



EXHIBIT 19-B

FINAL MINUTES Water Supply Planning Committee of the Monterey Peninsula Water Management District *February 15, 2012*

Call to Order

The meeting was called to order at 9:30 am in the District's conference room.

Committee members present: Bob Brower, Chair
Jeanne Byrne
David Pendergrass

Staff members present: David Stoldt, General Manager
Larry Hampson, Senior Water Resources Engineer
Joe Oliver, Water Resources Manager
Rachel Martinez, Community Relations Liaison
Arlene Tavani, Executive Assistant

District Counsel present: David Laredo

Comments from the Public

No comments.

Action Items

- 1. Adopt Minutes of August 8, 2011 and December 20, 2011 Committee Meetings**
On a motion by Pendergrass and second of Byrne, the minutes were adopted unanimously on a vote of 3 – 0.
- 2. Discussion and Recommendation of Committee Regarding Alternative User Fee Collection Mechanism**
On a motion by Byrne and second of Pendergrass, the committee voted unanimously to recommend that the Board of Directors authorize the General Manager to enter into an agreement for services with a consultant to prepare a rate study that will provide support for the Proposition 218 hearing process and provide public documentation and support for the allocation of certain District costs to parcels.

Discussion Items

- 3. Storage Potential in the Tularcitos Creek Sub-basin of the Carmel River Watershed**
The committee requested that staff bring this issue back to the next meeting for further discussion on the feasibility and cost to complete hydrologic studies of the Tularcitos Creek (TC) Sub-basin.

During the discussion on this item, Hampson presented maps of the TC Sub-basin in relation to the Carmel River Watershed. He noted that the TC sub-basin is outside of the MPWMD boundary. He explained that TC represents 20 percent of total Carmel River Watershed drainage, and contributes approximately 4 percent of annual flow into the watershed. Oliver explained that not much is known about the hydrology of the TC sub-basin. It has been determined that Santa Margarita Sandstone is in the area and might be appropriate for storage. In addition, there are alluvial sediments that might be useable for injection and storage that would also allow passive flow into the Carmel River. Oliver recommended that a reconnaissance-level hydrologic analysis be completed by a consultant, in order to determine the feasibility of aquifer storage in the TC sub-basin. Stoldt noted that if the Board determined that a feasibility study should be completed, Monterey County Water Resources Agency would be contacted about participation in funding the study.

4. Funding for Groundwater Replenishment Project and Time Line for Payment

There was consensus among the committee members that staff should develop an MOU with Monterey Regional Water Pollution Control Agency (MRWPCA) and California American Water (Cal-Am) for presentation to the committee and the Board. The plan is for MRWPCA to own and operate the wastewater reclamation facilities and be responsible for water quality. The District would purchase the treated water when injected, then sell the recovered water to Cal-Am. Stoldt stated that the funding concept is that costs for the project would be shared by the MRWPCA and the District. The District would obtain bond financing secured by the MPWMD alternative collection mechanism. A water sales agreement with Cal-Am would require a minimum amount of water to be purchased by Cal-Am each year, and the proceeds would cover the operating and maintenance costs and the debt. The District would recover only the cost to administer the payment.

5. Discuss Recent Meetings with California American Water Regarding Water Supply

Stoldt advised the committee that Cal-Am will submit a new water supply plan within 90 days that could include a Cal-Am owned desal plant, aquifer storage and recovery and groundwater replenishment. A public water forum will be conducted on March 14, 2012 and it is expected that Cal-Am will present its plan at that time. The committee members agreed that it would be good for Stoldt to organize a meeting with Cal-Am, Dave Potter and Mayor of Monterey Chuck Della Sala to discuss water supply planning prior to the March 14, 2012 meeting.

Progress Reports

6. Update on Water Projects 1 and 2, Aquifer Storage and Recovery (ASR) – Status of Injection Operations

Oliver reported that injection cannot begin until flow on the Carmel River meets requirements established in permits for the project. Work continues at the Phase 1 site on the electrical facilities building. The Regional Water Quality Control Board (RWQCB) determined that a separate permit from that agency is not needed to complete work at the Phase 2 site, and that this site can be covered under the RWQCB's existing regulatory authority of the Phase 1 site.

7. Update on Water Project 3, Local Desal within District Boundary

Stoldt reported that he and Hampson and Brower met with the commanding officer and staff of Naval Support Activity, Monterey to discuss an enhanced use lease of Navy property for the project. Coordination with the Navy and other federal government agencies could take several years. In order to begin the process, the Navy will need to prepare a white paper on the project and determine the appropriate process for entering into an agreement with MPWMD. If the District were to pursue this project, it will be important to obtain assistance and support from Leon Panetta and Sam Farr. The Navy would not sell property to MPWMD, but could offer to enter into a long-term lease.

8. Update on Monterra Ranch Pipeline Right-of-Way

No new information to report.

Suggestions from the Public on Water Supply Project Alternatives

No discussion.

Other Items

No discussion.

Set Date for Next Committee Meeting

The meeting was scheduled for March 13, 2012 at 10:30 am in the District conference room.

Adjournment

The meeting was adjourned at approximately 11 am.

U:\staff\Boardpacket\2012\20120319\InfoItems\19\item19_exh19b.docx