

FINAL MINUTES
Regular Meeting
Board of Directors
Monterey Peninsula Water Management District
May 16, 2011

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

Directors Present:

Robert S. Brower, Sr., Chair -- Division 5
Brenda Lewis -- Division 1
Judi Lehman -- Division 2
Kristi Markey -- Division 3
Regina Doyle -- Division 4
David Pendergrass -- Mayoral Representative

Directors Absent: Dave Potter, Vice Chair -- Monterey County Board of Supervisors

General Manager present: Darby Fuerst

District Counsel present: David Laredo

The assembly recited the Pledge of Allegiance.

The Oath of Office was administered to Brenda Lewis.

The following comments were directed to the Board during Oral Communications. (1) **Dale Hekhuis**, former MPWMD Director, thanked Darby Fuerst and Kristi Markey for their recent remarks regarding water project development by the District. (2) **Alvin Edwards**, former Division 1 Director, congratulated Brenda Lewis on her election to the MPWMD Board of Directors.

On a motion by Director Doyle and second of Director Lehman, the Consent Calendar was approved unanimously on a vote of 6 – 0. Directors Brower, Doyle, Lehman, Lewis, Markey and Pendergrass voted in favor of the motion. Director Potter was absent.

Approved.

Approved.

CALL TO ORDER/ROLL CALL

PLEDGE OF ALLEGIANCE

**ADMINISTER OATH OF OFFICE TO
BRENDA LEWIS, DIRECTOR DIVISION
1**

ORAL COMMUNICATIONS

CONSENT CALENDAR

1. **Consider Adoption of Minutes of the April 18, 2011 Regular Board Meeting**

2. **Consider Approval of California American Water Interim Reimbursement Agreement for the District Mitigation Program**

Approved.

Approved.

Approved.

Approved.

Approved.

Approved.

Chair Brower congratulated Mr. Bell, Mr. Osahan and Ms. Silva on their retirements and presented plaques to each of them. Ms. Silva was not present.

Mr. Anthony presented the report. A summary is on file at the District office and can be viewed on the District's website. In response to a question from the Board, Mr. Anthony stated that currently the company is focused on replacement of old water mains in the City of Seaside. Cal-Am has requested approval from the California Public Utilities Commission (CPUC) to fund repair of water mains in the area east of Carmel Valley Village.

Mr. Anthony reported that Cal-Am reviews and set meters for: (1) a new fire service; and (2) meter splits such as for an existing apartment building that will transition to separate meters for each unit. If the CDO does not provide clear direction on the specifics of a project, Cal-Am retains the application and takes no action on setting a water meter. The application will be held until the CPUC provides further clarification. In some circumstances, Cal-Am is not aware of a project because no new meter is needed such as when a bathroom is added under the MPWMD second bathroom ordinance. When the MPWMD issues a water permit for a remodel, the MPWMD provides the applicants' names and property addresses to Mr. Anthony and he forwards the information in a confidential report to the SWRCB for clarification. Mr. Anthony suggested that if someone anticipates development of a project, it would be best to call him at 831-646-3214 and discuss the details

3. **Consider Adoption of Resolution No. 2011-08 Calling an Election in Voter Divisions 3, 4 and 5 on November 8, 2011**
4. **Authorize Expenditure of Budgeted Funds for Water Service Connection to Water Project 1 Site from Marina Coast Water District**
5. **Consider Adoption of Findings of Denial – Consider Appeal of General Manager's Decision to Require a Water Permit for Two Showerheads Pursuant to District Rule 20, Permits Required – 951 Coral Drive, Pebble Beach (APN: 007-254-005)**
6. **Consider Authorization for Funding of Retrofits at San Carlos School (Private School)**
7. **Consider Authorization for Funding of Retrofits at Monterey Peninsula Unified School District Schools**
8. **Consider Approval of Third Quarter Fiscal Year 2010-11 Investment Report**

PRESENTATIONS

9. **Acknowledge Andrew Bell, Inder Osahan, and June Silva upon their Retirement from the MPWMD**
10. **Monthly Report from California American Water General Manager, Craig Anthony**
11. **Report from Craig Anthony on California American Water Plans for Implementation of Moratorium on Water Connections for New and Expanded Water Use**

as each project presents a unique situation.

During the public comment period on this item, Connie Kane asked if water would be available for addition of a new bathroom in a residence based on medical necessity. Mr. Anthony stated that the MPWMD second bathroom ordinance would allow installation of that bathroom.

Mr. Fuerst noted that when a water permit is issued, the recipient is advised by MPWMD staff that Cal-Am may not issue a water meter. He stated that areas served by the Pebble Beach Community Services District /Carmel Area Wastewater District reclamation project are not subject to the moratorium. Neither are properties served by the Sand City Desalination Project or the Seaside Municipal Water Company. The proposed Monterey Bay Shores Ecoresort project is exempt, as are subsystems in the Laguna Seca and Ryan Ranch areas that do not use water from the Carmel River. In areas subject to the moratorium, property owners can petition the SWRCB directly for authorization to receive a water permit.

Stephanie Pintar, Water Demand Manager, gave the presentation. A summary is on file at the District office and can be viewed on the District's website.

Henrietta Stern, Project Manager, presented the report. A summary is on file at the District office and can be viewed on the District's website. In response to a question from the Board, Darby Fuerst and Joe Oliver explained that by December 2011, total injection capacity of the Aquifer Storage and Recovery projects will be approximately 20 acre-feet per day. This includes two wells at the Water Project 1 site, with 3,000 gallons per minute yield, and one well at the Water Project 2 site with 1,750 gallons per minute yield. The District has applied for grant funding to complete a second well at the Water Project 2 site. However, improvements to Cal-Am distribution facilities must be completed in order to convey increased capacity from a second well at the Water Project 2 site. Craig Anthony of Cal-Am confirmed that the second well and infrastructure improvements are an important component of the proposed Regional Water Supply Project, which must undergo review by the California Coastal Commission before funding can be obtained and construction can begin.

Darby Fuerst, 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. Mr. Fuerst reported that for the period ending April 30, 2011, Cal-Am production from the Carmel River Basin was 360 acre-feet under the production target of 4,702 acre-feet established as a result of State Water Resources Control Board (SWRCB) Order 2009-0060. Production from the Coastal Subareas of the Seaside Basin was 200 acre-feet under the target of 720 acre-feet. Production from the Laguna Seca Subarea

12. Report from Darby Fuerst, General Manager on MPWMD Response to Implementation of Moratorium on Water Connections for New and Expanded Water Use

13. Water Conservation Program Report

14. Update on Development of Water Supply Project Alternatives Including Recycled Water

GENERAL MANAGER'S REPORT

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

was 73 acre-feet over the production target of 106 acre-feet established by the Seaside Groundwater Basin Adjudication. Production from the City of Sand City Desalination plant was 152 acre-feet, which was 23 acre-feet below the production target. Total Cal-Am production from the Monterey Peninsula Water Resources System was 6,304 acre-feet, which is 510 acre-feet below the target of 6,814 acre-feet.

District Counsel Laredo stated that he provided a status report to the Board on all five items listed on the agenda. General direction was provided to Counsel. No reportable action was taken.

In response to a question from the Board, Stephanie Pintar stated that the District has reviewed the Presidio of Monterey Master Plan and will comment. Also, District staff will follow up to determine if any action has been taken at the Presidio to change the practice of allowing water to run through the taps for a few seconds, due to contamination from old lead pipes. Director Lehman asked if any action had been taken on her previous request that the Board provide updates to the public on Regional Water Project expenditures. General Manager Fuerst responded that District staff is collecting the information, and that it may be appropriate for all Regional Water Project

ATTORNEY'S REPORT

16. Report on 5:30 pm Closed Session of the Board

3. Conference with Legal Counsel – Existing Litigation (Gov. Code 54956.9 (a))

- A. Application of California American Water Company to CPUC Application No.10-01-012 –Mitigation Cost Reimbursement
- B. MPWMD v. State Water Resources Control Board; Superior Court Case No. 1-10-CV-163328
- C. Sierra Club v. MPWMD, Security National Guaranty & California American Water, Real Parties (Superior Court Case No. M 108149)
- D. Application of California American Water Company to CPUC, Application No. 10-07-007 – General Rate Case
- E. Application of California American Water Company to CPUC, Application No. 10-09-018-San Clemente Dam Removal

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

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

expenditures to be placed on the updated Monterey Bay Regional Desalination Project website.

The matter was withdrawn per request of the applicant. General Manager Fuerst noted that the appeal application fee would be returned to the applicant.

Director Pendergrass offered a motion that was seconded by Director Markey to receive and confirm the Water Supply Forecast. The motion was approved unanimously on a vote of 6 – 0. Directors Brower, Doyle, Lehman, Lewis, Markey and Pendergrass voted in favor of the motion. Director Potter was absent. No comments were directed to the Board during the public comment period on this item.

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

The meeting was adjourned at 8:35 pm.

PUBLIC HEARINGS

18. Consider Appeal of General Manager's Decision to Deny a Lawn Removal Rebate Pursuant to District Rule 141-D, -- 1179 Waring Street, Seaside (APN: 012-401-082)

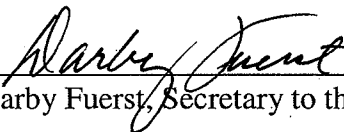
ACTION ITEMS

19. Receive and Confirm Water Supply Forecast for Period of May 1, 2011 through September 30, 2012

INFORMATIONAL ITEMS/STAFF REPORTS

20. Letters Received
21. Committee Reports
22. Carmel River Fishery Report for April 2011
23. Water Conservation Program Report
24. Monthly Allocation Report
25. Monthly California American Water Production Report
26. Monthly Water Supply Status Report

ADJOURNMENT



Darby Fuerst, Secretary to the Board