



EXHIBIT 1-A

**DRAFT MINUTES
Regular Meeting
Board of Directors
Monterey Peninsula Water Management District
March 19, 2012**

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

CALL TO ORDER/ROLL CALL

Directors Present:

Dave Potter, Chairperson – Monterey County Board of Supervisors Representative
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

No comments were directed to the Board.

ORAL COMMUNICATIONS

Director Brower offered a motion to adopt the Consent Calendar except for Item 2 that was pulled for separate consideration. On a second by Director Lehman the motion was adopted unanimously on a vote of 7 – 0.

CONSENT CALENDAR

Approved.

1. Consider Adoption of Minutes of the February 23, 2012 Regular Board Meeting

On a motion by Director Brower and second of Director Lehman, Resolution 2012-02 was adopted unanimously on a vote of 7 – 0.

2. Consider Adoption of Resolution 2012-02 in Support of Filing Applications to the California Department of Fish and Game Fisheries Restoration Grant Program

This item was not presented for Board consideration.

3. ~~DELETED Consider Adoption of Resolution 2012-03—Amend Board Meeting Rules Related to Appointment of Representatives to the Seaside Groundwater Basin Watermaster~~

Approved.

4. **Receive and File Second Quarter Financial Activity Report for Fiscal Year 2011-2012**

Approved.

5. **Consider Approval of Second Quarter Fiscal Year 2011-2012 Investment Report**

Approved.

6. **Consider Adoption of Treasurer's Report for November 2011**

Approved.

7. **Consider Adoption of Treasurer's Report for December 2011**

Approved.

8. **Consider Approval of Treasurer's Report for January 2012**

GENERAL MANAGER'S REPORT

General Manager Stoldt reviewed the summary chart presented at the meeting, it is on file at the District office and available for review on the District website. He noted that as of February 29, 2012, water production for the Monterey Peninsula Water Resources System was 32 acre-feet below the target of 4,571 acre-feet. He reported that Carmel River flows have been insufficient to allow withdrawals of Carmel River water for operation of the Aquifer Storage and Recovery (ASR) project. However, rain is forecast for later in the week which may provide river flow so that ASR operations can proceed. Stoldt cautioned that in the future, if water production exceeds the monthly target the community may be subject to Stage 2 water conservation regulations. He reported that as of February 29, 2012, rainfall at San Clemente Dam was 48% percent of average. The only years on record drier than that were 1922, 1924, 1948, 1976 and 1977, and 1991. As of February 29, 2012 unimpaired Carmel River flow at San Clemente Dam was measured at 20 percent of average. The report was received on a motion of Director Byrne, seconded by Director Markey and approved unanimously on a vote of 7 – 0.

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

General Manager Stoldt reported that a Memorandum of Understanding between the District, Monterey Regional Water Pollution Control Agency (MRWPCA) and California-American Water (Cal-Am) for joint funding of a groundwater replenishment project is under development and will be provided to the Water Supply Planning and Administrative committees for review prior to Board consideration on April 16, 2012. A draft capital improvement plan that describes funding for ASR, groundwater replenishment and desalination will be presented in May. Stoldt attended the March 15, 2012 meeting of the Cities' JPA Technical Advisory Committee. He has spoken to the Monterey Peninsula Chamber of Commerce and other community groups regarding the proposal for

10. **Update on Development of Water Supply Projects**

establishment of a new user fee to fund water supply projects, additional presentations are scheduled. The report was received unanimously on a motion by Director Pendergrass and second of Director Markey.

District Counsel Laredo stated that at the 5:30 pm closed session he provided a status report to the Directors on items 3.A through 3.D. The Board provided direction to Counsel, no reportable action was taken.

Director Lehman reported on the February 28, 2012 through March 1, 2012 annual conference of the Association of California Water Agencies held in Washington D.C. that she and Director Lewis attended. She stated that the proposed water bond under development in the California state legislature may be bifurcated so that it encompasses energy and water, or water and transportation. She was advised by one of the conference speakers that a dam project approved by the U.S. Army Corps of Engineers process may qualify for federal funds for construction or deconstruction of that dam. Director Lehman presented a written summary for distribution to the Board of Directors.

Director Lehman offered a motion that was seconded by Director Markey, to adopt the staff recommendation: (a) approve the first reading of Ordinance No. 150; (b) direct staff to prepare the noticing component of the Implementation guidelines, with review by the Rules & Regulations Review Committee prior to the effective date of the ordinance; and (c) clarify that the new rules refer to well testing beginning with the June-November 2012 testing season, and are not retroactive to applications in progress where testing occurred in 2011 or earlier.

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; 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. Richard & Sharlene Thum v. MPWMD; Superior Court Case No. M113598

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 First Reading of Ordinance No. 150 Amending Rule 21-A – Noticing Requirements for Water Distribution System Well Capacity Testing

The motion was adopted unanimously on a vote of 7 – 0.

No public comment was directed to the Board during the public hearing on this item.

On a motion by Director Markey and second of Director Pendergrass, the Draft 2011 MPWMD Annual Report was approved by the Board of Directors and District staff was directed to finalize the report. 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.

On a motion by Director Pendergrass and second of Director Brower, the April through June 2012 Quarterly Water Supply Strategy and Budget was adopted by the Board of Directors on a unanimous vote of 7 – 0.

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

Director Brower offered a motion that was seconded by Director Lehman, to authorize General Manager Stoldt to serve on the Monterey Peninsula Regional Water Authority Technical Advisory Committee. The motion was approved unanimously on a vote of 7 – 0.

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

On a motion by Director Brower and second of Director Lehman, the Board voted unanimously to initiate the process required for authorization of the User Fee including printing and mailing the Proposition 218 hearing notice. The motion was approved on a vote of 7 – 0.

The following comments were directed to the Board during the public comment period on this item. (1) **Kevin Stone**, Government Affairs Director for the Monterey County Association of Realtors, disagreed with the proposal to collect a user fee on the assessor’s roll. He urged the Board to consider other methods of collection. He opined that Proposition 218 does not allow the collection of user fees to fund a future benefit, such as a water supply project. (2) **Margaret Thum** expressed agreement with comments made by Kevin Stone. She described the proposed user fee as a tax and stated that if the Board pursues this issue, the District should be prepared for a legal challenge. (3) **George Riley**, representing Citizens for Public Water, spoke in support of the

14. **Consider Approval of Draft 2011 MPWMD Annual Report**

15. **Consider Adoption of April through June 2012 Quarterly Water Supply Strategy and Budget**

ACTION ITEMS

16. **Authorize General Manager to Serve on Monterey Peninsula Regional Water Authority Technical Advisory Committee (TAC)**

17. **Consider Authorization of Contract for Printing and Mailing of Proposition 218 Hearing Notice**

proposed user fee. He stated that if the District is not able to maintain a secure revenue stream, it cannot complete its mission to secure a water supply.

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

INFORMATIONAL ITEMS/STAFF REPORTS

- 18. Letters Received**
- 19. Committee Reports**
- 20. Carmel River Fishery Report for February**
- 21. Water Conservation Program Report**
- 22. Monthly Allocation Report**
- 23. Monthly Water Supply and California American Water Production Report**

The meeting was adjourned at 8:20 pm.

ADJOURNMENT

Arlene M. Tavani, Deputy District Secretary