

**EXHIBIT 13-A**

**PRELIMINARY DRAFT**

**October 10, 2012**

**ORDINANCE NO. 155**

**AN ORDINANCE OF THE BOARD OF DIRECTORS OF THE  
MONTEREY PENINSULA WATER MANAGEMENT DISTRICT  
MODIFYING THE DEFINITION OF REDEVELOPMENT PROJECT**

**FINDINGS**

1. The Water Management District is charged under the Monterey Peninsula Water Management District Law with the integrated management of the ground and surface water resources in the Monterey Peninsula area.
2. The Water Management District has general and specific power to cause and implement water conservation activities as set forth in Sections 325 and 328 of the Monterey Peninsula Water Management District Law.
3. District Regulations, set forth at Rule 25.5, allow Water Use Credits to be created, but limit their use on the originating site to a term not to exceed ten (10) years. Rule 25.5 was originally added to the District Rules and Regulations by Ordinance No. 60 (6/15/92) and was thereafter amended by Ordinance No. 64 (10/05/92) and by Ordinance No. 71 (12/20/93).
4. Ordinance No. 121, adopted on August 15, 2005, modified District Rule 25.5 to extend the expiration limit when a Water Use Credit was associated with a Redevelopment Project Site pursuant to California's Community Redevelopment Law.
5. Ordinance No. 121 was enacted to facilitate Redevelopment Project planning and implementation. Redevelopment Project approval, land acquisition and financing processes were often complex, and the time required to implement a Redevelopment Project often exceeded the ten (10) year limit set forth in Rule 25.5. A Jurisdiction undertaking a Redevelopment Project facing such limits had to transfer the Water Use Credit (pursuant to Rule 28) to its Allocation in order to enable re-use on the affected site. This mechanism was cumbersome and afforded no practical advantage.
6. Assembly Bill (AB) 1X 26 abolished redevelopment agencies as of February 1, 2012, and set up a mechanism to shift the redevelopment taxes back to the cities, counties, schools and others.

*34172. (a) (1) All redevelopment agencies and redevelopment agency components of community development agencies created under Part 1 (commencing with Section 33000), Part 1.5 (commencing with Section 34000), Part 1.6 (commencing with Section 34050), and Part 1.7 (commencing with Section 34100) that were in existence on the effective date of this part are hereby dissolved and shall no longer exist as a public body, corporate or politic.”*

7. On December 29, 2011, the California Supreme Court upheld AB 1X 26. The court gave local redevelopment agencies an extra four months (until February 1, 2012) to meet their obligations before being abolished.
8. As of February 1, 2012, “Redevelopment Project” under District Rule 11 no longer has meaning, because the agency undertaking such project, per H&S Code 33010, no longer exists as a public body pursuant to a California Supreme Court ruling.
9. Although the agency has been abolished, redevelopment of previously identified Sites continues to be a high priority by the Jurisdictions. There exist areas that constitute physical and economic liabilities, requiring redevelopment in the interest of the health, safety, and general welfare of the people of these communities.
10. The Cities of Monterey, Seaside and Sand City have Redevelopment Project Sites identified prior to AB 1X 26.
11. The Cities of Monterey and Seaside have Water Use Credits that will expire after ten years without adoption of the change proposed in this ordinance.
12. The amendment of the definition of Redevelopment Project to accommodate an extension of Water Use Credits at Redevelopment Project Sites identified prior to AB 1X 26 is consistent with the original intent of Ordinance No. 121, which was to facilitate Redevelopment Projects without going through the process of transferring Water Use Credits to a Jurisdiction.
13. This ordinance was processed under a Negative Declaration under the California Environmental Quality Act (CEQA).
14. This ordinance shall amend and republish the Rules and Regulations of the Water Management District.

NOW THEREFORE be it ordained as follows:

## ORDINANCE

### Section One:        Short Title

This ordinance shall be known as the **2012 Redevelopment Project Water Credit Ordinance** of the Monterey Peninsula Water Management District.

### Section Two:        Purpose

This ordinance amends the definition of Redevelopment Project to recognize the effect of Assembly Bill (AB) 1X 26 to abolish redevelopment agencies. The ordinance does not modify the original purpose, which was to allow the extension of on-site Water Use Credits for Redevelopment Project Sites designated pursuant to the former Community Redevelopment Law (California Health and Safety Code, section 33000, et seq.). The ten (10) year limit for such projects may be extended twice, in five (5) year increments, to afford a maximum period of twenty (20) years to use on-site Water Use Credits in connection with a Redevelopment Project, as that term is defined by MPWMD.

### Section Three:    Amendments to Rule 11

The definition of the term “Redevelopment Project” shall be amended as shown in *bold italic* type face, and deleted language shown in ~~strikeout~~ type face.

REDEVELOPMENT PROJECT *SITE* – “Redevelopment Project *Site*” shall mean *a any undertaking redevelopment Site identified as such on a map or survey prepared by the Jurisdiction prior to February 1, 2012* in accord with the ~~Community Redevelopment Law, found at California Health and Safety Code, section 33000, et seq.~~ This term shall be given the same meaning as the term “Redevelopment Project” set forth in section 33010 of that Code.

### Section Five:        Publication and Application

The provisions of this ordinance shall cause the republication and amendment of the permanent Rules and Regulations of the Monterey Peninsula Water Management District.

### Section Six:        Effective Date and Sunset

This ordinance shall take effect at 12:01 a.m. on the 30th day after it has been enacted on second reading.

This Ordinance shall not have a sunset date.

### Section Seven:        Severability

If any subdivision, paragraph, sentence, clause or phrase of this ordinance is, for any reason, held to be invalid or unenforceable by a court of competent jurisdiction, such invalidity shall not affect the validity or enforcement of the remaining portions of this ordinance, or of any other provisions of the Monterey Peninsula Water Management District Rules and Regulations. It is the District's express intent that each remaining portion would have been adopted irrespective of the fact that one or more subdivisions, paragraphs, sentences, clauses, or phrases be declared invalid or unenforceable.

On motion by Director Pendergrass, and second by Director Edwards, the foregoing ordinance is adopted upon this \_\_\_\_ day of \_\_\_\_\_, 2012 by the following vote:

AYES:

NAYS:

ABSENT:

I, David J. Stoldt, Secretary to the Board of Directors of the Monterey Peninsula Water Management District, hereby certify the foregoing is a full, true and correct copy of an ordinance duly adopted on the \_\_\_\_ day of \_\_\_\_\_ 2012.

Witness my hand and seal of the Board of Directors this \_\_\_\_ day of \_\_\_\_ 2012.

\_\_\_\_\_  
David J. Stoldt, Secretary to the Board

U:\staff\Boardpacket\2012\20121015\PubHmg\13\item13\_exh13a.docx