

EXHIBIT 12-A

ORDINANCE NO. 155 (Revised)

**AN ORDINANCE OF THE BOARD OF DIRECTORS OF THE
MONTEREY PENINSULA WATER MANAGEMENT DISTRICT
AMENDING THE DEFINITION OF REDEVELOPMENT PROJECT
AND AMENDING RULE 25.5-D**

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 26 (ABx1 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 ABx1 26. The court gave local redevelopment agencies an extra four months (until February 1, 2012) to meet their obligations before being abolished.
8. ABx1 26 amended Sections 33500, 33501, 33607.5, and 33607.7 of, and added Part 1.8 (commencing with Section 34161) and Part 1.85 (commencing with Section 34170) to Division 24 of, the Health and Safety Code, and added Sections 97.401 and 98.2 to the Revenue and Taxation Code, relating to redevelopment.
9. 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.
10. The Cities of Monterey, Seaside and Sand City have Redevelopment Projects that received a documented Water Use Credit prior to ABx1 26. Although the Cease and Desist Order (CDO) against California American Water (SWRCB Order WR 2009-0060) may preclude certain planned redevelopment projects from proceeding due to restrictions on water meters and changes in use, other projects that rely on a Water Use Credit may be able to proceed to construction during the CDO.
11. Redevelopment of previously identified Redevelopment Projects continues to be a high priority for 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. Several of these areas established Water Use Credit from demolition of blighted buildings prior to ABx1 26.
12. The amendment of the definition of Redevelopment Project 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 facilitates redevelopment that was contemplated by the Jurisdictions prior to ABx1 26.
14. This ordinance was processed with a Negative Declaration under the California Environmental Quality Act (CEQA).
15. 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 **2013 Redevelopment Project Water Use 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 x1 26 (AB 26) to abolish redevelopment agencies. The ordinance does not modify the original purpose of MPWMD Rule 25.5-D, which was adopted to allow an extension of on-site Water Use Credits for Redevelopment Projects designated pursuant to the former Community Redevelopment Law (California Health and Safety Code, section 33000, et seq.). The rule allows the ten (10) year limit for such projects to 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: **Amendment 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– “Redevelopment Project” shall mean any undertaking in accord with the ***rescinded*** Community Redevelopment Law, ***formerly*** 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 Four: **Amendment to Rule 25.5-D**

Rule 25.5-D shall be amended as shown in ***bold italic*** type face, and deleted language shown in ~~strikeout~~ type face.

- D. A Water Use Credit on a Redevelopment Project ***site that was documented prior to February 1, 2012,*** may, in addition to the time limits and in the manner set forth above, have its expiration date extended for two (2) additional periods of sixty (60) months each, to afford any such Redevelopment Project a maximum period of two hundred forty (240) months to use that credit.

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 adoption following 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 _____, 2013 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 _____ 2013.

Witness my hand and seal of the Board of Directors this ___ day of _____ 2013.

David J. Stoldt, Secretary to the Board