Sacramento, California - 95814 - 916.341.5615  
P.O. Box 100 - Sacramento, California - 95812-0100  
Fax 916.341.5621 - www.waterboards.ca.gov



Arnold Schwarzenegger  
Governor

MAY - 3-2007

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Ms. Lauren Cohen  
Mr. Derek Steere  
4145 Segunda Drive  
Carmel, CA 93923

MAY 8 2007

MPWMD

Dear Ms. Cohen and Mr. Steere:

### RESPONSE TO CORRESPONDENCE QUESTIONING THE PERFORMANCE OF THE MONTERERY PENINSULA WATER MANAGEMENT DISTRICT

Thank you for your recent letters of concern regarding the activities of the Monterey Peninsula Water Management District (District) in the pursuit of a viable long-term water supply in the Carmel Monterey region. I have been asked to respond to your two letters sent to Governor Schwarzenegger. The following is a brief history of the State Water Resources Control Board's (State Water Board) actions regarding water supply issues in that region.

The State Water Board issued Decision 1632 (D-1632) on July 6, 1995, in response to the District's water right Application 27614 for the New Los Padres Project. The State Water Board approved the District's water right application to pursue the development of an additional long-term water supply. The proposed project included enlargement of the existing Los Padres Reservoir and a limited amount of direct diversion from the lower Carmel River.

In D-1632 the State Water Board ordered the California American Water Company (Cal-Am) to: (1) cease and desist diversion of water in excess of 14,106 acre-feet (af), which had been Cal-Am's average rate of diversion from the Carmel River, (2) achieve a 20% conservation rate, and (3) diligently implement action to terminate its unauthorized diversions from the Carmel River. When adopting D-1632, the State Water Board took into consideration the existing diversions by Cal-Am and other parties, including the District's proposed New Los Padres Project, and recommended that the Carmel River be designated as a fully appropriated stream.

The State Water Board issued Order WR 95-10 on July 6, 1995, which determined that Cal-Am was diverting approximately 10,730 af of water annually from the Carmel River without a valid basis of water right. The State Water Board also found that Cal-Am's diversion had an adverse effect upon fish, wildlife, and the riparian corridor.

Ms. Lauren Cohen  
Mr. Derek Steere

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MAY - 3 2007

In 1998 the State Water Board issued Order WR 98-08, establishing the Carmel River as a fully appropriated stream from May 1 through December 31 of each year. This Declaration limited any additional allocation of water from the Carmel River during this specified season. In 1997 the south coast steelhead and the red-legged frog were placed on the Federal Endangered Species list. Due to impacts on these species from the diversion of water from the Carmel River, the State Water Board issued another order in 2002, Order WR 2002-02, which imposed further restrictions on the diversion of water from the Carmel River during low flow periods.

In more recent history, the State Water Board has issued the District several temporary water right permits to divert Carmel River water during high winter flows under their New Los Padres project permit, for storage in the Seaside groundwater basin. The water will be pumped out of the groundwater basin during the summer months to offset demands on the Carmel River during low flow periods. The District and Cal-Am have jointly filed a petition for long-term change to the District's existing permit to allow for additional storage of water in the Seaside groundwater basin. The California Department of Fish and Game, National Marine Fisheries Service, and the Carmel River Steelhead Association have protested this petition for change. These protests remain unresolved, and as long as they remain unresolved the State Water Board cannot issue an approval for this change. The District and Cal-Am are attempting to resolve these protests. The District has asked the State Water Board to schedule a formal hearing to address these issues.

The Monterey Peninsula Water Management District was established by the Legislature, and you are correct that the Legislature has since considered dissolving the District. The bill you mentioned (Senate Bill 149, enclosed) was introduced in February 2003 to dissolve the District. While this bill was amended several times in 2003, there has been no further action by the Legislature on this bill.

The State Water Board continues to monitor the progress of the District and Cal-Am as they attempt to develop an authorized, viable long-term water supply. The State Water Board views with great concern the ongoing unauthorized diversion of water. The District is required to comply with local restrictions limiting the expansion of development until the District and Cal-Am are in compliance with the State Water Board decisions and have found a reliable alternative water supply. Cal-Am must reduce their unauthorized diversion and use of water from the Carmel River to meet the requirements of D-1632 and Orders WR 95-10 and WR-2002-02. If Cal-Am cannot meet the restrictions, the State Water Board may consider possible enforcement actions.

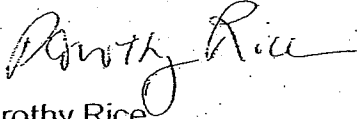
Ms. Lauren Cohen  
Mr. Derek Steere

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MAY - 3 2007

If you have any questions regarding the District's and Cal-Am's progress in complying with the State Water Board requirements, please feel free to contact Steven Herrera, Chief of the Division of Water Rights Permitting Section, at 916-341-5337 or by e-mail at [sherrera@waterboards.ca.gov](mailto:sherrera@waterboards.ca.gov).

Sincerely,



Dorothy Rice  
Executive Director

Enclosure

cc: David Berger, General Manager  
Monterey Peninsula Water Management District  
P.O. Box 85  
Monterey, CA 93940

Cindy Tuck  
Assistant Secretary for Policy  
California Environmental Protection Agency  
1001 I Street  
Sacramento, CA 95814



AMENDED IN ASSEMBLY JULY 10, 2003  
 AMENDED IN ASSEMBLY JUNE 19, 2003  
 AMENDED IN SENATE MAY 13, 2003  
 AMENDED IN SENATE MAY 5, 2003

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MAY 8 2007

MPWMD

SENATE BILL

No. 149

**Introduced by Senator McPherson**  
**(Principal coauthor: Senator Perata)**  
*(Coauthors: Assembly Members Calderon, Negrete McLeod, and Salinas)*

February 7, 2003

~~An act to amend Sections 1, 7, 9, 101, 133, 202, 251, 252, 253, and 431 of, to amend the heading of Article 6 (commencing with Section 671) of Chapter 3 of Part 5 of, to add Section 202.5 to, to add Chapter 3.5 (commencing with Section 685) to Part 5 of, to repeal Sections 136, 203, 204, 205, 671, and 673 of, to repeal Chapter 2 (commencing with Section 221) of Part 3 of, and to repeal Article 2 (commencing with Section 471) of Chapter 8 of Part 4 of, the Monterey~~ *An act to amend Section 431 of, to amend the heading of Article 6 (commencing with Section 671) to Chapter 3 of Part 5 of, to add Chapter 3.5 (commencing with Section 685) to Part 5 of, to repeal Sections 671 and 673 of, and to repeal Article 2, (commencing with Section 471) of Chapter 8 of Part 4 of, the Monterey Peninsula Water Management District Law (Chapter 527 of the Statutes of 1977), relating to water.*

## LEGISLATIVE COUNSEL'S DIGEST

SB 149, as amended, McPherson. Monterey Peninsula Water Management District.

(1) Existing law, the Monterey Peninsula Water Management District Law, establishes the Monterey Peninsula Water Management District and provides for its powers and purposes. ~~The district law provides for the election of 5 members and the appointment of 2 members to the district's board of directors. The district law requires the board of the district to call an election for the voters of the district to approve projects proposed to be undertaken by the board. The district law authorizes the board to issue revenue bonds in accordance with certain provisions of law, and subject to approval by district voters.~~

This bill would change the title of the law to the Monterey Peninsula Water Board Law. ~~The bill would provide for a 7-person appointed board of elected representatives from each of the cities within the district, appointed by the mayor of each city, and one representative from the unincorporated area. The requirements of the bill to establish an appointed board would impose a state-mandated local program. The bill would provide that each board member has one vote, except that, upon the call and request of any board member present and able to vote, a weighted voting formula would be applied to any vote to be taken by the board.~~

~~The bill would repeal the provisions that require an election to be held to approve projects proposed to be undertaken by the board, and would require, instead, the board to hold a hearing to consider public comments regarding a proposed project. The bill would authorize each board member to vote in favor of the issuance of the board, by ordinance, to issue revenue bonds, subject to an authorization to do so by his or her appointing power but without voter approval, to pay the costs of constructing facilities for the production, storage, transmission, or treatment of water.~~

~~The bill would become operative on the date on which the Secretary of State notifies the Monterey Peninsula Water Management District that the United States Attorney General has "precleared," in accordance with a certain federal law, the changes that the bill would make with regard to the manner of selecting board members make that ordinance subject to referendum, thereby imposing a state-mandated located programs by imposing election duties on county officials.~~

~~The bill would impose a state-mandated local program by imposing requirements on the district.~~

~~The bill would dissolve the board of the district on January 1, 2007, under certain circumstances.~~

(2) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: yes.

*The people of the State of California do enact as follows:*

- 1     ~~SECTION 1. Section 1 of the Monterey Peninsula Water~~  
2     ~~Management District Law (Chapter 527 of the Statutes of 1977)~~  
3     ~~is amended to read: Section 1. This act shall be known and may~~  
4     ~~be cited as the Monterey Peninsula Water Board Law.~~  
5     ~~SEC. 2. Section 7 of the Monterey Peninsula Water~~  
6     ~~Management District Law (Chapter 527 of the Statutes of 1977)~~  
7     ~~is amended to read:~~  
8     ~~Sec. 7. "District" means the Monterey Peninsula Water~~  
9     ~~Board.~~  
10    ~~SEC. 3. Section 9 of the Monterey Peninsula Water~~  
11    ~~Management District Law (Chapter 527 of the Statutes of 1977)~~  
12    ~~is amended to read:~~  
13    ~~Sec. 9. "Board" and "board of directors" means the~~  
14    ~~governing board of directors of the district appointed pursuant to~~  
15    ~~Section 202.~~  
16    ~~SEC. 4. Section 101 of the Monterey Peninsula Water~~  
17    ~~Management District Law (Chapter 527 of the Statutes of 1977)~~  
18    ~~is amended to read:~~  
19    ~~Sec. 101. There is hereby created a district known and~~  
20    ~~designated as the Monterey Peninsula Water Board.~~  
21    ~~SEC. 5. Section 133 of the Monterey Peninsula Water~~  
22    ~~Management District Law (Chapter 527 of the Statutes of 1977)~~  
23    ~~is amended to read:~~  
24    ~~Sec. 133. The Monterey Peninsula Water Board is hereby~~  
25    ~~declared to be and is a body politic and corporate, and as such shall~~  
26    ~~have, among others, the powers enumerated in this law and such~~  
27    ~~other powers as the law may provide.~~

1 ~~SEC. 6. Section 136 of the Monterey Peninsula Water~~  
2 ~~Management District Law (Chapter 527 of the Statutes of 1977)~~  
3 ~~is repealed.~~

4 ~~SEC. 7. Section 202 of the Monterey Peninsula Water~~  
5 ~~Management District Law (Chapter 527 of the Statutes of 1977)~~  
6 ~~is amended to read:~~

7 ~~Sec. 202. (a) The board shall consist of seven members~~  
8 ~~selected in accordance with this section.~~

9 ~~(b) The board shall consist of one elected representative from~~  
10 ~~each of the cities within the district (Carmel-by-the-Sea, Del Rey~~  
11 ~~Oaks, Monterey, Pacific Grove, Sand City, and Seaside), and one~~  
12 ~~elected representative from the unincorporated area within the~~  
13 ~~district's boundary.~~

14 ~~(c) The mayor of each city within the district shall appoint a~~  
15 ~~member to the board. The appointed board member shall be either~~  
16 ~~the mayor or a city council member of the appointing entity.~~

17 ~~(d) For the unincorporated area, the board member shall be an~~  
18 ~~elected member of the county board of supervisors who represents~~  
19 ~~most of the unincorporated population within the district~~  
20 ~~boundary.~~

21 ~~(e) Each member of the board shall serve at the pleasure of the~~  
22 ~~appointing power.~~

23 ~~SEC. 8. Section 202.5 is added to the Monterey Peninsula~~  
24 ~~Water District Law (Chapter 527 of the Statutes of 1977), to read:~~

25 ~~Sec. 202.5. While serving on the board, each board member~~  
26 ~~shall exercise his or her independent judgment on behalf of the~~  
27 ~~interests of the district's residents, property owners, and the public~~  
28 ~~as a whole and not solely the interests of the appointing power.~~  
29 ~~This section does not require the abstention of any member on any~~  
30 ~~matter, nor does it create a right of action for any person.~~

31 ~~SEC. 9. Section 203 of the Monterey Peninsula Water~~  
32 ~~Management District Law (Chapter 527 of the Statutes of 1977)~~  
33 ~~is repealed.~~

34 ~~SEC. 10. Section 204 of the Monterey Peninsula Water~~  
35 ~~Management District Law (Chapter 527 of the Statutes of 1977)~~  
36 ~~is repealed.~~

37 ~~SEC. 11. Section 205 of the Monterey Peninsula Water~~  
38 ~~Management District Law (Chapter 527 of the Statutes of 1977)~~  
39 ~~is repealed.~~

1 SEC. 12. Chapter 2 (commencing with Section 221) of Part  
2 3 of the Monterey Peninsula Water Management District Law  
3 (Chapter 527 of the Statutes of 1977) is repealed.

4 SEC. 13. Section 251 of the Monterey Peninsula Water  
5 Management District Law (Chapter 527 of the Statutes of 1977)  
6 is amended to read:

7 Sec. 251. The board shall hold its initial meeting of appointed  
8 members as soon as possible after the operative date of this act. The  
9 board shall elect one of its members chairperson, and shall  
10 thereupon provide for the time and place of holding its meetings  
11 and the manner in which special meetings may be called upon  
12 adequate notice to the public. At the first meeting in the month of  
13 January of each year, or at the next meeting following the creation  
14 of a vacancy in the office of chairperson, the board shall choose  
15 one of its members chairperson and one of its members vice  
16 chairperson.

17 SEC. 14. Section 252 of the Monterey Peninsula Water  
18 Management District Law (Chapter 527 of the Statutes of 1977)  
19 is amended to read:

20 Sec. 252. The chairperson of the board shall preside at all  
21 meetings of the board. In the case of the absence or inability to act  
22 of the chairperson, the vice chairperson shall preside. In the case  
23 of the absence or inability to act of the chairperson and vice  
24 chairperson, the members present shall by a resolution entered in  
25 the records of the board, select one of their number to act as  
26 temporary chairperson. Any member of the board may administer  
27 oaths when necessary in the performance of his or her official  
28 duties.

29 SEC. 15. Section 253 of the Monterey Peninsula Water  
30 Management District Law (Chapter 527 of the Statutes of 1977)  
31 is amended to read:

32 Sec. 253. (a) A majority of the members of the board shall  
33 constitute a quorum for the transaction of business. The board shall  
34 act only by ordinance, resolution, or motion. On all ordinances, the  
35 roll shall be called and the ayes and noes recorded in the records  
36 of the board. Resolutions and motions may be adopted by voice  
37 vote, but on demand of any member the roll shall be called. Except  
38 as otherwise provided in this act, no ordinance, resolution, or  
39 motion shall be passed nor become effective without the  
40 affirmative vote of the majority of the members of the board.

SB 149

— 6 —

1 ~~(b) Subject to subdivision (c), each member has one vote.~~

2 ~~(c) (1) Upon the call and request of any board member present~~  
 3 ~~and able to vote, a weighted voting formula shall apply for any vote~~  
 4 ~~to be taken by the board, with each member having one or more~~  
 5 ~~votes based upon the population of the city or unincorporated area~~  
 6 ~~within the district boundary as follows:~~

7		
8		
9	Population	No. of votes
10	0 to 9,999	1
11	10,000 to 24,999	2
12	25,000 to 49,999	3
13	50,000 to 74,999	4
14	75,000 to 99,999	5
15	100,000 and above	6

16  
 17 ~~(2) For the purpose of determining the population within a city~~  
 18 ~~or unincorporated area within the district, the more recent federal~~  
 19 ~~census or Department of Finance population estimate shall be~~  
 20 ~~used.~~

21 ~~SEC. 16.—~~

22 *SECTION 1. (a) The Legislature finds and declares that there*  
 23 *is a statewide housing crisis. Within the boundaries of the*  
 24 *Monterey Peninsula Water Management District, there is an*  
 25 *especially critical shortage of affordable housing. The*  
 26 *augmentation of water supplies for the benefit of that area will*  
 27 *facilitate the construction of additional housing. In particular, the*  
 28 *construction of affordable housing in the area encompassed by*  
 29 *that district is a top priority for the Legislature.*

30 *(b) The Monterey Peninsula Water Management District Board*  
 31 *shall be dissolved on January 1, 2007, if an environmental impact*  
 32 *report has not been prepared and approved on or before that date*  
 33 *with regard to the acquisition of more than 10,700 acre-feet of*  
 34 *water on behalf of that district.*

35 *SEC. 2. Section 431 of the Monterey Peninsula Water*  
 36 *Management District Law (Chapter 527 of the Statutes of 1977)*  
 37 *is amended to read:*

38 *Sec. 431. (a) The board, by resolution, may establish*  
 39 *improvement zones within the district without reference to the*  
 40 *boundaries of other zones, setting forth in that resolution*

1 descriptions thereof by metes and bounds and identifying each  
 2 zone by a zone number, and institute zone projects for the specific  
 3 benefit of those zones. The board, by resolution, may amend the  
 4 boundaries by annexing property to or by withdrawing property  
 5 from these zones or may divide existing zones into two or more  
 6 zones or may superimpose a new or amended zone or zones  
 7 already in existence, setting forth in that resolution descriptions of  
 8 the amended, divided, or superimposed zones by metes and  
 9 bounds and identifying each zone by a zone number. Any territory  
 10 in the district may be included within one or more improvement  
 11 zones.

12 (b) After the board approves a project, the boundaries of the  
 13 zone or zones approving the project shall not be changed, except  
 14 as otherwise provided in this law.

15 ~~SEC. 17.—~~

16 (c) *Prior to approving a zone project, the board shall hold a*  
 17 *hearing, t which public comments regarding the project shall be*  
 18 *considered.*

19 ~~SEC. 3.~~ Article 2 (commencing with Section 471) of Chapter  
 20 8 Part 4 of the Monterey Peninsula Water Management District  
 21 Law (Chapter 527 of the Statutes of 1977) is repealed.

22 ~~SEC. 18.—~~

23 ~~SEC. 4.~~ The heading of Article 6 (commencing with Section  
 24 671) of Chapter 3 of Part 5 of the Monterey Peninsula Water  
 25 Management District Law (Chapter 527 of the Statutes of 1977)  
 26 is amended to read:

27

28 Article 6. Benefit Assessments

29

30 ~~SEC. 19.—~~

31 ~~SEC. 5.~~ Section 671 of the Monterey Peninsula Water  
 32 Management District Law (Chapter 527 of the Statutes of 1977)  
 33 is repealed.

34 ~~SEC. 20.—~~

35 ~~SEC. 6.~~ Section 673 of the Monterey Peninsula Water  
 36 Management District Law (Chapter 527 pf the stautues of 1977)  
 37 is repealed.

38 ~~SEC. 21.—~~

1     *SEC. 7.* Chapter 3.5 (commencing with Section 685) is added  
 2 to Part 5 of the Monterey Peninsula Water Management District  
 3 Law (Chapter 527 of the Statutes of 1977), to read:

4  
 5                   CHAPTER 3.5. REVENUE BONDS  
 6

7     ~~Sec. 685. (a) (1) Subject to subdivision (b), the board, by~~  
 8 ~~ordinance, adopted by the affirmative vote of the majority of the~~  
 9 ~~members of the board who also represent a majority of the~~  
 10 ~~weighted votes calculated pursuant to subdivision (c) of Section~~  
 11 ~~253.~~

12     *Sec. 685. (a) (1) The board by ordinance adopted by the*  
 13 *affirmative vote of the majority of the members of the board may*  
 14 *issue revenue bonds pursuant to this chapter to pay the costs of*  
 15 *acquiring or constructing facilities for the production, storage,*  
 16 *transmission, or treatment of water.*

17     (2) The board need not conduct an election or otherwise secure  
 18 the approval of the voters to carry out this chapter.

19     ~~(b) No board member may vote in favor of the issuance of~~  
 20 ~~revenue bonds pursuant to this chapter in the absence of the~~  
 21 ~~adoption, by majority vote, of an ordinance by the appointing~~  
 22 ~~power of that board member that expressly authorizes that board~~  
 23 ~~member to do so.~~

24     ~~(c)~~

25     (b) The ordinance described in subdivision (a) shall describe in  
 26 general terms the project or projects to be financed by the revenue  
 27 bonds, the maximum amount of bonds proposed to be issued, and  
 28 the anticipated sources of revenue to redeem the bonds.

29     ~~(d)~~

30     (c) The board may issue revenue bonds pursuant to this chapter  
 31 to generate funds to pay for the acquisition and construction of the  
 32 facilities described in subdivision (a) and related costs, including  
 33 engineering, inspection, legal and fiscal agents' fee, costs of the  
 34 issuance and sale of the bonds, working capital, reserve fund, and  
 35 bond interest estimated to accrue during the construction period  
 36 and for a period not to exceed 12 months after completion of  
 37 construction.

38     ~~(e)~~



1 (d) The proceeds of the revenue bonds may be used only for the  
2 project provided for in the indenture pursuant to which the revenue  
3 bonds are issued.

4 ~~(f)~~

5 (e) The revenue bonds shall be secured by a pledge of and lien  
6 upon the revenues of the project described in the indenture  
7 authorizing the issuance of the bonds. The revenues of the project  
8 include revenues from improvements or additions to, or  
9 extensions of the project. The revenue bonds may also be secured  
10 by additional revenues, including existing funds of the district, and  
11 other sources, to the extent set forth in the indenture.

12 ~~(g)~~

13 (f) If any of the revenue bonds are outstanding and unpaid, the  
14 revenues and interest thereon shall not be used for any purpose not  
15 authorized by the indenture, unless the bondholders authorize the  
16 use for that purpose pursuant to the provisions of the indenture.

17 ~~(h)~~

18 (g) Revenue bonds issued pursuant to this chapter, and  
19 contracts or obligations entered into to carry out the purposes for  
20 which bonds are issued that are payable in whole or in part from  
21 the proceeds of the bonds, shall not constitute a debt, liability, or  
22 obligation of any of the public agencies who are parties to the  
23 agreement creating that entity.

24 ~~(i)~~

25 (h) All revenue bonds issued pursuant to this chapter shall  
26 include a recital on their face that neither the payment of the  
27 principal or any part thereof, nor any interest thereon, constitutes  
28 a debt, liability, or obligation of any of the district.

29 (i) *An ordinance adopted pursuant to subdivision (a) is subject*  
30 *to referendum in accordance with Section 9341 of the Elections*  
31 *Code.*

32 ~~SEC. 22.~~

33 *SEC. 8.* No reimbursement is required by this act pursuant to  
34 Section 6 of Article XIII B of the California Constitution because  
35 a local agency or school district has the authority to levy service  
36 charges, fees, or assessments sufficient to pay for the program or  
37 level of service mandated by this act, within the meaning of  
38 Section 17556 of the Government Code.

39 ~~SEC. 23.~~ This act shall become operative on the date on which  
40 the Secretary of State notifies the Monterey Peninsula Water

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— 10 —

- 1 Management District that the United States Attorney General has
- 2 precleared Section 202 of the Monterey Peninsula Water
- 3 Management District Law, as amended by this act, pursuant to
- 4 Section 1973c of Title 42 of the United States Code.

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