



EXHIBIT 1-A

**DRAFT MINUTES
Regular Meeting
Board of Directors
Monterey Peninsula Water Management District
January 23, 2012**

The meeting was called to order at 7:08 p.m. in the District Conference Room.

CALL TO ORDER/ROLL CALL

Directors Present:

Dave Potter, Chairperson -- Monterey County Board of Supervisors
David Pendergrass, Vice Chairperson – Mayoral Representative
Brenda Lewis – Division 1
Judi Lehman – Division 2
Kristi Markey – Division 3
Jeanne Byrne – Division 4
Robert S. Brower, Sr., -- Division 5

Directors Absent: None

General Manager present: David J. Stoldt

District Counsel present: David Laredo

The assembly recited the Pledge of Allegiance.

PLEDGE OF ALLEGIANCE

Chairperson Potter presented a plaque to Director Brower and acknowledged him for promoting the District's goals and working to educate the public about the District's accomplishments. Director Brower thanked the Board for the plaque and stated that it was a pleasure serving as Chairperson. He promised to continue to tout the District's good work and many accomplishments.

PRESENTATION TO OUTGOING BOARD CHAIR, ROBERT S. BROWER, SR. DIVISION 5

Todd Norgaard, Carmel Valley Association Water Committee, encouraged the Board to promote the District's accomplishments and projects through its public outreach program, because there is a lack of understanding in the community about the District and water project development. He stated there is a need for the District to become a source of information, as it is the only agency with the knowledge and finances to keep a water project moving forward.

ORAL COMMUNICATIONS

On a motion by Director Pendergrass and second of Director Lehman, the Consent Calendar items were approved except for items 3 and 4 that were pulled for separate consideration. The motion was approved unanimously on a vote of 7 – 0.

Adopted.

Adopted.

On a motion by Director Brower and second of Director Pendergrass, the Board Committee Assignments were adopted on a vote of 6 – 1, with the understanding that the list could be amended at a future date. Directors Brower, Byrne, Lehman, Markey, Potter and Pendergrass. Director Lewis was opposed.

Director Lehman offered a motion that was seconded by Director Lewis, to authorize the expenditure of \$130,000 to contract with Denise Duffy & Associates. The motion was approved unanimously on a vote of 7 – 0.

Adopted.

Adopted.

During the public comment period on this item, Frank Pierce thanked Director Byrne for the opportunity to serve on the Carmel River Advisory Committee.

Adopted.

Adopted.

Adopted.

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 December 2011 was the driest December on record since 1922. Due to the recent rains, the Carmel River Lagoon breached at 6 pm on January 22, 2012, and was later closed. Over the previous four-day period at San Clemente Dam, 3.5 inches of rain were received and subsequently all six draw-down ports were opened. Los Padres reservoir should

CONSENT CALENDAR

1. **Consider Adoption of Minutes of the December 12, 2011 Regular Board Meeting**
2. **Adopt Board Meeting Schedule for 2012**
3. **Ratify Board Committee Assignments for Calendar Year 2012**
4. **Consider Authorization of Consultant Contract to Provide Assistance with an Update of the Integrated Regional Water Management Plan for the Monterey Peninsula, Carmel Bay and Southern Monterey Bay**
5. **Consider Expenditure of Budgeted Funds to Contract for Temporary Data Migration Help in the Water Demand Division**
6. **Receive Notice of Appointment to Carmel River Advisory Committee**
7. **Consider Approval of Annual Update on Investment Policy**
8. **Consider Adoption of Treasurer's Report for July 2011**
9. **Consider Adoption of Treasurer's Report for August 2011**

GENERAL MANAGER'S REPORT

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

be full and spilling by the morning of January 24, 2012. Dry conditions are expected over the next 5 – 7 days. Operation of Water Projects 1 and 2 will only occur if flow rates are high enough to meet the bypass flow requirements set by the SWRCB for aquifer storage and recovery (ASR).

General Manager Stoldt provided a brief summary of the staff report presented in the Board packet. He also reported that District staff will meet with California American Water (Cal-Am) representatives regarding ASR expansion costs and water rights. In addition, the District was advised by NOAA Fisheries that it did not support further investigations into construction of a new dam on the Carmel River (Water Project 5). Additional discussions will be conducted regarding this issue. Stoldt reported that the cities of Carmel-by-the-Sea, Pacific Grove and Sand City have voted to join the Monterey Peninsula Regional Water Authority (MPRWA). The cities of Monterey and Seaside are scheduled to consider the issue. The MPWMD Board may want to discuss how to move forward on water supply project planning, now that formation of the MPRWA has gained momentum.

General Manager Stoldt reported that in order to establish a secure funding source, staff proposes collection of the 8.325% user fee through an assessment on semi-annual property tax bills, instead of collection on the Cal-Am monthly billings, which is the method now in force. A schedule for implementation of this process was provided in the Board packet. The user fee would continue to fund mitigation work on the Carmel River and construction of ASR, but could also be used for future development of groundwater replenishment. If the PUC determines that the user fee cannot continue to be collected on the Cal-Am bill, and an alternative collection method is not authorized, staff furloughs and layoffs will occur.

During the public comment period on this item, George Riley encouraged the District to seek continued collection of the user fee through Cal-Am bills and also establishment of an alternative funding method. Thus, two revenue sources could be used as needed, under different circumstances.

District Counsel reported that he provided status reports on all issues listed on the Closed Session agenda. The Board provided general direction, but no reportable action was taken. Counsel noted that Cal-Am has dropped the lawsuit listed as item 3.F.

11. Update on Development of Water Supply Projects

12. Update on Alternative Collection Mechanism for Rates, Charges and User Fees

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. MPWMD v. State Water Resources Control Board; 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;
 - 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
 - E. Application of Cal-Am to the CPUC (App No. 10-07-007) – General Rate Case – Phase 2
 - F. Cal-Am v MPWMD (Ryan Ranch); Superior court Case No. M 101255

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

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

Director Lehman reported that her term as Chairperson of the Monterey County Special Districts Association has ended. She announced that the Chairperson for 2012 is Carl Miller, a member of the Monterey Peninsula Airport District. Director Byrne stated that David Stoldt will join with Keith Israel of the Monterey Regional Water Pollution Control Agency to speak on groundwater replenishment at the February 24, 2012, Granite Rock Expo.

No Public Hearings items were presented for Board consideration.

No Action items were presented for Board consideration.

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

PUBLIC HEARINGS

ACTION ITEMS

INFORMATIONAL ITEMS/STAFF REPORTS

15. **Letters Received**
16. **Committee Reports**
17. **Carmel River Fishery Report for November and December 2011**
18. **Water Conservation Program Report**
19. **Monthly Allocation Report**
20. **Monthly Water Supply and California American Water Production Report**
21. **Quarterly Carmel River Riparian Corridor Management Program Report**
22. **Quarterly Water Use Credit Transfer Status Report**
23. **Semi-Annual Groundwater Quality Monitoring Report**

**24. Semi-Annual Financial Report on the
CAWD/PBCSD Wastewater Reclamation
Project**

The meeting was adjourned at 7:50 pm.

ADJOURNMENT

Arlene M. Tavani, Deputy District Secretary

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