

FINAL MINUTES
Record of Action and Discussion
March 31, 2011 Special Meeting/Goal Setting Workshop
Board of Directors
Monterey Peninsula Water Management District

CALL TO ORDER/ROLL CALL

The meeting was called to order at 7:00 pm in the MPWMD conference room.

Directors present: Chair, Robert S. Brower, Sr., -- Division 5
 Vice Chair, Dave Potter, -- Monterey County Board of Supervisors (arrived
 following roll-call)
 Vacant – Division 1
 Judi Lehman – Division 2
 Kristi Markey – Division 3
 Regina Doyle – Division 4
 David Pendergrass – Mayoral Representative

PLEDGE OF ALLEGIANCE

The assembly recited the Pledge of Allegiance.

PUBLIC COMMENT

The following comments were directed to the Board during the public comment period. (1) **Brent Constantz**, representing Deep Water Desal, provided an update on development of a seawater desalination project at Moss Landing. He invited the District to consider taking part in formation of a joint powers authority (JPA) to develop a desalination project in Moss Landing. The intake and outfall would be near the end of Sandholdt Pier (to be rebuilt). The California State University at Monterey Bay is lead agency for preparation of an EIR on the project, and will also be a member of the JPA. Mr. Constantz stated that this would be a low risk, low cost project. (2) **Todd Norgaard**, Carmel Valley Association, urged the Board of Directors to develop an alternative to the Regional Water Project that could be constructed as a contingency in case the Regional Water Project is delayed. He volunteered the Association's participation on any citizens advisory committee the Board might form related to water project development. (3) **Dale Hekhuis** expressed support for the suggested goals and priorities outlined by Chair Brower. He stated that the Board should be prepared to respond to two questions: why is a water project needed now that the Regional Water Project has been approved, and how would a project be financed.

CONSENT CALENDAR

1. Approve MPWMD Response to 2010 Monterey County Grand Jury Report

On a motion by Director Markey and second of Director Potter, staff was directed to modify the text stating that the District supports the recommendations outlined in the report, but the District is not a party to the financing agreement for the Regional Water Project. The revised letter should be circulated to the directors for comment, prior to submission to the Grand Jury. The motion was approved unanimously on a vote of 6 – 0.

2. **Authorize Agreement with California American Water for Reimbursement of Carmel River Mitigation**

This item was deferred for discussion following the Board closed session that evening. Following the closed session, David Laredo reported that there was no need to take action on this item, as the letter dated March 30, 2011 from California American Water Company expressed Cal-Am's intent to extend the termination date of the reimbursement agreement for mitigation and ASR expenses from April 6, 2011 to May 23, 2011.

DISCUSSION ITEMS

Chair's Suggested Goals and Priorities for 2011

Welcome, Purpose of the Workshop, Introduction of the Facilitator: Chair Brower reviewed the list of goals. He emphasized the need for the District to retain a public information officer, and to develop alternate proposals to the Regional Water Project, as a contingency in case construction of the Regional Water Project is delayed. He introduced Les White, of Avery & Associates, facilitator for the meeting.

Role of the Facilitator and Workshop Process: Les White greeted the Board and described the format for the meeting.

Review of Chair's Suggested Goals and Priorities for 2011

Goal One: Improve visibility of MPWMD and its accomplishments

Summary: Not unanimous consensus that there is a need to focus on public outreach. No agreement on the option to hire a staff person or a consultant. Concerns expressed about the cost to retain a professional to conduct public outreach, and that the public may be critical of this as a self-aggrandizing effort by the District.

Record of Comments

1. A full or part-time staff person, or consultant is needed to plan and conduct the public outreach program. Must decide which staff person the public outreach professional will report to.
2. There is a need to reduce the time needed to develop and approve public information materials for distribution. At this time the District cannot respond to new issues without Board review. Communication to the public must be quick, accurate and reflect the consensus of the Board.
3. Prefer option of hiring a staff person to conduct public outreach program. Important that the District's message be distilled down to simple statements. Committee members and staff are too close to the issues. Cost is a concern.
4. Public information professional could help the District overcome stigma from the past. Important to use the past achievements of the District (water projects developed but not approved by voters) to create a foundation for positive forward momentum.
5. Concerned that negative perception of the District cannot be changed. Urged caution due to public perception that public outreach is a move to increase the District's self-importance. Do not allow electioneering or election politics to influence a public outreach program. This may not be the appropriate time to hire a public outreach professional.

6. There will always be 40% of the population that support you, 40% that do not and 20% that are undecided. Do not dwell on the past but move forward with informing the public about what the District does now.
7. Focus on responding to questions from the public with facts prepared by a professional communicator. The Board could agree on a protocol and specific scenarios for responding to issues that arise, while maintaining a separation from the politics.
8. Support the concept, but not interested in jeopardizing existing employees in order to fund a new position. Cost is a concern. Proposed job description is a good, comprehensive.
9. The 2011-2012 budget is not yet developed, and questions exist about funding for the coming year. However, a plan should be developed and goals agreed upon so that when funds are available the Board can take action. This is not "puffery," but a means to advise the public about the District's projects including Water Project 1.
10. The District Engineer plans to retire and the position will not be filled, which would make funds available for a new staff person.

Goal Two: Identify and initiate three new projects that increase water supply in MPWMD service area

A. Develop local desalination facilities (Monterey)

Summary: Staff can prepare an analysis of the options, so that the full Board can schedule a discussion of the potential for development of local desalination facilities, with the goal to establish a contingency project, in the event that approvals for and construction of the Regional Desalination Project are delayed. The Board should discuss appropriate sites for the plant, including the Naval Postgraduate School site (priority site), and sources for funding a project.

1. Chair and General Manager have met with City of Monterey representatives regarding development of the Naval Postgraduate School site. The City of Monterey has no objections and will work with NPS on this. It will be an open ocean intake. The project is not planned to interfere with the regional project.
2. The District should pursue and complete this project. Should not conduct studies then abandon the project due to cost considerations or for other reasons, as has been done in the past.
3. In order to improve the District's image, this project must be developed with the understanding that it will not replace the Regional Water Project, rather, it will be additive to that project.
4. Disappointed that the concept of a desalination plant in the City of Sand City was not pursued. Would like to reactivate pursuit of Sand City sites.
5. Is it true that, as the City of Sand City maintains, if new wells were drilled in the Sand City area they would negatively affect performance of the existing extraction wells in Sand City?

6. Three sites in Sand City that have been considered for development of a desalination project are owned by: Oyster Point; City of Sand City; and Monterey Peninsula Regional Park District.
7. Can't comment on Monterey site. Request the Board authorize the committee to investigate utilization of existing lakes such as Laguna Grande, the Navy site and others.
8. Sand City will not allow any development to harm the aquifer. Owners of the proposed Sand City sites are not interested. You should work with willing parties, such as the City of Monterey.
9. The Regional Project will provide water to meet legal requirements. Are you willing to develop another project that will provide water for growth? Must decide how much water would be available from the project and how it will be funded.
10. Concerned about spending limited resources to pursue this project.
11. The Navy has considered building other types of projects at the proposed site, but it is difficult because the site is within the coastal zone.
12. Would be more supportive of subsurface intake wells, rather than controversial direct intake.
13. The Navy site does have issues with potential erosion.
14. Not a supporter of the Sand City options due to concerns expressed by the City of Sand and the District Engineer.
15. Investigations should not stop at Sand City, but should include Moss Landing such as the Desal America project, or the Deep Water Desal project which could also provide water for North Monterey County.
16. Any project we pursue should not be in conflict with Monterey County's General Plan, or the Regional Water Project.

B. Support Groundwater Replenishment Project (GRP)

All six directors expressed support for the project. Public outreach would be an important component of this project to educate the public about the replenishment process, and to address the social justice aspect that has been raised. It was suggested that the MPWMD should cooperate with Monterey Regional Water Pollution Control Agency (MRWPCA) on a pilot project. Further exploration of the financial requirements for the GRP is necessary. It may be appropriate to form a joint powers authority with MRWPCA. A question was raised about the possibility of increased stormwater reclamation from El Estero, Laguna Grande and Roberts lakes as a new source of water

C. Investigate Los Padres Reservoir Expansion

Summary: The Board needs to review a white paper on the proposed reservoir expansion so that it can discuss and make a determination as to whether or not to move forward. Should define benefit to the environment and rate payers.

1. This is a great opportunity to store up to 1,600 AF. Cal-Am has no interest in this, so the MPWMD should get this on the drawing board.
2. Cal-Am has been talking about removing the dam, so we should instigate talks with Cal-Am on increasing storage.
3. This idea should be brought before the Board for more discussion and study.
4. If this is supported by environmental groups that have an interest in the Carmel River, it would qualify for grant funding.
5. Need consensus of the Board before any action is taken.
6. Should consider the liability involved with ownership of the dam.
7. If the goal is to invest 80 million dollars into a project that will only benefit fish, we need to consider how the public would react to this. What benefit would the rate payers receive from this?
8. There is a benefit to the public if you can store additional water.
9. This should not be prioritized at this time. The Board can bring it forward for additional study. Don't be deterred due to perceived funding shortfall. If it is a good project, the Board will find the money.
10. The public is not aware that funds for San Clemente Dam Removal have been provided through grants. That money could have been spent to buttress the dam.
11. Concerned that removal of San Clemente Dam will cause demise of Cal-Am's 3,400 acre-feet of water rights.

Discuss Other Possible Goals and Priorities for 2011

Summary: There is consensus that water conservation should be a priority. There is an interest in discussing wastewater reuse in new developments, receiving information on Regional Water Project expenditures, and increased water storage in the Seaside Basin.

1. Request updates on Regional Water Project expenditures. Staff could contact the project partners to obtain the information and prepare an analysis.
2. Would like information on opportunities to increase water storage in the Seaside Basin.
3. Should discuss ways to increase opportunities for water conservation such as implementing a ban on lawns and more conservation in hospitality industry. Conservation should not be removed from our list of goals.
4. Support encouraging conservation, but do not support asking staff to do more than they are currently charged with.
5. Have we asked all jurisdictions to review landscape plans as a conservation measure?
6. Staff should develop an estimate of the potential for conservation savings in the District.

7. Should consider water reuse in new developments. Could require that wastewater in a new development be purified and applied to landscapes.

Receive Public Input

The following comments were directed to the Board during the public comment period. (1) **Tom Mancini** expressed support for reuse of recycled water, and urged the Board to proceed with caution to ensure recycled water can be injected safely into underground aquifers. (2) **George Riley** suggested that the Board should stabilize the District's funding source, such as through Proposition 218 bond issues. He stated that the public might support public ownership of the Los Padres Dam, which could be purchased through a bond measure. He also said that storage of recycled water in the Seaside Basin would protect against seawater intrusion, which outweighs the social justice issues raised about groundwater replenishment. (3) **Tod Norgaard** expressed concerns that raising Cal-Am's Tier 1 rates, could reduce water demand and funding for water supply projects.

SUMMARY AND CLOSING REMARKS

ADJOURN TO CLOSED SESSION

The Board adjourned to Closed Session at 8:55 pm.

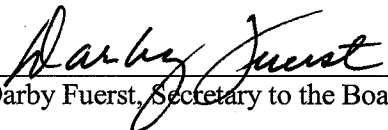
ADJOURN TO OPEN SESSION

Report on Closed Session of the Board

District Counsel reported that there was a discussion of all items, but no reportable action was taken. He also noted that no action was needed on Consent Calendar Item 2 (refer to record of action taken on Consent Calendar items 1 and 2.)

ADJOURNMENT

The meeting was adjourned at 9:25 pm.


Darby Fuerst, Secretary to the Board