

FINAL MINUTES
Regular Meeting
Board of Directors
Monterey Peninsula Water Management District
November 21, 2011

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

CALL TO ORDER/ROLL CALL

Directors Present:

Robert S. Brower, Sr., Chair -- Division 5
Brenda Lewis – Division 1 (Participated by phone)
Kristi Markey – Division 3 (Arrived at 7:05 pm)
Regina Doyle – Division 4
David Pendergrass – Mayoral Representative
Dave Potter, Vice Chair – Monterey County Board of Supervisors

Directors Absent: Judi Lehman – Division 2

General Manager present: David J. Stoldt

District Counsel present: David Laredo

The assembly recited the Pledge of Allegiance.

PLEDGE OF ALLEGIANCE

The following persons addressed the Board during Oral Communications. **(1) George Riley** representing Citizens for Public Water requested that the District fast-track development of phases 3 and 4 of the Aquifer Storage and Recovery (ASR) project, to coincide with installation of a new pipeline by California American Water (Cal-Am) that will extend from the City of Pacific Grove to the City of Seaside and provide an improved delivery system for the water associated with expanded ASR. **(2) Ed Mitchell** presented a due-diligence analysis of the water supply project options presented at the October 26, 2011 water forum conducted by the City of Monterey. The analysis was comprised of: (a) a due diligence matrix that weighted 5 water projects based on seven factors, and (b) a due diligence comparison of the 5 water projects with expanded information, claims made by the project proponents and evaluator judgment. He requested that the District issue an RFI for competitors to provide the sub-factors needed to complete an analysis, and then select a program that is considered to have the best chance of success with manageable known risks. **(3) Helen Rucker**, resident of Seaside, urged the Board to conduct an analysis of all water project options that are proposed. She stated that local voters look to the MPWMD Board to analyze and select a solution that will benefit the community.

ORAL COMMUNICATIONS

On a motion by Director Potter and second by Director Pendergrass, the Consent Calendar was adopted unanimously on a vote of 6 - 0, with the exception of Item 8 that was pulled for separate action. Directors Potter, Pendergrass, Doyle, Markey, Brower and Lewis voted in favor of the motion. Director Lehman was absent.

CONSENT CALENDAR

Adopted.

1. **Consider Adoption of Minutes of the October 17, 2011 Regular Board Meeting**

Adopted.

2. **Expenditure of Reimbursable Funds to Purchase Water Conservation Equipment and Supplies**

Adopted.

3. **Expenditure of Budgeted Funds for Standard License Agreement with CoreLogic Information Solutions, Inc.**

Adopted.

4. **Expenditure of Budgeted Funds to Amend Contract with Pueblo Water Resources for FY 2011-12 Hydrogeologic and Engineering Services on Seaside Basin Aquifer Storage and Recovery Projects: (A) Water Project 1; (B) Water Project 2**

Adopted.

5. **Expenditure of Budgeted (Reimbursable) Funds to Contract for Preparation of the Seaside Basin Salt-Nutrient Management Plan as Part of Integrated Regional Water Management Plan for the Monterey Peninsula, Carmel Bay and Southern Monterey Bay**

Adopted.

6. **Authorization of Memorandum of Understanding for Water Loan for Aquifer Storage and Recovery Testing from Marina Coast Water District**

Adopted.

7. **Receive Notice of Appointment to Carmel River Advisory Committee**

Director Markey offered a motion that was seconded by Director Doyle, to defer this item to the December 12, 2011 Board meeting. The motion was adopted on a vote of 5 – 1. Directors Markey, Doyle, Brower, Pendergrass and Potter voted in favor of the motion. Director Lewis was opposed. Director Lehman was absent for the vote. Chair Brower requested that this issue be presented as an Action item at the December 12, 2011 Board meeting.

8. **Consider Adoption of Revised Meeting Rules Regarding Board Conference Attendance/Travel**

Adopted.

9. **Consider Adoption of Resolution No. 2011-13 Expressing Appreciation to Regina Doyle for her Service as Director, MPWMD Voter Division 4**

Chairperson Brower presented the Resolution of Appreciation to Director Doyle and thanked her for the time and effort she expended towards representing Division 4. Directors Markey and Potter commended Director Doyle for her hard work and support for water conservation measures. Director Doyle stated that she had a wonderful time working with the staff and directors during her term.

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

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 based on one month of data reflecting the first month of the water year, total production for the Cal-Am Water Distribution System was 151 acre-feet below the production target of 1,177 acre-feet. October rainfall was 233% of average, and unimpaired Carmel River flow in the same time period was 221% of average.

General Manager Stoldt provided a brief summary of the report presented as item 13 in the Board packet. He announced that the November 21, 2011 meeting of the Regional Desalination O&M Committee had been cancelled. Chair Brower requested that the MPWMD website be updated on the first day that aquifer storage and recovery operations begin, so that current information is available to the public on that project.

District Counsel reported that he provided status reports on all issues listed under items 3 and 4 on the Closed Session agenda. The Board provided general direction, but no reportable action was taken.

PRESENTATIONS

10. Present Resolution of Appreciation to Regina Doyle, Director Division 4

11. Water Conservation Program Report

GENERAL MANAGER'S REPORT

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

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

ATTORNEY'S REPORT

14. 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.10-012 – User Fee Collection
 - C. Application of California American Water to the CPUC (Application No. 04-09-019) Coastal Water Project

4. Conference with Real Property Negotiator (Gov. Code 54956.9)
Property: All or a portion of APN 417-051-004, APN 418-191-043, APN 418-191-005, APN 418-191-035, APN 418-191-034, APN 418-191-080
Negotiator: David J. Stoldt
Under: Price and terms of payment
Negotiation:

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

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

Chairperson Brower reported that he addressed the Carmel Valley Chamber of Commerce and provided an update on the status of the District's five water supply project alternatives.

Director Pendergrass offered a motion that was seconded by Director Potter, that the Board adopt the staff recommendation to: (a) reconfirm the "complete" letters; (b) instruct staff to proceed with processing the water distribution permits for Flores Well #1 and Pisenti Well #2; and (c) any potential changes to District procedures will be referred to the Rules and Regulations Review Committee and not be applied retroactively in this case. The motion was adopted on a vote of 4 – 2. Directors Pendergrass, Potter, Brower and Markey voted in favor of the motion. Directors Doyle and Lewis were opposed. Director Lehman was absent.

PUBLIC HEARINGS

16. Consider Appeal of General Manager Determination of "Complete" Applications for Flores (Well #1) and Pisenti (Well #2) Water Distribution Systems (Well #1: Application #20110401FLO on APN 103-071-002 at 564 Monhollan Road, Monterey; Well #2: Application #20110401PIS on APN 103-071-019 at 577 Monhollan Road, Monterey)

The following opening statements were presented. (1) **Molly Erickson**, attorney for the appellants David and Judy Beech, stated that her clients request that their well be tested in the manner prescribed by MPWMD regulations. She noted that the completeness letter for the Flores and Pisenti wells was issued after the Beech's initial appeal. She presented evidence as to why the Flores and Pisenti well tests should be redone and requested that the testing be based on actual recovery utilizing a procedure outlined in her presentation. A summary of Ms. Erickson's comments is available on the District's website and at the District office. Ms. Erickson requested an opportunity to respond to comments that would be made by staff. (2) **Paul Flores** stated that Mr. Beech refused to cooperate with him during the year on scheduling a well test, and has used the legal system and appeals to delay issuance of the water distribution system permit. He requested that the Board approve completeness of the applications. (3) **Aaron Bierman**, hydrologist for Flores and Pisenti, stated that results of well tests indicate that pumping at the Flores and Pisenti wells does not affect neighboring wells. He requested that

the Board approve completeness of the Flores and Pisenti applications. (4) **Molly Erickson** announced that Mr. and Mrs. Beech would modify their requested action by removing the words “or two-foot” from the request that the Flores /Pisenti Well #1 and #2 be retested as follows “95% or two-foot recovery.”

The following comments were presented during the public hearing on this item. (1) **George Riley** supported the request for a retest of the wells, due to the concern about the long-term viability of wells in fractured rock formations. (2) **Ed Mitchell** encouraged the Board to authorize a retest of the wells, and test for 95% recovery over a 6-day period. (3) **Aaron Bierman** noted that the Pisenti well was monitored over a 3-week period during the peak irrigation season of June, and there was no indication of connectivity with the Beech well.

No Action items were presented for Board consideration.

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

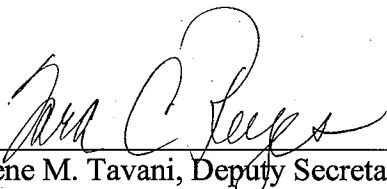
The meeting was adjourned at 9:05 pm.

ACTION ITEMS

INFORMATIONAL ITEMS/STAFF REPORTS

17. Letters Received
18. Committee Reports
19. Carmel River Fishery Report for October 2011
20. Water Conservation Program Report
21. Monthly Allocation Report
22. Monthly California American Water Production Report
23. Monthly Water Supply Status Report

ADJOURNMENT

for

Arlene M. Tavani, Deputy Secretary to the Board